

NUECES COUNTY AIRPORT
HANGAR #1 COUNTY WILLIAMS HANGAR
LEASE AGREEMENT

STATE OF TEXAS

COUNTY OF NUECES

This lease is entered into this _____ day of _____, 20____, between NUECES COUNTY, TEXAS hereinafter referred to as "Lessor" and is the owner of the Nueces County Airport, hereinafter referred to as "Airport" located at 957 Wings Drive, Robstown, Texas 78380 and _____, acting herein by and through its duly authorized agent, hereinafter referred to as "Lessee."

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

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land/hangar/building/office as stated herein;

NOW THEREFORE, in accordance with the terms, considerations, and privileges listed herein, Lessor and Lessee covenant and agree as follows:

SECTION 1. LEASED AREA

A. Hangar #1 (County Williams Hangar) – Lessor does hereby lease to Lessee Hangar, more particularly described as follows:

County owns a 5,229 square foot hangar #1 ("County Williams Hangar") building and includes an adjacent 200 square foot portable building.

And as shown on the attached exhibits A1 and A2 which is attached hereto and incorporated herein, all hereinafter referred to as the "Hangar #1" and located on the Airport.

SECTION 2. TERM

A. This lease shall commence on the ___ day of _____, 2014 and, unless earlier terminated according to the terms hereof, shall terminate on _____, 2017. The term of the lease is for a three (3) year period, with an option to extend the lease term for an additional two (2) year period with one hundred-twenty (120) days prior written notice of Lessee's interest in exercising the option to extend. Said rent is payable in monthly installments. Lessor at its election may renew lease, which shall be upon mutual and written agreement of the parties.

B. Lessee agrees and acknowledges that the lease and the demised premises is subject to all existing easements and restrictions affecting the occupation and use thereof, and subject to all statutes, ordinances, commissioners court order(s)

and rules and regulations of competent governmental authority affecting the occupancy and use thereof, in force now and subsequently during the term of this lease and any renewals of this lease.

SECTION 3. CONSIDERATION

- A. In consideration for the lease of the Hangar referenced herein, Lessee hereby agrees to pay monthly the sum of \$_____. The first month's payment is to be made in advance and shall be prorated for any partial month. Thereafter, all future payments shall be made on or before the first working day of the month due for the term of this contract plus any extensions thereto.
- B. All lease fees shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to Nueces County and sent by mail or delivery to the Nueces County Airport Manager, 957 Wings Drive, Robstown TX., 78380.
- C. In the event Lessee fails to remit any payments when the same are due, interest at the rate of \$25.00 per day shall be charged by Lessor beginning on the tenth (10th) day after the date the payment is due and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more than thirty (30) days, this lease may be terminated by Lessor as further defined in Section 14 – Cancellation - Termination.
- D. Lessee agrees that he will at all times keep the premises of the Hangar, including the inside and the outside of the Hangar, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and recommendations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Bidder further agrees to abide by the manufacturer's direction 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 Hangar clean and free of hazards, County may, after ten (10) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean up shall be charged to Lessee and 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 County to terminate this lease. Lessee expressly understands and agrees that Nueces County employees may enter the Airport hangars from time to time to inspect the premises or for such other purpose as the Airport Manager may deem necessary and/or appropriate.
- E. Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall County be liable for or be required to pay tax or fee owed by Lessee. County shall provide insurance for all County

owned real property located at the Airport under County's policy which shall be for the sole benefit and protection of County. Lessee should provide his own insurance coverage for any personal property located in or on the Hangar.

- F. Lessee agrees to abide by the Rules and Regulations (Exhibit B) for the Nueces County Airport as adopted by the Nueces County Commissioners Court and any subsequent amendment thereof. In addition, Lessee agrees to complete an "Aircraft Registration" form to be provided by County and provide identifying documentation to include current and valid driver's license, pilot license, and all other documents as necessary.
- G. Fenced in area surrounding hangar is **not** to be considered a part of this lease. Fenced in area will be removed as part of future fencing project.
- H. Lessee must pay for charges for electricity incurred at Lessee's premises during the lease term; as such charges become due and payable to the vendor directly. Lessee shall be responsible for contacting electricity service provider and establishing their own account for service and billing.
- I. Lessee has a non-exclusive right to use the public areas and public airport facilities including the runways, taxiways, aprons, ramps and navigational aids, and facilities, in accordance with the applicable laws, rules, and regulations of the United States of America and the State of Texas, and in accordance with all reasonable and applicable rules, regulations, and orders of the Lessor.
- J. Lessee acknowledges that it has inspected the premises and accepts the premises in its present physical condition.

The Lessee understands that the Lessor has the right at any time to enter and inspect the premises for any purpose, including without limitation to inspect the condition and cleanliness of the premises, and Lessee's compliance with the terms of this Lease. The Lessee shall provide a copy of the key to the premises to the Nueces County Airport Manager, which shall be maintained in a secure location.

SECTION 4. PERMITTED USE

- A. Lessee agrees the leased Hangar may be used for any noncommercial aeronautical activity which must be made known to and agreed upon by Lessor and for no other purposes.
- B. Lessee may park his and/or his passenger's privately owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.
- C. Lessee may store aviation oil inside the Hangar for use in his aircraft so long, and only so long, as such oil and/or fuel are contained in marked, approved containers. Such storage will be at the discretion of and with written approval from the local fire marshal if such storage is allowed under local fire codes.

SECTION 5. RESTRICTED USE

- A. Lessee agrees that the usage of the Hangar plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. **No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Hangar except in approved automobile parking areas and as agreed upon by Lessor.**
- B. Lessee agrees that he will not conduct any commercial activity such as pilot instruction, aerial spraying, charter flights, air taxi, sightseeing, aerial photography, aircraft engine or airframe repair, avionics repair, or any other at the Airport without the written consent of Lessor. Any such approved commercial operation must be in accordance with a separate contract agreement with Lessor.
- C. Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Hangar except as authorized in Section 4.C (Permitted Use) without the written consent of Lessor.
- D. Lessee agrees not to fuel or defuel any aircraft parked inside the Hangar.
- E. Lessee agrees not to make any additions or modifications to the Hangar unless agreed upon by both parties in writing. In the event of such consent, all improvements or modifications shall be made at the expense of Lessee and, at the expiration of this Lease and any extensions to this lease, shall become the property of County.
- F. Lessee agrees that he will not operate any nonaviation related business or activity on/in the Hangar without the expressed written consent of Lessor. Any such nonaviation related business or activity must be so established by a separate contract.
- G. Lessee agrees to have a sufficient number of fire extinguishers of acceptable size as determined by the local fire marshal inside the Hangar. Such fire extinguisher(s) shall be readily accessible in the event of a fire.

SECTION 6. SUBLEASE, ASSIGNMENT, OR SALE

- A. Except as explicitly set forth in this Section 6, Lessee shall not assign, sublet, sell, convey, transfer, mortgage, or pledge this Lease or any part thereof without the prior written consent of the Nueces County Commissioners Court. Any restrictions, which form a part of any written consent granted, must be incorporated into a written instrument and form a part of this Lease. The Commissioners Court may in its sole discretion, withhold its consent, which consent will not be unreasonably withheld. If consent is given under this section, an amendment will be effectuated and the parties shall proceed pursuant to Section 7 (Right to Amend) below.

- B. If Lessee merges, consolidates, acquires, affiliates, or associates with any other person, company, corporation or other entity, or in any manner whatsoever either is bought out or buys out another person, company, corporation or other entity, and such merger, consolidation, affiliation or association results in a change of control or management of the operations authorized herein, then in that event, such merger, consolidation, affiliation, or association will be considered by the County as an Assignment of this Lease by Lessee, which requires the written approval of the County and any such merger, consolidation, affiliation or association without such consent is a violation of this Lease, and subjects this Lease to termination as provided by this Lease.

SECTION 7. RIGHT TO AMEND

- A. If the FAA or Texas Department of Transportation (TxDOT), or their successors, require modifications or changes in this Lease as a condition precedent to granting funds for Airport improvements, Lessee agrees to consent to the amendments, modifications, or changes of this Lease as may be reasonably required to obtain the funds; provided, however, that Lessee will not be required to pay increased rent or change the use of the Premises or accept a relocation or reduction in size on the Premises until Lessee and the County have met to renegotiate in good faith any terms or conditions of this Lease affected by such actions.
- B. This Lease may be amended only in writing signed by both parties, and approved by the governing body at a noticed Commissioners Court meeting.

SECTION 8. SUBORDINATION OF U.S./FAA AND STATE OF TEXAS REQUIREMENTS

- A. This Lease is subordinate to the provisions of any existing or future agreement between County and the United States or the State of Texas relating to operating or maintaining the Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds or state funds for the development of the Airport.

SECTION 9. IMPROVEMENTS

- A. **Construction of Improvements.** Lessee may make improvements to leased space. Prior to construction of an improvement on the Premises, Lessee must submit plans and specifications to the Airport Manager for review and approval with respect to the general appearance, safety, type of construction proposed, life cycle, and value, and upon approval, Lessee, at its own expense, shall obtain all licenses and permits required by reason of any maintenance, repairs, construction on, or use of the Premises.

Lessee agrees that upon the termination of this Lease, ownership of such improvements shall automatically vest in the County, free and clear of all liens,

leases and other encumbrances, and adverse interests in the Premises and/or the improvements thereon.

The cost of developing all plans and specifications as provided herein and the construction of improvements and facilities upon Premises must be borne solely by Lessee and at no expense to County whatsoever.

All plans and specifications referred to above and all renovations, remodeling, refurbishing and construction to or upon the Premises must meet all applicable federal, state, and local fire and building code requirement, including building permits, and provide for construction from material satisfactory to and acceptable by the County. During the progress of all work, County's duly authorized representative may enter upon the Premises and make such inspection as may be reasonably necessary for the purpose of satisfying the County that the work or construction meets such requirements and standards.

During the term of this Lease, Lessee shall (subject to the other terms and conditions of this Lease), have the continuing right to remodel, renovate and refurbish the leased Premises and any improvements and facilities thereon, or any part thereof provided approval has first been obtained from the Airport Manager.

- B. **Alterations.** Lessee must not make an alteration or install any fixtures, furniture and other items of personal property, which would cause material damage to the Premises when removed, without the Lessor's prior written approval. If the Premises are damaged by such removal, the Premises must be immediately repaired by Lessee.
- C. **Construction Indemnity.** Lessee, its assignees and sublessees, must include in all construction contracts entered into, a provision requiring the contractor, or, in the alternative, Lessee, to indemnify, hold harmless, defend and insure the County, including its officers, agents, and employees, against the risk of legal liability for death, injury or damage to persons or property, direct or consequential, arising or alleged to arise out of, or in connection with, the performance of any or all of such construction work, whether the claims and demands made are just or unjust, unless same are caused by the gross negligence or willful act of the County, its officers, agents, or employees. Lessee must furnish, or require the Contractor to furnish, insurance, as required in Section 21 (Indemnification and Liability) herein.

SECTION 10. REPAIRS, MAINTENANCE AND SECURITY

- A. Lessee, at its own expense, shall make any and all repairs and replacements necessary to **keep** the Premises in a first class condition and shall make any and all repairs and replacements necessary to remedy defects of a structural nature. Lessee shall keep the Premises of the Hangar, including the inside and the outside of the Hangar, clean and free of trash, litter, tall grass, weeds, junked

automobiles, and scrap aircraft parts at all times. The Lessor will maintain areas outside the Premises unless damaged by the Lessee, its employees or guests. Lessee, at its own expense, shall repair any and all damage caused to real and/or personal property of Lessor occurring on the Premises or elsewhere on the Airport as the result of the willful or negligent acts or omissions of Lessee, its employees or agents, and not as the result of acts or omissions of Lessor, its employees or agents.

- B. Lessee must utilize the alarm system provided by the Lessor. If the alarm system becomes inoperable, the Lessee shall notify the Airport Manager within ten (10) days of the date Lessee discovered the problem.

SECTION 11. ACCESS TO THE AIRCRAFT OPERATING AREA (AOA)

- A. Lessee must comply with all present and future laws, rules, regulations, or orders promulgated by the Lessor, the Airport, or the Federal Aviation Administration (FAA), or other governmental agencies to protect the security and integrity of the Aircraft Operating Area (AOA), which includes but is not limited to the runway, and to protect against access to the AOA by unauthorized persons.

SECTION 12. HAZARDOUS SUBSTANCES

- A. Lessee shall abide by all applicable rules and recommendations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the National Pollutant Discharge Elimination System Permits, the Texas Department of Transportation, and any other public agency concerning the use, storage, generation, treatment, transportation, and/or disposal of hazardous chemicals, fuel, and/or oil or regulated substances. Lessee must not knowingly use, store, generate, treat, transport, or dispose of any hazardous or regulated substances or waste on or near the Airport without the Airport Manager's prior written approval and without first obtaining all required permits and approvals from all authorities having jurisdiction over Lessee's operations on or near the Airport. Lessee further agrees to abide by the manufacturer's direction 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 Hangar clean and free of hazards, Lessor may, after ten (10) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean up shall be charged to Lessee and 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. Lessee expressly understands and agrees that Nueces County employees may enter the Airport hangars from time to time to inspect the premises or for such other purpose as the Airport Manager may deem necessary and/or appropriate.
- B. If Lessee determines that a threat to the environment, including but not limited to a release, discharge, spill, or deposit of a hazardous or regulated substance, has occurred or is occurring which affects or threatens to affect the Airport, or the

persons, structures, equipment, or other property thereon, Lessee must immediately verbally notify the Airport Manager and all emergency response centers and environmental or regulatory agencies, as required by law or regulation. Lessee must provide the Airport Manager with written confirmation of the verbal report within seventy-two (72) hours. Lessee agrees to cooperate fully with the Airport staff in promptly responding to, reporting, and remedying a threat to the environment, including without limitation a release or threat of release of hazardous or regulated substance into the drainage systems, soils, ground water, waters, or atmosphere, in accordance with applicable law or as authorized or approved by any federal, state, or local agency having authority over environmental matters.

- C. Lessee must undertake all required remediation and pay all costs associated with Lessee's action or inaction that directly or indirectly causes the Airport to fail to materially conform to all then applicable environmental laws, rules, regulations, orders, or permits. The rights and obligations set forth in this **Section 12** survive termination of this Lease.

SECTION 13. NONDISCRIMINATION

- A. **Nondiscrimination-general.** Lessee for itself, its personal representatives, successors in interest, agents and assigns, as a part of the consideration hereof, covenants that: (1) no person, on the grounds of race, creed, color, religion, sex, age, national origin, handicap, or political belief or affiliation, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Premises; (2) in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon; and further, that no person, on the grounds of race, color, religion, sex, age, national origin, handicap or political belief or affiliation, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and that (3) Lessee will use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, as amended, and with other applicable state or federal laws or regulations, as amended.
- B. **Remedy for breach.** If Lessee breaches a non-discrimination covenant, termination of the lease, Lessor will be entitled to immediately declare this Lease terminated, and may immediately, without notice, re-enter and take possession of the Premises. The Premises and all Lessees' interest therein shall thereupon revert to the County and its assigns. This provision shall be subject to Lessor's obligation to follow and/or invoke the procedures of Title 49, Code of Federal Regulations, and Part 21, including exercise or expiration of appeal rights.

SECTION 14. CANCELLATION - TERMINATION

A. **Cancellation by Lessee.** Without limiting any other rights and remedies to which Lessee may be entitled by common law, statutory law, or as elsewhere provided in this Lease, this Lease may be canceled by Lessee at any time after the happening, and during the existence, of one or more of the following events:

- 1). The permanent abandonment of the Airport by Lessor;
- 2). The issuance by any court of competent jurisdiction of an injunction that prevents or restrains the use of the Airport, that continues for at least one hundred fifty (150) days; or
- 3). Failure of the Airport to repair and reconstruct the Premises if the Premises are completely destroyed.

B. **Termination by the County.** Without limiting any other rights and remedies to which the County may be entitled at common law, statutory law, or as elsewhere provided in this Lease, this Lease may be terminated by the County if Lessee:

- 1). Is in arrears in paying a part of the rent, fees, or charge for ten (10) business days ("business" days are Monday through Friday), or such other time as may be provided herein. The ten (10) business days commence on written notice from the Airport Manager to Lessee of the default.
- 2). Makes a general assignment for the benefit of creditors.
- 3). Defaults on indebtedness to any Lender with a security interest on any of Lessee's personal property at the Premises.
- 4). Should Lessee be declared bankrupt, incompetent, or become deceased, this contract agreement shall immediately terminate and shall not be considered as part of Lessee's estate and shall not become an asset of any appointed or assigned guardian, trustee, or receiver. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance or bond, uses the Airport property for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the leased property vacant or unoccupied for thirty (30) consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee without any legal proceedings.
- 5). Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Hangar would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.

- 6). This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract, except as contained in paragraph 14.D. hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumes or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.
- 7). At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport 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 personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

C. **Lessor's Right of Entry Upon Termination.** If Lessor terminates the Lease or if Lessee abandons the Premises, the Lessor may enter upon the Premises.

- 1). If Lessee defaults under the specified terms of this Lease, the Lessor may take immediate possession of the Premises, including any and all improvements therein, and remove the Lessee's property. **In the case of such a re-entry, the Lessee shall indemnify the Lessor for all loss and damage which the Lessor may suffer during the remainder of the term of the lease or any extension thereof by reason of such cancellation, including but not limited to loss or decrease of rent.**
- 2). In the event of termination for default the Lessee hereby irrevocably appoints the Airport Manager its agent to remove any and all persons or property from the Premises and place any property in storage for the account of and at expense of Lessee. **All property on the Premises is hereby subjected to a contractual landlord's lien to secure payment of delinquent rent and other sums due and unpaid under this Lease, any and all exemption laws are hereby expressly waived in favor of such landlord's lien; and it is agreed that such landlord's lien is not a waiver of any statutory or other lien given or which may be given to the County but is in addition thereto.**
- 3). Lessee shall provide and Lessor shall maintain a key with which to unlock the leased Premises. Lessor shall have the right to use any means that Lessor may deem proper to open doors in an emergency to obtain entry to the leased Premises. Any entry to the Premises obtained by Lessor for any of the above-stated purposes and by any of such means shall not be deemed to be a forcible or unlawful entry onto the leased Premises or an eviction of Lessee. Lessee waives any claim for damages for any injury or inconvenience to or interference with Lessee's business, any loss or occupancy or quiet

enjoyment of the leased Premises, and any other loss arising from Lessor's entry onto the leased Premises during an emergency.

- D. **Notice of Termination.** If an event of default occurs, and after due notice the defaulting party has failed to cure, the complaining party may at any time after the expiration of any cure period, and if the default has not been cured, terminate this Lease by notice in writing. The Lease will be terminated on the date specified in the notice but not less than five (5) business days from mailing the notice. Rental payments are payable only to the date of termination.
- E. **Termination when no default.** Both the Lessor and Lessee shall have the option to terminate this Lease without cause with a minimum of sixty (60) days advance written notice.
- F. **Partial Destruction.**
- 1). If the Premises or Lessee's improvements or the Airport facilities reasonably necessary to operate Lessee's business are partially damaged – due to acts of God or other acts outside the control of Lessee or Lessor – to the extent that Lessee cannot use the Premises this Lease may, upon written notice, be terminated or suspended until the damage is repaired. Such written notice shall be given to the Airport Manager within ten (10) business days of such condition. In addition, it is agreed that the Lessor is the sole judge of the extent of damage to the Airport and may terminate or suspend the Lease until the damage is repaired.
 - 2). If Lessee's Premises or improvements are substantially damaged by Lessee, Lessee shall give written notice to the Airport Manager within ten (10) business days of such condition and the Lessor may elect to terminate or suspend the Lease, and if suspended, set a time period for Lessee to repair the damages to the Premises or improvements.

SECTION 15. PROPERTY RIGHTS UPON EXPIRATION OF LEASE

A. Removal of Equipment.

- 1). Upon expiration or cancellation of this Lease, Lessee may remove all removable furniture, fixtures and equipment installed by Lessee, if Lessee removes same within five (5) business days after expiration of the Lease. Any damage to the Premises caused by Lessee's removal of its property must be repaired within fifteen (15) business days after expiration of the Lease by Lessee and at Lessee's expense, and to the satisfaction of the Airport Manager.
- 2). Notwithstanding the foregoing, if Lessee fails to remove its removable furniture, fixtures and equipment within five (5) business days from the date of expiration of this Lease, then the Lessor may, at its option, take title to the

said personal property and sell, lease or salvage the same, as permitted by law. Any net expense the Lessor incurs in disposing of the personal property must be paid by Lessee within ten (10) days of the Lessor's written demand thereof.

B. **Holdover.** Lessee does not have the right to holdover under this Lease.

SECTION 16. REDELIVERY OF PREMISES

A. Upon expiration or termination of this Lease, Lessee must deliver the Premises to the Lessor peaceably, quietly, and in as good condition as the same now are or may be hereafter improved by Lessee or the Lessor, reasonable use and wear thereof excepted.

SECTION 17. NOTICES

A. All Notices, requests, or other communications related to this Agreement shall be made in writing and may be given by: (a) depositing same in the United States Mail, postage prepaid, certified, return receipt requested, addressed as set forth in this paragraph; or (b) delivering the same to the other party to be notified.

B. Notice given in accordance with subsection (a) hereof shall be effective upon deposit in the United States Mail. Each party shall notify the other of any changes in address or otherwise. The notice addresses shall, until changed as provided herein, be as follows:

Lessor Nueces County
 c/o County Judge
 901 Leopard Street
 Room 303
 Corpus Christi, Texas 78401

With copy to:
 Nueces County Airport Manager
 Airport 957 Wings Drive
 Robstown TX 78380

Lessee _____

SECTION 18. HOLD HARMLESS

A. Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or

omission of Lessee's agents, servants, or employees. This indemnity agreement shall apply and protect Lessor and its agents, servants, and employees even though it be contended, or even established, that said Lessor or its agents, servants, or employees were negligent or that their conduct or omission in any way caused or contributed to any such liability, expense, cause of action, damage, and/or attorney's fees.

SECTION 19. MAINTENANCE OF LANDING AREA

- A. Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by 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. Lessee also understands that Lessor is not obligated by this lease to continue operating the Airport as an airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies or other compensation will be owed to the Lessee by Lessor.

SECTION 20. EXCLUSIONS

- A. This contract agreement embraces the entire lease agreement of the parties mentioned herein pertaining to the Hangar and no statement, remark, agreement, or understanding, either oral or written, not contained herein shall be recognized or enforced as it pertains to the lease of the Hangar, except that this contract agreement may be modified by written addendum agreed to and signed by all pertinent parties and attached hereto.
- B. For the purpose of this contract agreement, the singular number shall include the plural and the masculine shall include the feminine and vice-versa, whenever the context so admits or requires.
- C. The "Section" captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.
- D. The parties to this contract agreement hereby acknowledge and agree that they are the principals to the contract agreement and have the power, right, and authority to enter into this contract agreement and are not acting as an agent for the benefit of any third party; except that Lessor is acting on behalf of Nueces County, Texas.
- E. This contract agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this contract agreement shall be in Nueces County, Texas.

- F. If any section, paragraph, sentence, or phase entered in this contract 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 contract agreement and, to this end, the provisions of this contract agreement are declared to be severable.

SECTION 21. INDEMNIFICATION AND LIABILITY

- A. **GENERAL:** Lessee agrees to protect, defend, indemnify, and hold harmless, the County, its officers, agents and employees from and against any and all claims, causes of action, administrative proceedings, judgments, penalties, fines, damages, losses, demands, liabilities or expenses whatsoever (including reasonable attorney's fees) arising from the use of, or activities on, the Premises.
- B. **LIABILITY:** The County assumes no liability for damage or loss to aircraft or other personal property stored under this Lease. Aircraft and property are stored at the Lessee's sole risk.
- C. **Insurance:** Lessee shall at all times have a valid liability insurance policy which names Nueces County as loss payee, with limits of coverage of not less than \$100,000 per person and \$300,000 per accident for bodily injury and \$100,000 limit for property damage. Lessee must provide the Airport Manager certificate(s) of insurance thirty (30) days prior to the effective date of the Lease, which shows the level and type of insurance. Lessee must provide the Airport Manager with thirty (30) days' notice, by certified mail, prior to cancellation, non-renewal, or material change in the insurance policy(ies).

SECTION 22. GENERAL PROVISIONS

- A. **Mineral Rights.** The Lessor expressly reserves all water, gas, oil and mineral rights in and under the soil beneath the Premises.
- B. **No Waiver of Default.** Any failure of the Lessor to declare this Lease canceled upon default of the Lessee for any of the reasons set out shall not operate to bar or destroy the right of the Lessor to cancel this Lease by reason of any subsequent violation of the terms herein.
- C. **Force Majeure.** Neither the Lessor nor the Lessee are violating this Lease if they are prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not in its control; provided, however, that these provisions do not apply to Lessee's failure to pay the rentals and fees herein specified.
- D. **Quiet Enjoyment.** The Lessor covenants that it has the authority to execute this Lease, that at commencement of the Lease, the Lessor has good title to the

Premises and that throughout the term hereof, Lessee will have peaceful and uninterrupted possession of the Premises subject to its payment of Rentals and other charges and to its performance of the covenants of the Lease.

- E. **Rules and Regulations.** The Commissioner's Court of Nueces County may adopt and/or amend and enforce the Airport Rules and Regulations, to be uniformly applied to similar uses and users of similar space. Lessee agrees to observe and obey such Airport Rules and Regulations and any amendment thereof with respect to the use of the Premises and the Airport, and the health, safety and welfare of those using the Premises and the Airport.
- F. **Headings.** The titles and headings in this Lease are used only for reference, and in no way define or limit the scope or intent of a provision of the Lease.
- G. **Venue.** Venue of any action brought under this Lease lies in Nueces County, Texas, exclusively, where the Lease was executed and will be performed.
- H. **Successors and Assigns.** Subject to the limitations upon assignment and transfer herein contained, this Lease binds and inures to the benefit of the parties hereto, their respective successors and assigns.
- I. **No Third Party Benefit.** No provision of this Lease creates a third party claim against the County, the Airport, or Lessee, beyond that which may legally exist in the absence of any such provision.
- J. **Taxes and Licenses.** Lessee must pay all taxes of whatever character, including ad valorem and intangible taxes, that may be levied or charged upon the Premises, leasehold improvements, or operations hereunder and upon Lessee's rights to use the Premises, whether the taxes are assessed against Lessee or the Lessor. Lessee must pay any and all sales taxes arising in connection with its occupancy or use of the Premises whether the taxes are assessed against Lessee or Lessor. Lessee must obtain and pay for all licenses or permits necessary or required by law for the construction of improvements, the installation of equipment and furnishings, and any other licenses necessary for the conduct of its operations hereunder.
- K. **Trash and Refuse.** Lessee must arrange for the collection and lawful disposal of all trash and other refuse resulting from its operation of the Premises. Piling of boxes, cartons, barrels or other similar items in, or within view from, a public area shall not be permitted. Lessee must comply with all applicable laws and regulations relative to trash disposal, and Lessee must pay the costs associated with trash removal and disposal.
- L. **War or National Emergency.** During a time of war or national emergency, the Lessor shall have the right to lease the airport or any part thereof to the United States Government for military or naval use, and, if such Lease is executed, the provisions of this Lease, in so far as they are inconsistent with the provisions of the Lease to the Government, shall be suspended.

M. **Terms binding on successors and assigns.** All of the terms, covenants and agreements herein contained must be binding upon and inure to the benefit of the heirs, successors and assigns of Lessee and Lessor.

N. **Corporate Authorization.** If the Lessee signs this Lease as a corporation, each of the persons executing this Lease on behalf of the Lessee warrants to the Lessor that the Lessee is a duly authorized and existing corporation, that the Lessee is qualified to do business in the State of Texas, that the Lessee has the full right and authority to enter into this Lease, and that each and every person signing on behalf of the Lessee is authorized to do so.

EXECUTED this _____ day of _____, 20_____.

Lessor: County of Nueces

County Judge

Attest: _____
County Clerk

Lessee: