

AIR MARION, INC

Marion Municipal Airport

5904 South Western Ave. Marion, IN 46953

(765)674-7777 fax(765)677-3040

T-Hangar Lease Agreement

This T-Hangar Lease Agreement, made and entered into this _____ day of _____, 200__, by and between the Marion Board of Aviation Commissioners, Marion Municipal Airport (“LESSOR”) and _____ (“LESSEE”):

Witnesseth That:

1. Lease of T-Hangar. The LESSOR hereby leases to the LESSEE, and covenants to keep the LESSEE in quiet possession of, the following described premises, to wit:

Space located within the T-Hangar area (“T-Hangar Area”), Marion Municipal Airport (“Airport”), Grant County, Indiana designated as T-Hangar #_____, (The “Premises”) as shown on Exhibit solely as storage space for aircraft owned by or leased to the LESSEE and for no other purpose, subject to the conditions, limitations, and restrictions contained elsewhere in this Agreement. This following described aircraft is registered with the LESSOR, and authorized for storage in the Premises:

Make _____ Model _____ Reg # _____

If LESSEE disposes of the above registered aircraft and does not replace it within 120 days, this Agreement shall automatically terminate. If LESSEE purchases or leases and aircraft different than the one registered above, LESSEE shall notify the LESSOR within seven (7) days of such occurrence.

2. Term. The term of this Agreement shall be for a period of one (1) year, commencing _____, and ending _____, unless earlier terminated under the terms of this Agreement. Thereafter, this Agreement shall continue in effect from month-to-month, unless terminated under the terms of this Agreement. The LESSEE may terminate this Agreement at any time by giving thirty (30) days prior written notice to the LESSOR.

3. Payment. In consideration whereof, the LESSEE agrees to pay the LESSOR as monthly rent for the Premises, the sum of \$_____ in advance on or before the first day of each month. The amount of rent may be changed from time to time by the LESSOR following the initial one (1) year lease term or upon thirty (30) days prior written notice to LESSEE thereafter.

4. Use of Hangar. LESSEE agrees to take good care of the Premises and to return the same at the expiration of the term in as good order as received, ordinary wear and tear excepted. If destruction of the Premises, or any part thereof, proved to be without fault of the LESSEE shall occur during the term of this Agreement so as to make the Premises unfit for the purpose herein above mentioned, the LESSEE may surrender and cancel this Agreement.

LESSEE agrees that its use of the Premises shall be in conformity with the provisions of this paragraph and further agrees that, any other provision of this Agreement notwithstanding, in the event of

any violation of the provisions of this paragraph on the part of the LESSEE, the LESSOR shall have the right to cancel this Agreement forthwith and without notice.

a. The Premises are for the private use of the LESSEE and shall not be used for any commercial purpose, including but not by way of limitation, the sale of products or services of any kind, whether or not such sales are transacted for a profit.

b. LESSEE shall be allowed to perform preventative maintenance on its aircraft, registered for the hangar, of the kind and to the extent permitted by the Federal Aviation Administration Regulations.

c. LESSEE agrees that use of the Premises shall be in accordance with federal, state and local laws and regulations, including, but not limited to, those pertaining to fire and safety, as well as the Regulations of the LESSOR.

d. LESSEE's exclusive use is restricted to the Premises designated herein and does not apply to any ramp, apron or taxiway within the T-Hangar area. All such ramps, aprons, or taxiways within the T-Hangar area are common use areas available to all other users and tenants on the Airport. LESSEE agrees that LESSEE's aircraft shall not be parked or positioned in such common use areas so as to block, limit or restrict the use of the ramps, aprons or taxiways by other Airport tenants or users.

e. LESSEE may store parts and accessories for the aircraft registered for the Premises within the Premises; provided, however, storage of any parts, accessories, hulls, or incomplete aircraft, which are not manufactured for use on, or cannot be readily adapted for use on, an aircraft registered for the Premises shall be prohibited.

f. LESSEE may park an operable automobile within the T-Hangar, but only while the registered aircraft is in use, and subject to any Parking Rules and Regulations issued by the T-Hangar except in authorized parking lots.

g. LESSEE may store not more than five (5) gallons of flammable fluids, or reasonable amounts of aircraft lubricants, within the Premises, provided that any such storage shall be limited to NFPA approved containers, or unopened original cans.

h. LESSEE shall not use the Premises to store furniture, boats, hang gliders, utility trailers and all other objects foreign to the intended primary use of the Premises.

i. LESSEE will not be permitted to perform repair service on automobiles or automotive equipment of any kind, other than an authorized motorized towing vehicle from or at the Premises.

j. LESSEE shall not perform painting, or "doping" operations of any kind within the Premises and shall not install or use compressors for any purpose.

k. Subject to LESSOR's approval prior to installation and initial use, LESSEE shall be permitted to install and use approved space heaters and engine heater which have a combined maximum load of 9.8 amps or less. Space heaters shall not be used on a continual basis or while the aircraft is not in the Premises or while the LESSEE is not actually working in the Premises. The use of any other electrical devices, including additional lighting, or any additional electrical wiring, are prohibited in the Premises. It shall be the responsibility of the LESSEE to request and obtain LESSOR's approval of the installation and use of permitted devices and failure to do so may result in termination of this Agreement or other action deemed appropriate by LESSOR. In addition to any other remedy or action available to the LESSOR, the LESSOR shall have, and LESSEE hereby agrees that LESSOR shall have, the right to enter onto the

Premises and remove therefrom any and all space heaters, engine heaters, or any other electrical or heating device used in the Premises. The LESSOR shall not be held liable for any such loss or damage suffered by the LESSEE as a result of such action by the LESSOR unless such loss or damage results from negligence by the LESSOR, its officers, agents or employees.

l. Installation of furniture or appliances, other than those specifically permitted under other provisions of this Agreement, shall be prohibited. This prohibition shall include, but not be limited to, sleeping couches, cots, beds, hot plates, stoves and other cooking devices.

m. LESSEE shall not dispose of any waste oil on the LESSOR's property. Disposal of oil in drains, on the ground, or in any unapproved container shall result in immediate termination of this Agreement by the LESSOR.

5. Sub/Assignment. The Premises shall not be sublet, or the term in whole or in part, assigned, transferred or set over by the act of the LESSEE, by process or operation of law or in any other manner whatsoever. The parking of aircraft not owned or leased by LESSEE in the Premises shall constitute a sublease.

6. Signs. No signs, emblems, or advertising shall be placed or erected on the Premises herein demised, nor shall LESSEE make any alterations, changes or additions to the Premises.

7. Disclaimer of Liability. LESSOR hereby disclaims, and LESSEE hereby releases LESSOR from any and all liability, whether for any loss, damage or injury of any nature whatsoever sustained by LESSEE, its employees, agents or invitees during the term of this Agreement, including but not limited to loss, damage or injury to the aircraft or to other property of LESSEE that may be located or stored in the Hangar, unless such loss, damage or injury is caused by LESSOR's gross negligence. The parties hereby agree that under no circumstances shall LESSOR be liable for indirect, consequential, special or exemplary damages, whether in contract or tort (including strict liability and negligence), such as, but not limited to, loss of revenue or anticipated profits or other damage related to the leasing of the Hangar under this Agreement.

8. Indemnification. The LESSEE agrees to indemnify and save the LESSOR, its officers, agents and employees harmless from any liability, including, but not limited to, claims, judgments, fines, costs and attorney's fees, to persons or property resulting from or arising out of or in any way connected with the LESSEE's use or occupancy of the Premises. The Lessor shall not be liable for its failure to perform this Agreement or for any loss, injury, damage or delay of any nature whatsoever resulting therefrom caused by any act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war or any other cause beyond the LESSOR's control.

9. Default. Upon LESSEE's failure to pay any installment of rent when due, or in the event of LESSEE's neglect or failure to comply with the provisions of this Agreement, and if such neglect or failure shall continue for a period of fifteen (15) days, the LESSOR shall, at its option, have the right to terminate this Agreement and to remove the aircraft and any other property of LESSEE from the Premises, without being guilty of trespass, breach of peace or forcible entry and detainer, and LESSEE expressly waives the service of any notice. Exercise by the LESSOR of either or both of the rights specified above shall not prejudice the LESSOR's right to pursue any other remedy available to the LESSOR in law or equity.

10. Inspections. The LESSEE agrees that the LESSOR shall have the right to enter the Premises at any time for the purpose of making inspections thereof and to take such action and to make such repairs or alterations as are, in the sole opinion of the LESSOR, desirable or necessary, and to take such materials into or out of the Premises for the safe and economical accomplishment of said purposes without in any

way being deemed guilty of an actual or construction eviction of the LESSEE. Only locks provided by the LESSOR shall be used to secure exterior doors. All locks shall be returned to the Lessor at the conclusion of the Lease Agreement.

11. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Indiana.

12. Relationship of Parties. The relationship between the LESSOR and LESSEE shall always and only be that of lessor and lessee. LESSEE shall never at any time during the term of this Agreement become the agent of the LESSOR, and the LESSOR shall not be responsible for the acts or omissions of LESSEE or its agents.

13. Remedies Cumulative. The rights and remedies with respect to any of the terms and conditions of this Agreement shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies.

14. Notices. Notices to the Lessor provided for herein shall be in writing and shall be sufficient if sent by registered mail, postage prepaid, or hand delivered, addressed to the Marion Municipal, 5904 S. Western Ave, Marion, Indiana 46953, and notices to the LESSEE shall be in writing and shall be sufficient if sent registered mail, postage prepaid, or hand delivered, addressed to:

or to such other respective addresses as the parties may designate to each other in writing from time to time.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written at Marion, Indiana.

Marion Municipal Airport

LESSEE:

By: _____
President, Marion B.O.A.C.

By: _____
Title: _____