

LEASE AGREEMENT-PRIVATE/CORPORATE HANGAR

THE STATE of TEXAS,)
) KNOW ALL MEN BY THESE PRESENTS:
COUNTY of GILLESPIE)

1. This lease is entered into this ___ day of _____, 20XX, between the COUNTY OF GILLESPIE, TEXAS, hereinafter referred to as "Lessor" who is the owner of the Gillespie County Airport, hereinafter referred to as "Airport" and _____ (Sole Proprietor, Limited Liability Company (LLC), or other), hereinafter referred to as "Lessee" who covenant and agree as follows:

A. Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

B. Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land as stated herein;

2. In accordance with the terms, considerations, and privileges listed herein, Lessor and Lessee covenant and agree as follows:

A. Lessor does hereby demise, lease and grant unto the Lessee, the privilege of construction of a private/corporate hangar on the following described property:

1) _____ square feet of land (___ acres), more or less, situated at the airport in Gillespie County Texas, such _____ square feet of land, hereinafter referred to as "Land", being described on the site survey and legal description on Exhibit "A" (Attach the Survey w/field notes), attached hereto and made a part hereof by reference.

2) The _____ square feet includes the approximate _____' x 50' strip of land to be leased as an apron

which is described below.

- 3) Lessee agrees to construct a hangar of approximate dimensions of ' x ' feet within twelve (12) months of the date of signing of this lease. Lessee agrees to lease the land for an apron of approximately ' x 50' immediately in front of the proposed hangar main door, and a minimum of 5 feet on both sides and the back of the hangar in accordance with Minimum Operating Standards. At the expiration of this Lease Agreement or any extension thereof, the building and fixtures on the Land shall become property of the Lessor.
- B. Lessor agrees to provide the Land as is. Lessor provides no warranty on the condition of the existing land for construction purposes.
- C. Lessee agrees that it is Lessee's responsibility to establish water, sewer, electric and other services desired to the building at Lessee's expense. Lessee agrees that it is Lessee's responsibility to insure that building improvements do not encroach on the Building Restriction Line.
- D. Lessee agrees to assume all responsibility and expense for construction of facilities and infrastructure within the boundaries of the Land. Further, Lessee agrees to assume all responsibility and expense for construction of Access Roads, Taxi-Ways, and Aircraft parking aprons, whether within or beyond the boundaries of the Land, as may be necessary to provide access of Autos and Aircraft to Land and facilities. Automobile parking areas and Access Roads shall be constructed of crushed limestone base material with a wearing surface of either hot mix asphalt or two course surface treatment. Aircraft parking aprons and Taxi-Ways shall be in accordance with the Minimum Operating Standards, Appendix B.
- E. Lessee shall be responsible for costs of maintenance of Ramps and Pavements that are part of the leased land area. In practice, the Airport Sponsor, County of Gillespie, contracts for periodic pavement maintenance operations, in cooperation with TxDOT Aviation Division,

and the contract area may include Lessee's Ramps and Pavements. In this case, the County of Gillespie shall invoice Lessee for the prorata surface area of Lessee's Ramps and Pavements, in relation to the total surface area of the pavement maintenance contract, as the Lessee's portion of the total value of the maintenance contract.

F. Lessor and Lessee agree that this lease is non-exclusive and that Lessor shall have the right to lease other portions of the airport for other aviation service operations.

3. This Lease Agreement shall be for the term of thirty (30) years, commencing on the 1st day of _____, 20XX, and ending on the last day of _____, 20XX. Lessee shall be given the first option to renew such Lease Agreement upon the expiration hereof for an additional 10 year term on such conditions as may then be agreed upon by the parties hereto.
4. During the term of this lease the Lessee agrees to pay to the Lessor as consideration for the use of the Land leased to it hereunder and for the rights and privileges herein granted by the Lessor, the sum of \$_____ per month beginning on _____, 20XX and continuing on the first day of each month thereafter during the term of this lease. This consideration shall be adjusted annually for inflation using the change in the Consumer Price Index for the 12 month period ending on August 31st of each year. The effective date of each adjustment shall be the first day of October each year. For the purposes of this lease, the CPI shall be that index which is the Consumer Price index for All Urban Consumers (CPI_U) (1982-1984=100). All lease payments shall be paid as the same become due, without demand, in lawful currency of the United States of America made payable to the County of Gillespie, Texas by mail or delivery.
5. In the event Lessee fails to remit any payment when the same is due, a late charge of \$25.00 shall be charged by Lessor beginning on the tenth (10th) day after the date the payment is due. In the event Lessee shall become delinquent for more than thirty (30) days, this Lease Agreement may be terminated by Lessor as hereinafter set out.

6. Lessee agrees that he will at all times keep the premises of the Land reasonably clean and free of trash, litter, tall grass, weeds, junked automobiles, and non-salvageable aircraft parts.
7. Lessee shall abide by all applicable rules and recommendations of the Environmental Protection Agency, and the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, the County of Gillespie, Texas, and the City of Fredericksburg, Texas, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the Airport. Should Lessee fail to keep the leased Land clean and free of hazards, Lessor may, after thirty (30) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean-up shall be charged to Lessee and will be payable upon demand. Failure to render proper payment for such clean-up and/or general disregard of the considerations and restrictions listed in this Lease Agreement are grounds for Lessor to terminate this lease.
8. Taxes, Fees, and Insurance -- Lessee shall be liable for all taxes including ad valorem property taxes owed on the land or any improvements. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessee shall provide fire and extended coverage insurance for all Lessor and Lessee owned property located on the above leased premises under Lessee's policy which shall be for the benefit and protection of Lessor. Lessee should provide his own insurance coverage for any personal property in or on the Land. Lessee agrees to maintain public liability insurance for the premises naming Lessor as an additional insured in the amount of \$300,000.00 or more. In the event applicable law changes the liability limits concerning counties, the parties hereto agree to negotiate in good faith liability insurance in such changed amounts. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times. Any change in those certificates must have the prior written approval of Lessor.

9. Lessee agrees to indemnify the Lessor for all expense incurred by the Lessor as the result of claims arising out of Lessee's activities.
10. Lessee shall comply with approved Gillespie County Airport Rules and Regulations and Gillespie County Airport Development Policy. Lessee shall comply with approved Minimum Operating Standards established for Gillespie County Airport.
11. Lessee agrees that he will not operate any non-aviation related business or activity on/in the Land/Building site without the express written consent of Lessor. Any such non-aviation related business activity must be so established by separate contract. Non-aviation business shall be defined as such business not typically associated with the operation of an airport, aircraft and pilot support.
12. Lessor has, prior to the execution of this lease, approved the location, plans and specifications of the structure and related parking areas. Lessee accepts all responsibility and costs of approvals of City of Fredericksburg, Development Services Department, pursuant to Building Permits and City Inspections. Lessor agrees that no further approval of plans is required unless Lessee desires to make significant changes to the building exterior, change the structural nature of the building, or change the location of the building. In such case, Lessee shall obtain Lessor's prior written consent, which shall not be unreasonably withheld.
13. Lessee agrees that it is Lessee's responsibility to perform all repairs and alterations to the structure and improvements to insure that they are maintained in a useful state of repair and operation.
14. Lessee agrees not to make any additions or modifications to the Land/Building exterior unless agreed upon by both parties in writing. In the event of such consent, the Building and all improvements or modifications shall be made at the expense of Lessee and, at the expiration or any termination of this Lease Agreement and any extensions to this lease, shall become the property of Lessor, except in the event Lessor discontinues operation of the Airport prior to the termination of this Lease Agreement, in which case the parties agree to

negotiate in good faith for the purchase by Lessor of Building and improvements. Lessee also understands that Lessor is not obligated by this Lease Agreement to continue operating the Airport as an airport and may close the Airport at any time at its own discretion.

15. Without the prior written consent of Lessor, which consent shall not be unreasonably withheld, Lessee shall not sublease, assign, sell or transfer this Lease Agreement or any right hereunder to any person, corporation, association, or other entity, nor shall a majority share of stock in Lessee be sold or transferred in any way.
16. This Lease Agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and such default continues for thirty (30) days after the alleged defaulting party receives written notice from the other party of such alleged default. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance, uses the leased premises for illegal or unauthorized purposes, abandons or leaves the leased property vacant or unoccupied for 30 consecutive days or violates any of the terms and conditions of this Lease Agreement, Lessor has the right to terminate this Lease Agreement and retake possession of any leased premises leased to or under the control of Lessee.
17. At the termination of this Lease Agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any money owed to Lessor, and such default is not cured after 30 days written notice, Lessor may take possession of any property owned by Lessee and located at the leased premises and hold such until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any property seized, subject to disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.
18. Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of this Lease Agreement or any

use of the Airport or any part thereof or from any act of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee or Lessee's agents, servants, or employees.

19. Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the airport to at least the minimum standards of the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport.
20. Any person, corporation or institution that lends money to Lessee for construction of any hangar, structure, building or improvement and retains a security interest in the hangar, structure, building or improvement shall, upon default of Lessee's obligations to said mortgagee, have the right to enter upon the Premises and operate or manage the hangar, structure, building or improvement according to the terms of this Lease, for a period not to exceed the term of the mortgage with Lessee, or until the loan is paid in full, whichever comes first, but in no event longer than allowed under the terms and provisions of this Lease. It is expressly understood and agreed that the right of the mortgagee referred to herein is limited and restricted to those improvements constructed with funds borrowed from mortgagee and mortgagee shall have no rights under this lease greater than those granted to Lessee.
21. This Lease Agreement embraces the entire agreement of the parties mentioned herein pertaining to the Land and no statement, remark, agreement, or understanding, either oral or written, not contained or referred to herein shall be recognized or enforced as it pertains to the lease of the Land, except that this Lease Agreement may be modified by written addendum agreed to and signed by the parties and attached hereto.
22. This Lease Agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this Lease Agreement shall be in Gillespie County, Texas.

23. If any section, paragraph, sentence or phrase entered in this Lease Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this agreement and, to this end, the provisions of this Lease Agreement are declared to be severable.

24. This Lease Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

This Lease Agreement is performable in Gillespie County, Texas.

EXECUTED this _____ day of _____, 20XX.

LESSOR:

COUNTY OF GILLESPIE, TEXAS

By: _____
County Judge

LESSEE:

By: _____
Print Name