

**ID****9525****Department:**

Airport

**Vendor Name:**

Staggerwing Development #5 LLC

**Project Name:**

Long-Term Ground Lease Agreement for Hangar Construction

**Work Order Number(s):****Account Number:**

N/A

**Contract Amount:**

\$9,453.96

**Implementation Date:**

2/1/2019

**Termination Date:**

12/31/2049

**City Council Appr. Date:**

1/22/2019

**Insurer A Name:**

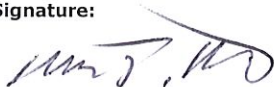
Contractor will provide bonding and insurance prior to commencing any work.

**Insurer A Expiration:****Insurer B Name:**

Lessee will provide other required insurance upon occupancy.

**Insurer B Expiration:****Insurer C Name:****Insurer C Expiration:****Insurer D Name:****Insurer D Expiration:****Insurer E Name:****Insurer E Expiration:****Return Executed Copy To:**

Elsa - Airport X7591

**Department Manager Signature:****Date:**

2-1-19

**City Attorney Signature:****Date:**

2/25/2019

**City Manager/Deputy City Manager Signature:****Date:**

2-26-19

**City Secretary Signature:****Date:**

3-1-2019



**GRAND PRAIRIE MUNICIPAL AIRPORT  
LONG-TERM GROUND LEASE AGREEMENT FOR HANGAR CONSTRUCTION  
AND AIRCRAFT STORAGE**

STATE OF TEXAS               §  
  §  
COUNTY OF TARRANT       §

THIS LEASE AGREEMENT (the "Lease") is made by and between the City of Grand Prairie, a Texas home rule municipal corporation ("Lessor"), and Staggerwing Development #5 LLC, a Texas Limited Liability Company, ("Lessee").

WITNESSETH:

WHEREAS, Lessor owns, controls and operates the Grand Prairie Municipal Airport ("Airport"), located at 3116 South Great Southwest Parkway, in the City of Grand Prairie, Tarrant County, Texas; and

WHEREAS, Lessee desires to lease a tract of land which is a part of the Airport for the purpose of constructing, maintain, and operating an aircraft storage hangar; and

NOW, THEREFORE, in consideration of the prompt and timely payment of the rentals set out herein and the true and faithful performance by Lessee of all of its promises, covenants and obligations hereunder, it is mutually agreed as follows:

**I.     The Premises**

City hereby leases to Lessee, and Lessee leases from City, upon the terms and conditions herein set forth, those certain premises located at the Airport, comprising fifty-two thousand five hundred twenty-two (52,522) square feet, and more particularly identified in the legal description attached hereto as Exhibit A and incorporated herein by reference (the "Premises"). At the time Lessee takes possession of the Premises, which will be on the commencement date of this Lease as established in paragraph 2 below, they will be unimproved. All oil, gas, and mineral rights are expressly reserved by Lessor from this Lease.

One hangar is authorized to be constructed under this Lease, which hangar shall have three separate hangar units inside the building consisting of hangar units 27S-A, 27S-B, and 27S-C. The concept plan for the construction of the hangar and individual hangars units, and their placement, is attached hereto as Exhibit B and incorporated herein by reference.

The preparation of the design and engineering plans for the construction of the hangar is to begin on the commencement date of this Lease.

## **II. TERM**

The term of this Lease shall be for a period of fifteen (30) years beginning February 1, 2019, and ending January 31, 2049, unless extended through the options described herein, or sooner terminated as provided in this Lease.

Lessee shall have the option to extend this Lease for two (2) additional five (5) year periods upon the expiration of the initial term of the Lease at the rates for unimproved ground leases then in effect in the Airport's Fees Schedule. However, unless that option is timely exercised, in writing and provided to the City on or before July 31, 2048, but no earlier than May 1, 2048, the Lease shall expire at the end of the initial term.

## **III. RENT, STORAGE FEES, & LIEN**

Lessee hereby promises and agrees to pay to Lessor an initial rental rate of eighteen cents (\$0.18) per square foot per year for the 52,522 sq. ft., or \$9,453.96 annually, payable in monthly installments of \$787.83. In addition, Lessee shall pay Twenty Dollars (\$20.00) per month per hangar unit for trash removal subject to Article X of this Agreement.

The above rental rates and fees for this ground lease will be in accordance with the Schedule of Rates and Charges approved by the City Council of the City of Grand Prairie (hereinafter "City Council") for Grand Prairie Municipal Airport. The monthly rental shall be subject to an adjustment on October 1 of each year to conform to the rate for unimproved ground leases Lessor's Airport Fees Schedule in effect at that time.

The first and last monthly rental payments shall be due in advance on the date of approval and execution of the contract. Successive monthly rental payments are due on or before the first (1st) day of each month. A payment shall be considered past due if, after the tenth (10th) day of the month in which the payment was due, Lessor has not received full payment at the City of Grand Prairie, Revenue Management Division. Payments submitted via United States Postal Service or any similar type messenger service is not considered paid on the date posted by said service.

In addition to the monthly rental payments, Lessee agrees to pay a late charge of ten percent (10%) of the monthly rental for each month or portion of one month that any monthly rental has not been paid on or before the tenth (10th) day of said month, and a separate computation and payment of such late charge shall be made on the outstanding balance that is past due, so that if two (2) monthly rental payments are more than ten (10) days past due, the late charges shall accrue on the outstanding balance and so on.

In the event Lessee holds over after the expiration of this lease, such holding over will be construed as a tenancy from month-to-month, at a rental amount equal to 150% of the rental amount set for the premises according to the Schedule of Rates and Charges then



in effect during the holdover period. Said holdover tenancy will be subject to all other terms and conditions of this lease.

Lessee acknowledges that the rent charged to owners of airplanes for storage in the hangars represents the amount owed for storage of an aircraft and/or aviation related property at the Airport, that unpaid rent for such storage gives rise to a possessory lien in favor of Lessor or whoever is making the hangar available for storage, on the aircraft and/or property, and that if the rent remains unpaid, Lessor, Lessee, or appropriate assignee may further file such lien and take action to sell the aircraft, as set out in the Texas Property Code and other applicable laws, as appropriate, depending on who is making the hangar available for storage of an aircraft. Any sublease agreement between Lessee and any other party will include this clause.

#### **IV. MAINTENANCE, REPAIRS, & UTILITIES**

Lessee agrees and covenants that it will pay for all utilities used by it on the premises, including all costs necessary for the installation of meters, any deposits or other prerequisites for such utility service. Lessee further covenants and agrees that Lessee shall pay all costs and expenses, including tap fees, for any extension, installation, maintenance or repair of any and all utilities serving the premises which are required for the operation of Lessee's business, including but not limited to water, sanitary sewer, electric, gas, and telephone utilities.

The cost of any such installation may be apportioned to any future operators who connect to services installed by Lessee at a rate not to exceed fifty percent (50%) of the total cost of installation. The apportionment shall be paid to Lessee prior to any construction activities necessary to connect to the utility extension. All heating equipment and electrically operated equipment which may be used on the premises shall be of such kind and character to comply with all applicable Codes of the City of Grand Prairie.

Lessee agrees and covenants that Lessee will, at Lessee's own expense, make all repairs necessary to keep the premises from deteriorating in value or condition and restore and maintain the premises, with the exception of normal wear and tear and aging consistent with normal usage and passage of time, and to repair damages to any part of the premises caused by the negligence or misconduct of Lessee, its agents, servants, employees, contractors, subcontractors, licensees, patrons, invitees or trespassers. Lessee shall repair and maintain all pavements, hangar modifications, windows, pedestrian doors, hangar doors, fixtures and installations within and upon the premises, and generally perform optional maintenance upon functioning equipment and fixtures within Lessee's possession and control located upon the premises. Lessee agrees to construct and maintain the structure on the premises so as to be in compliance with all provisions of the Americans with Disabilities Act of 1990, as amended.

Lessor shall have the right and privilege, through its officers, agents, servants and employees, to make inspections of the premises, and thereafter to make recommendations to Lessee of any repairs that, in Lessor's opinion, are necessary to be performed by Lessee



upon the premises in accordance with the foregoing. Lessee agrees and covenants that it shall begin such repairs within thirty (30) days of the date that such recommendations are made. Such repairs shall be made in an expeditious and workmanlike manner. In the event that Lessee shall fail to undertake such recommended repairs within the time provided, it is understood and agreed that Lessor may, within its discretion, make such repairs as it deems necessary on behalf of Lessee and for the performance of Lessee's obligations hereunder, and in such event, the cost of such repairs shall be the payment obligation of Lessee to pay same upon the date of its next monthly rental payment after completion of such repairs.

## **V. RIGHTS AND PRIVILEGES OF LESSEE**

Lessor hereby grants to Lessee the following general rights and privileges, in common with others, all of which shall be subject to the terms, conditions and covenants hereinafter set forth and all of which shall be non-exclusive on the Airport:

A. The use in common with the public generally of all public Airport facilities and improvements which are now or may hereafter be connected with or provided, to be used by Lessee for commercial or non-commercial aviation activities, and all activities in connection with or incidental to said business or operation, as herein defined. For the purpose of this lease, "public Airport facilities" shall include but not be limited to all necessary public aprons, public automobile parking areas, public roadways, public sidewalks, and public terminal facilities. Lessee shall pay all applicable fees and charges for the use of said public facilities, now in force or hereinafter levied.

B. The right of ingress to and egress from the leased premises over and across public roadways serving the Airport for Lessee, its agents, employees, servants, patrons, invitees, patrons, subcontractors and licensees.

C. Said rights above shall be subject to such rules, regulations, and laws, as amended, which now or may hereafter have application at the Airport. Further, nothing in this lease shall be construed to grant Lessee a permanent right in any particular public Airport facility should Lessor deem it advantageous to the operation of the Airport to close or relocate any such facility.

D. Because this contract contemplates that Lessee will build hangars and other facilities that may be subleased, or in which the interest of Lessee may be conveyed, whenever the term Lessee is used in this contract, it will include any subtenant, sublessee, assignee, or successor, unless it is clearly only to be construed to include Staggerwing Development #5 LLC.

## **VI. RIGHTS, RESERVATIONS AND OBLIGATIONS OF LESSOR**

A. It is understood and agreed that the hangar and all buildings, structures, facilities, improvements, alterations, fixtures and items permanently attached thereto the structure on the Premises, and all additions and alterations made thereon, shall become part of the land and Premises upon which they are situated, and title thereto shall, upon expiration or termination of the initial term of the Lease or any extended term, automatically vest in the Lessor. At no time during the term of the lease may Lessee, or any sublessee or assignee, remove any such fixtures and items permanently attached to structure on the premises once such fixtures and items are permanently attached to such structures.

B. Lessor, through its authorized representatives, shall have the full and unrestricted right to enter the premises herein leased for the purpose of doing any and all things which may be deemed necessary for the proper conduct and operation of the Airport.

C. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure which, in the opinion of the Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft or diminish the capability of existing or future navigation and/or navigational aids used on the Airport.

D. Lessor reserves the right to temporarily close the Airport or any of the facilities thereon for maintenance, improvement, safety or security of the Airport or the public, or for other cause deemed necessary by Lessor, without being liable to Lessee for any damages caused by disruption of Lessee's business operations or for any other reason, but in such event, Lessee's obligation to pay rent and other charges under this Lease shall cease for the period of time Lessee is unable to use the Airport or the facilities thereon.

E. This lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition to the expenditure of federal funds for the development, maintenance, and repair of the Airport infrastructure.

F. During time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended. Nothing contained in this lease shall prevent Lessee from pursuing any rights which Lessee may have for reimbursement from the United States Government for the taking of any part of Lessee's leasehold or for any loss or damage caused to Lessee by the United States Government.

G. Lessor further covenants and agrees that during the term of this lease, it will operate and maintain the Airport and its public Airport facilities as a public Airport consistent with and pursuant to the Sponsor's Assurances given by Lessor to the United States



Government through the Federal Airport Act.

## **VII. INSPECTION AND PREMISES ACCEPTANCE**

Lessor, through its officers, agents, servants or employees, shall have the full reasonable right to enter the premises during normal business hours, except in the event of an emergency, for the purpose of doing any and all things which Lessor is authorized or required to do under the terms of this lease, or for the purpose of performing its governmental functions under federal, state or local rules, regulations and laws, including but not limited to necessary and proper inspections under Lessor's applicable health, mechanical, building, electrical, plumbing, and fire codes, or other health, safety and general welfare regulations of Lessor. Lessor shall provide Lessee with at least twenty-four (24) hours advance notice of inspection, except if an emergency, Lessor shall give notice as is reasonable under the circumstances, or except in a situation whereby Lessee requests an inspection, which shall be done as soon as is practically possible.

Lessee, its sublessees or assignees will permit the Fire Marshal of the City of Grand Prairie, or designated agent(s), to make inspection of the premises at any time, upon reasonable prior notice, and Lessee will comply with all recommendations made to Lessee by the Fire Marshal, or said agents, to bring the premises into compliance with the City of Grand Prairie Fire Code and Building Code provisions regarding fire safety, as such provisions exist or may hereafter be amended. Notwithstanding the foregoing, Lessee shall not be required to make structural changes to the Premises, unless such are necessary because of Lessee's particular business. Lessee shall further maintain in proper condition, accessible fire extinguishers in a number and a type approved by Fire Underwriters for the particular hazard involved.

Lessee agrees and covenants that Lessee has inspected the premises and is fully advised of its own rights without reliance upon any representation made by Lessor concerning the condition of the premises and accepts same in their present condition as satisfactory for all purposes of this lease.

## **VIII. CONCESSIONS PROHIBITED**

It is specifically agreed and stipulated that the following concessions normally available for public use and the establishment thereof are prohibited under this lease, unless specifically approved by the Airport Director, to wit:

- A. Ground transportation for hire
- B. Auto rental
- C. Food sales
- D. Barber and valet service
- E. Alcoholic beverage sales
- F. Aviation Fuel Sales, unless Lessee has entered into a fueling agreement with

Lessor

- G. Uses of the property that are not related to aeronautical activities
- I. Removal of permanent improvements

## **IX. CONSTRUCTION AND IMPROVEMENTS**

A. Construction of Improvements. Lessee, as a condition of this Lease shall, within Three Hundred (300) days from the date of this Lease Agreement, complete construction upon the Leased Premises of One (1) aircraft hangar in accordance with the general description set out in Exhibit C attached to and made a part of this Agreement and plans and specifications prepared by an architect or engineer employed by Lessee and approved in writing by Lessor as set out below.

B. Lessee's construction of said permanent improvements shall conform to the following requirements:

1. Initiation of Improvement Project. Lessee agrees that, prior to construction; it shall apply to the Airport Director for review and tentative approval of the proposed improvement project, subject to the Lessor's Chief Building Official's approval of detailed plans and specifications for the proposed leasehold improvements, and, in appropriate circumstances, City Manager and City Council approval. Upon the approval in writing by the Airport Director, Chief Building Official, and any employee or contractor with authority to approve such plans, Lessee shall commence construction and complete such construction within the time periods specified in this Lease Agreement; provided, however, that the parties may, by written agreement, extend the time period for the construction of improvements due to unforeseen circumstances.

2. Construction Plans, Specifications, and Other Documentation. Prior to commencing the construction of any improvements upon the Airport premises, Lessee shall:

(a) Submit to the Chief Building Official and any employee or contractor designated to review such plans, documentation, plans, specifications, or design work prepared by Lessee's architect or engineer approved by Lessor.

(b) The improvements to be built or constructed upon the Airport premises shall be in conformance with the overall size, shape, color, quality and design, in appearance and structure of the program established by the Lessor's Master Plan for the Airport. Copies of the Master Plan are on file at the Office of the Airport Director. All taxiways, taxiway lights, taxilanes, and aprons shall be designed and constructed to the most current FAA Advisory Circular standards and specifications as listed but not limited to: AC 150-5300-13, AC 150-5320-5, AC 150-5320-6, & AC 150-5370-10. The hangar shall be insulated on the roof and end walls with an insulation of R-7 or better. The hangar doors may be insulated at the lessee's option. Roof top skylights shall not be installed; however translucent wall panels or windows may be installed at the lessee's option. LED lighting shall be installed in and on the



hangar to include a security flood light on the west side of the hangar that illuminates the future taxilane that will be constructed there. The hangar shall be subdivided by the number of aircraft hangar doors constructed with interior metal walls dividing each unit. Each unit in the hangar shall have at least one (1) restroom installed consisting of a functioning toilet, sink, mirror, light fixture, walls and a door for privacy. Lessee shall design and construct the hangar, associated taxilane, taxiway connector with lighting, service road, additional auto parking, relocated steel fence with upgrade to a six (6) foot height, and a sliding gate for the service road. Lessor shall reimburse Lessee for the itemized costs of the Taxiway with lighting, the service road and shall install gate operator hardware upon Lessee receiving a certificate of occupancy. Further, such plans and specifications shall be in conformance with sound engineering standards to include a plan for proper drainage of the lease site and so as to avoid any negative impact on other lease sites due to Lessee's construction plan.

(1) Lessee will cause preliminary plans and specifications to be prepared and to be submitted to Lessor for Lessor's written approval as soon as possible but in no event later than sixty (60) days from the date of this Lease Agreement. Thereafter, but no later than seventy-five (75) days from the Lessor's approval of preliminary plans and specifications, Lessee shall cause detailed final plans and specifications to be submitted to Lessor for Lessor's prior written approval. Upon Lessor's approval of said final detailed plans and specifications, there shall be no changes, additions, alterations or deletions thereto unless the same shall first be approved in writing by the Lessor.

(2) The prior written approval by the Lessor of any additions, changes, alterations, modifications or deletions made during the course of construction shall not be construed so as to create a partnership, joint venture or agency relationship between the parties hereto, and in no event, shall such prior written approval be construed or be represented to be a contract between the Lessee's construction contractor and the Lessor.

(3) Following final approval by Lessor, Lessee shall file with the FAA forms 7460-1 and 7480-1 electronically no less than forty five (45) days prior to beginning construction.

(4) Not more than thirty (30) days after the Lessor's approval of final plan and specifications, Lessee shall commence construction of the facility, which contract shall require the facility will be completed no later than one hundred eighty (180) days after approval by Lessor of final plans and specifications. Moreover, said contract shall require that the person, partnership, company, firm or corporation contracting for the construction of the facility shall maintain at all times during the life of said construction contract such Public Liability and Property Damage Insurance as will protect said contractor and the City of Grand Prairie from claims for bodily injury including accidental death, as well as claims from property damages, which may arise from the contractor's construction operations under its contract with Lessee, whether such operations be by the contractor himself/herself or by any sub-contractor or by anyone directly employed by either of them and the amounts and terms of such Insurance shall be as specified.

(5) Lessee will pay for all labor performed and material furnished in or about the construction of facility, and shall keep the premises on which such facility is constructed as well as the said facility at all times free and clear of all liens for labor or for materials furnished in and about the construction of facility. Further, Lessee will defend at its sole cost and expense each and every lien asserted or claim filed against the premises on which facility is constructed as well as the said facility, or any part thereof, for labor claimed to have been performed or material claimed to have been furnished. Further, Lessee will pay each and every judgment made or given against said premises or the facility or any part thereof, or against the City of Grand Prairie, on account of such lien, and will indemnify and save harmless the City of Grand Prairie from all and every claim and action on account of such claim, lien or judgment.

(6) At all times during the construction of the facility, the Lessee shall defend, indemnify and save harmless the City of Grand Prairie and all their officers, agents and employees from all suits, actions or claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person or persons or property 1 ) by or from the said Lessee, his/her employees, the Lessee's construction contractor or said contractor's employees, 2) by or on account of any act or omission, neglect or misconduct of said Lessee, his/her employees, the Lessee's construction contractor or said contractor's employees, or 3) Workmen's Compensation Law or any other law, ordinance, or order or decree.

(7) Lessee, its employees, Lessee's construction contractor and such contractor's employees shall have ingress and egress from and to the facility's construction site in the manner, along the route and at the times reasonably approved by the Airport Director. Further, all construction activities carried on by Lessee or Lessee's contractor shall be closely coordinated with the Airport Director and the Airport Director may temporarily suspend and/or require a change or modification of such construction activities at any time the Airport Director shall deem that the said construction activities are being conducted in such a manner as to injure or destroy any of the presently constructed facilities on the Airport or in such a manner as to materially and adversely affect the development, improvement, operation, or maintenance of the Airport or its facilities or improvements.

(8) Lessor may, at Lessor's expense, employ the services of an architect or engineer to act as its designated representative for the purpose of examining and inspecting the facility at any and all times during the course of construction of the same for the purpose of making recommendations or objections to the Lessee's architect or engineer. Prefaced, however, the extent of the duties and responsibilities of the Lessor's architect or engineer shall be limited to the assurance of compliance by the Lessee with the detailed plans and specifications relating to the construction of the facility, and shall in no way be construed as authorization to direct the activities of the Lessee's construction contractor or any subcontractor. Any recommendations or objections which the Lessor's architect or engineer shall deem proper or necessary shall be made in writing to the Lessee's architect or engineer.

(9) Upon completion of the facility, the Lessee's architect or



engineer shall cause to be issued a Certificate of Use and Occupancy, which Certificate shall be subject to approval by the Lessor's architect or engineer. If the Certificate of Use and Occupancy is issued conditionally for the reason that the facility has not been substantially completed in accordance with plans and specifications, the Lessor shall promptly notify the Lessee in writing of the specific requirement to be complied with, and the Lessee shall promptly cause its contractor to comply with said requirements.

(c) Obtain all necessary building permits from the Lessor's Building Inspection Division that are required for commercial structures by City of Grand Prairie ordinances.

(d) Submit to the Airport Director's the estimated cost of such construction.

(e) Submit to the Chief Building Official copies of any and all construction contracts entered into by Lessee in connection with the contemplated construction work.

All construction contracts entered into by Lessee in connection with any or all of the construction work aforesaid shall include a provision requiring the contractor to indemnify, hold harmless and defend the Lessor and its officers, agents, or employees against losses occasioned by death, injury to persons, or damages to property arising out of or in connection with the performance of any or all such construction work.

Further, such contractors shall indemnify, hold harmless, and defend the Lessor against losses resulting from claims and demands by third persons arising out of the performance of the construction work or the supplying of materials to the construction project. Lessee shall also include or cause to be included in any construction contract such provisions as may be reasonably required by Lessor relating to the operation of the contractor at the Airport.

(f) Submit to Lessor's City Attorney and Risk Manager copies of a "builder's risk" insurance policy written by an insurance company acceptable to the City Attorney that will insure the improvements from loss or damage due to fire or other casualty during the course of construction. Said policies shall also name the Lessor as an additional insured.

(g) Submit to the City Attorney's Office performance and payment bonds ensuring the Lessee's completion of the contemplated construction and the Lessee's payment of all materialmen and mechanics supplying labor or materials to the improvement project; said bonds are to be written by an insurance company satisfactory to the Lessor and approved as to form and substance by Lessor's City Attorney.

C. Manner of Construction. Lessee hereby warrants that it will construct or cause the construction of the improvements materially in accordance with the plans and specifications approved by the Lessor's Chief Building Official, including any change orders agreed to by the parties. Lessee further warrants that it will construct the improvements in a

workmanlike manner and with materials which are acceptable to the Lessor. Under no circumstances shall Lessee commence construction without the written consent of the Lessor's Chief Building Official. The Chief Building Official or a designee shall have the right to periodically inspect the progress of the work and the manner of construction. Lessee and Lessee's contractor shall be jointly and severally responsible for construction safety on any of the improvement projects subject to this Section. Upon the completion of the construction, Lessee shall deliver to Lessor's Airport Director and Chief Building Official a set of "as-built" plans.

D. Discharge of Construction-Related Claims and Liens. Lessee hereby agrees to discharge all obligations, including all claims and liens, to contractors, subcontractors, materialmen, workmen, and other persons for any and all work performed or material furnished for any construction work on the Airport premises on account of Lessee as such obligations mature. Failure to timely pay any and all claims and remove any and all liens as specified herein shall constitute a monetary default on the part of the Lessee in accordance with the termination provisions of this Lease Agreement. Nothing contained in this Lease Agreement shall limit the right of Lessee to contest any claims of contractor, subcontractor, materialmen, workmen or other persons. Nothing contained in this Agreement shall be deemed to constitute consent by Lessor to any claim or lien against the improvements constructed on the Airport premises.

E. Ownership of Improvements. Any and all improvements on the Premises, including, without limitation, any buildings constructed on the Premises by or for Lessee, shall be owned by Lessee during the initial or extended term of this Lease. Additions usually classified as furniture or trade fixtures are to remain property of Lessee and may be removed by Lessee upon the termination or expiration of this Lease, including any term extensions or renewals.

F. Surrender of the Premises. Upon expiration or termination of the initial term or any extended term of this Lease, Lessee shall leave surrendered Premises and any other property in a well maintained manner. All improvements shall be surrendered in good and clean condition. Notwithstanding the forgoing, all uncompleted or partially or totally destroyed improvements shall, at Lessor's option, be removed prior to surrender the Premises, and the site of such improvements shall be returned to the same condition as prior to the execution of the Lease.

## **X. DISCRETIONARY IMPROVEMENTS**

In addition to the construction of the hangars discussed above, Lessee, at its sole cost and expense, may perform renovations, improvements, or maintenance on existing structures, or perform renovations, improvements, or maintenance to any structure or portion thereof constructed at any time during the term of this lease, which renovations, improvements, or maintenance are hereinafter referred to as "discretionary improvements" for the purpose of carrying out the activities provided for herein.



If Lessee chooses to make discretionary improvements or modifications mandated by City Code, all plans and specifications must receive the written, prior approval of Lessor, which approval shall not be unreasonably withheld. All discretionary improvements, modifications mandated by City Code and any other facilities (including landscaping) shall be constructed in accordance with plans and specifications approved by Lessor, and shall be subject to Lessor's inspection; no construction, modification or installation may be undertaken until this approval is secured. All plans, specifications and work shall conform to all local, state and federal rules, regulations, and laws, including the City of Grand Prairie Airport Minimum Standards, now in force or hereafter prescribed.

Notwithstanding the permissive nature of Lessee's discretionary improvements, Lessee agrees to make all discretionary improvements and alterations necessary to make the premises comply with all applicable provisions of the Americans with Disabilities Act of 1990, as amended; any modifications mandated by City Code which Lessee agrees to perform, whether paid for in full or in part by Lessee, shall also conform with said Act. Upon the completion of the construction, Lessee shall deliver to Lessor's Airport Director and Chief Building Official a set of "as-built" plans.

Prior to commencement of any construction of discretionary improvements in excess of Twenty-five Thousand dollars (\$25,000.00) on the premises, Lessee or its contractor, at the sole expense of Lessee and/or its contractor, shall obtain surety performance and payment bonds in accordance with Chapter 2253 of the Texas Government Code, as amended, to cover the cost of the discretionary improvements, which bonds shall be executed and delivered to Lessor for review and acceptance. Should Lessee elect to serve as its own contractor, the bonds shall be payable to Lessor. Where Lessee contracts with a contractor to perform part or all of the construction, Lessee shall require its contractor to obtain said bonds which shall be payable to both Lessor and Lessee as dual obligees. The bonds shall guarantee the faithful performance of necessary construction and completion of improvements, in accordance with final plans and detailed specifications as approved by Lessor, and shall guarantee payment of all wages for labor and services engaged and of all bills for materials, supplies and equipment used in the performance of said construction contract. Bonds shall be standard payment or performance bonds provided by a licensed surety company.

Prior to the commencement of work, Lessee agrees to submit to Lessor estimates for discretionary improvements which will be subject to the sole approval of the Airport Director as to acceptability of such discretionary improvements and their eligibility, if any, for rental credits; such approval shall not be unreasonably withheld. Rental credits may be granted for: 1) any mandated City Code modifications upon agreement by both parties as to the cost of such modifications; or 2) discretionary improvements to protect the usability upon agreement by both parties as to the cost and selection of such proposed discretionary improvements. Upon completion of such modifications mandated by City Code or discretionary improvements and after inspection and acceptance of same by Lessor, Lessee may receive a credit against rental owed.

Any agreements concerning rental credits for discretionary improvements must be approved by the City Council prior to commencement of such discretionary improvements. If agreed by the Council rental credits cannot exceed eighty percent (80%) of the total amount of approved expenditures made by Lessee for all modifications mandated by City Code and discretionary improvements. Lessee will provide paid invoices, canceled checks or other documentation as required by Lessor to verify Lessor's expenditures. Upon verification, Lessee will receive credit on a monthly basis for an amount not to exceed fifty percent (50%) of each monthly rental payment amount, until the full amount of verified expenditures has been credited.

No rental credit shall extend beyond the lease term or renewal period in which they were granted. No rental credits will be granted for the construction of the hangars, set out in Article VIII above.

Lessee agrees and covenants that Lessee will not make or suffer any waste of the premises, nor will it suffer any holes to be drilled or made in the brick, plaster or cement work, nor make any material structural alterations or additions to the premises except as may be approved in advance, in writing, by the Airport Director.

In the event of fire or other casualty which damages or destroys all or any part of the leased premises, including any hangars built pursuant to this agreement and any discretionary improvements, Lessee shall have the right to elect to rebuild all or part of said premises at Lessee's expense within a reasonable time. Due to the unique nature of the premises, with Lessee occupying and/or operating a facility constructed by Lessee by owned by Lessor, the parties will work together to apply insurance proceeds, which may vary or overlap depending on the respective interests of Lessee and Lessor. Please see Article XIII concerning Insurance. If the parties agree, the lease shall continue in force as to the portion being rebuilt, and/or rent may be proportionately reduced during the rebuilding.

All plans and specifications for rebuilding must receive the written, prior approval of Lessor and shall be constructed in accordance with plans and specifications approved by Lessor and shall be subject to his/her inspection; no construction for rebuilding may be undertaken until this approval is secured. All plans, specifications and work shall conform to all local, state and federal rules, regulations, and laws, including the City of Grand Prairie Airport Minimum Standards, now in force or hereafter prescribed. Lessee agrees to rebuild the premises to comply with all applicable provisions of the Americans with Disabilities Act of 1990, as amended. Where such rebuilding exceeds \$25,000, Lessee shall be subject to all requirements of Article VIII of this Agreement.

## **XI. SIGNS**

No signs, posters, or other similar devices shall be placed on the exterior of the hangar on any portion of the premises without the prior written consent of Lessor, which shall not unreasonably be withheld. Lessee shall, as its sole expense, be responsible for creation,



installation and maintenance of all such signs, posters, or other similar devices. Lessee agrees to pay Lessor for any damages, injury or repairs resulting from the installation, maintenance or repair of any such signs, posters, or other similar devices. Any signs, posters, or other similar devices placed on the premises shall be maintained at all times in a safe, neat, and good physical condition. Any such sign, poster, or other similar device shall be removed from the premises immediately upon receipt of instructions for the removal of same from Lessor.

## **XI. TRASH AND CITY CODE COMPLIANCE**

Lessee and its sublessees or assignees agree to maintain and police the area in order to keep the premises in a clean and sanitary condition at all times and agrees to comply with all applicable requirements and orders imposed by Lessor. Lessee, its sublessees and assignees, shall coordinate with Lessor for the complete, proper arrangements for adequate sanitary handling and disposal by placing all trash, garbage and other refuse caused as a result of the operation of Lessee's business in trash receptacles to be furnished by Lessor. The piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner is prohibited.

## **XII. USE OF PREMISES**

During the term of this lease or any renewal thereof, the Premises are to be used by Lessee for construction, installation, maintenance, and repair of a hangar, the storage of aircraft belonging to or leased by Lessee, or the Lessee may sublease or convey their interest in such hangars to others for storage of their aircraft or the following uses. Lessee and any sublessees or assignees shall store aircraft on the leased premises, or if they otherwise qualify under the Airport Minimum Standards, and operate in accordance with the Airport Rules and Regulations, may use the premises for the following purposes:

- A. Storage of Aircraft
- B. Maintenance of Aircraft
- C. Construction and Restoration of Aircraft
- D. Sale of aircraft and parts
- E. Activities incidental to maintaining a "builders' assist" facility
- F. Activities incidental to operation of an aircraft club
- G. Leasing or rental of aircraft
- H. Operation and sale of aerial survey, photography or mapping services
- I. Operation and sale of aerial taxi and sight-seeing services
- J. Operation of non-scheduled and charter transportation of passengers
- K. Operation of schools for instruction in flying and mechanics

Should Lessee, Sublessee, or Assignee sell all of the aircraft housed in the leased premises or a sub unit, there will be a time period of ninety (90) days to acquire an aircraft

to house upon the leased premises.

Lessee agrees that neither it, nor any of its sublessees, assigns, officers, employees, subcontractors, licensees or invitees, will park or allow any non-aviation related motor vehicles to be parked on the premises. All aviation-related or business-related motor vehicles brought onto the premises in connection with Lessee's business will be parked only in areas designated as motor vehicle parking areas.

Lessee covenants and agrees that it shall not make any unlawful use of, nor shall it permit the unlawful use of the leased premises by any person(s) and that such unlawful use shall result in the removal from said premises of any person(s) using same by Lessee, its officers, agents, servants or employees. Lessee's unlawful use of the premises shall constitute an immediate breach of this lease.

Unless Lessee is denied a FAR Part 135 Air Taxi Certificate from the FAA, Lessee shall, within two (2) years of receiving a certificate of occupancy, possess an FAR Part 135 Air Taxi certificate and operate at least one aircraft that can carry at least six (6) passengers and two (2) aircrew at least two (2) times per week on average over a year. Otherwise the five (5) year option provided for in this Lease Agreement is forfeited. If Lessee is denied a FAR Part 135 Air Taxi certificate, an original copy of the denial letter from the FAA shall be submitted to the Airport Director to prevent the option forfeiture.

Lessee shall, within three (3) years of receiving an FAR Part 135 Air Taxi certificate, possess and operate at least three aircraft that can carry at least six (6) passengers and two (2) aircrew at least two times per week on average over a year. Otherwise, the five year option provided for under this Lease Agreement is forfeited.

Lessor shall be granted, for official City business only, one round trip flight per month within Lessee's Part 135 area of operations at no charge for the Mayor, City Council, City Manager or Deputy, or Department Directors.

### **XIII. INSURANCE**

Lessee and all of its sublessees or assignees shall procure and maintain at all times in full force and effect a policy or policies of insurance as specified herein, naming the City of Grand Prairie as an additional insured and covering all public risks related to the leasing, use, occupancy, maintenance, existence or location of the leased premises. Due to the nature of the relationship between the parties, and the fact that the Lessee will construct the improvements on the premises, Lessee shall obtain adequate insurance to protect the Lessee's interest in the premises, including the occupancy of the structure and any operations within the structure, and the providing of insurance to cover any loss to the property of Lessee and any occupants, including any remaining leasehold interests that Lessee may have. It is anticipated that Lessor City of Grand Prairie will provide insurance coverage on the completed structure, and any loss of damage to it, but Lessee should also



look into the possibility of obtaining insurance for Lessee's interests in the leased premises. Lessee and any sublessee or assignee engaged in any activity other than storage of its owned or leased aircraft shall obtain a Commercial General Liability insurance policy with coverages at the limits, depicted in Appendix A of the Minimum Standards, which shall be primary and not less than the maximum liability which can be imposed upon the City of Grand Prairie under the laws of the State of Texas. Said limits are depicted in the Minimum Standards and may be revised upward at Lessor's option, and Lessee, any sublessee or assignee will so revise such amounts within thirty (30) days following notice to Lessee of such requirements.

Lessee or any sublessee or assign shall maintain said insurance with insurance underwriters authorized to do business in the State of Texas and satisfactory to Lessor. Lessee or other occupant of the premises shall furnish Lessor with a certificate of insurance as proof that such coverage has been procured and is being maintained within ten (10) days after execution of this lease and annually thereafter during the term of this lease or any renewal thereof. Certificate shall contain a Waiver of Subrogation in favor of City and shall name the City as an additional insured and the policy shall have a thirty (30) day notice in favor of the City prior to any cancellation or substantial change in coverage

It is furthered agreed that neither Lessee nor its sublessees nor assigns shall do or permit to be done anything upon any portion of the premises or bring or keep anything thereon which will in any way conflict with the conditions of any insurance policy upon the premises, or in any way increase the rate of fire insurance upon the premises, or which will in any way obstruct or interfere with the rights of other tenants at the Airport.

#### **XIV. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that Lessee, and any subtenant, sublessee or assignee shall operate hereunder as an independent contractor as to all rights and privileges granted herein, and not as an agent, representative or employee of Lessor; that Lessee shall have exclusive control of and the exclusive right to control the details of its operations and activities on the premises and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees and invitees; that the doctrine of respondeat superior shall not apply as between Lessor and Lessee, its officers, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between Lessor and Lessee, or its sublessees or assignees.

Lessor does not guarantee police protection to Lessee, its sublessees or assignees, and/or their property, and Lessor shall not be responsible for injury or harm to any person or any property belonging to Lessee, its sublessees, assignees, officers, agents, servants, employees, patrons, contractors, subcontractors, licensees or invitees, which may be stolen, destroyed or in any way damaged, and Lessee, its sublessees and assignees, hereby indemnify and hold harmless Lessor, its officers, agents, servants and employees from and against any and all such claims. Lessor is only obligated to provide security adequate to satisfy any Federal Aviation Administration Regulation as may now be in effect or later

enacted into effect.

#### **XIV. INDEMNIFICATION**

Lessee, its sublessees and assignees covenant and agree to and do hereby indemnify, hold harmless and defend Lessor, its officers, agents, servants and employees, from and against any and all claims or suits for property damage or loss, including damage or loss to Lessee's, sublessee's or assignee's business and any resulting lost profits, and/or personal injury, including death, to any and all persons, of whatsoever kind or character, whether real or asserted, arising out of or in connection with the leasing, maintenance, use, occupancy, existence or location of the premises, whether or not caused in whole or in part, by the alleged negligence of the officers, agents, servants, employees, contractors, subcontractors, licensees or invitees of Lessor; and Lessee, its sublessees and assignees hereby assume all liability and responsibility of Lessor, its officers, agents, servants and employees, for such claims and suits. Lessee shall likewise assume all responsibility and agrees to pay Lessor for any and all injury or damage to Lessor's property, arising out of or in connection with any and all acts or omissions of Lessee, its subtenants, assignees, officers, agents, servants, employees, contractors, subcontractors, licensees or invitees.

Lessor shall in no way, nor under any circumstances, be responsible for any property belonging to Lessee, its sublessees, assignees, officers, agents, servants, employees, contractors, subcontractors, licensees and invitees which may be stolen, destroyed or in any way damaged, and Lessee hereby indemnifies and holds harmless Lessor, its officers, agents, servants and employees from and against any and all such claims.

#### **XVI. TERMINATION**

Any breach, default or failure by Lessee, and any sublessee or assignee to perform any of the duties or obligations assumed by Lessee hereunder or to faithfully keep and perform any of the terms, conditions and provisions hereof shall be cause for termination of this lease by Lessor in the manner set forth in this section. Lessor shall deliver to Lessee, and any offending sublessee or assignee prior written notice of its intention to so terminate this lease, including in such a reasonable description of the breach, default or failure.

If the breach is a failure to pay rentals due under this lease and Lessee, its sublessees or assignees shall fail or refuse to cure, adjust or correct same to the satisfaction of Lessor within ten (10) days following notice or, in the case of a breach other than a failure to pay rent, except as otherwise provided herein, within thirty (30) days following notice and Lessee, sublessee or assignee shall fail or refuse to cure, adjust or correct same to the satisfaction of Lessor, then in such event Lessor shall have the right, without further notice to Lessee, its sublessees or assignees, and without being deemed guilty of trespass and without any liability whatsoever on the part of Lessor, to declare this lease terminated and enter upon and



take full possession of the premises at the end of such thirty (30) day notice, by force or otherwise, and with or without legal process, to expel, oust and remove any and all parties who may occupy any part of said premises and any and all fixtures and equipment not belonging to Lessor that may be found within or upon said premises without being liable for damages therefore.

In the event of termination of this lease by Lessor in accordance with the provisions of this lease, all rights, powers, and privileges of Lessee, sublessee, or assignee hereunder shall cease and terminate, and Lessee, its sublessees or assignees, shall have ninety (90) days to vacate the premises, provided that rental payments are maintained on a current basis during said ninety (90) day period and Lessee, its sublessees or assignees, make no claims of any kind whatsoever against Lessor, its officers, agents, servants, employees, or representatives by reason of such termination or any act incident thereto.

Any failure by Lessor to so terminate this lease or the acceptance by Lessor of rentals for any period of time after such breach, default or failure by Lessee, its sublessees or assignees, shall not be determined to be a waiver by Lessor of any rights to terminate this lease for any subsequent breach, default, or failure. The ninety day period to vacate the premises is not intended to foreclose the ability of Lessor to proceed in a forcible entry and detainer action in a Justice Court in Tarrant County, and to take advantage of any timeframe set out in the Texas Property Code, or any other applicable law. If such action is taken, Lessee, its sublessees or assignees shall abide by the Court orders.

Upon termination of this lease, whether for breach, default or any failure by Lessee, or the end of the initial term or any renewal term of this lease, Lessee agrees to peaceably return the demised premises and all appurtenances or improvements thereon in good order and repair, ordinary wear and tear excepted, vacant, unencumbered, and in good, tenantable condition.

Lessee agrees to repair all damages, other than ordinary wear and tear caused by Lessee, at its sole cost and expense.

Any abandonment or non-use of the premises for any reason without prior arrangement and without the payment of rent for any period of time exceeding fifteen (15) calendar days shall be grounds for immediate termination of this lease by Lessor, and all rights, powers and privileges of Lessee, sublessee, or assignee hereunder shall cease. Lessor shall have the right, without notice to Lessee, its sublessees or assignees, and without being deemed guilty of trespass and without any liability whatsoever on the part of Lessor, to take immediate possession of the premises, with or without force, without legal process, and remove any and all fixtures and equipment not belonging to Lessor that may be found on any part of said premises without being liable for damages therefore. Any failure by Lessor to terminate this lease for abandonment or non-use by Lessee, its sublessees or assignees shall not be determined to be a waiver by Lessor of any rights to terminate this lease immediately for any subsequent abandonment or non-use.

Lessor agrees and covenants that in the event the premises, or any part thereof, shall at any time, during the term of this lease or any renewal thereof, be damaged or destroyed by fire or other casualty so as to render same unfit for use and occupancy, and Lessor elects not to rebuild same during the term hereof, then this lease may be terminated by Lessor in its entirety or only as to such portion of the premises as have been rendered unfit for use and occupancy, providing the remaining portion is adequate, in Lessee's opinion, to conduct Lessee's business, in which event the rental shall be proportionately reduced based upon the square footage affected as verified by Lessor. Should Lessee elect to reconstruct the Premises it shall do so within one (1) year after the date of destruction.

#### **XVII. NOTICES**

Notices required pursuant to this provision of this lease shall be conclusively determined to have been delivered when 1) hand delivered to Lessee, its agents, employees, servants or representatives or 2) when deposited in the United States Mail, postage prepaid, return receipt requested, addressed as follows:

LESSOR:

Grand Prairie Municipal Airport  
Airport Director  
3116 S. Great Southwest Parkway  
Grand Prairie, Texas 75052

LESSEE:

Isibelle DeBaun  
Managing Member  
2935 South Beltline Rd  
Grand Prairie, TX 75052

#### **XVIII. SUBLEASING**

Except as provided herein, if Lessee should desire to sublet any or all of the Leased Premises, Lessee may do so only after receiving the written consent of Lessor, which consent will not be unreasonably withheld or delayed. Any such subletting, if permitted, shall not release Lessee from its obligations hereunder. Any and all subletting shall be subordinate to this Lease and subject to the Grand Prairie Municipal Airport's Rules & Regulations and Minimum Standards. Lessee shall be responsible for the sublessee's compliance with all federal, state and municipal laws, ordinances, rules and regulations.

A copy of each sublease executed between the Lessee and a sublessee shall be delivered to the Lessor's Airport Director within ten (10) calendar days of execution.

All sublessees shall comply with Grand Prairie Municipal Airport Minimum Standards for Commercial Activities for those commercial activities as described in Article XII above. For those commercial activities not described in Article XII, sublessee must first obtain approval from the Airport Director before conducting such activities. Approval of such will not be unreasonably withheld.

#### **XIX. ASSIGNMENT**



Lessee shall be allowed to assign this Lease, in whole or in part, with the prior written consent of the Lessor. Lessee may at its option, at any time, subject to the written approval of the City, which approval shall not be unreasonably or arbitrarily withheld, convey, sell, mortgage, transfer, assign all or a portion of Lessee's leasehold estate and all or a part of Lessee's rights, title and interest hereunder, including its right to use and occupy all or a portion of the Leased Premises and all of its right and interest in and to any portion of all buildings, other improvements and fixtures now or hereafter placed on the Leased Premises. In such event, upon Lessee's written request to City, City will, as soon as practically possible, obtain and provide through its agent all necessary documentation, estoppel agreements, transfers and releases such that the assignee, heir, lender, transferee, or successor of the leasehold estate in the improvement will obtain all rights and interest in the leasehold estate of that improvement from the City and Lessee. Such documentation will include an Owner's Consent to Mortgage of the Leasehold Estate which will allow the assumption of such prorata share of the lease by the mortgagee. Any costs incurred for the preparation of documentation required hereunder will be at the expense of Lessee, its transferees or assignees. The City agrees to recognize all leasehold mortgagees or any purchasers of the leasehold at foreclosure in the same manner as an assignee of this lease.

No mortgagee or trustee or anyone that claims by, through, or under a leasehold mortgage or leasehold estate shall, by virtue thereof, acquire any greater right in the Leased Premises and in any building or improvements thereon than Lessee then had under this lease, and provided further that any assignee, transferee, purchaser, or leasehold mortgagee and any indebtedness secured by a leasehold interest thereby shall at all times be and remain inferior and subordinate to all of the conditions, covenants and obligations of this lease and to all of the conditions, covenants and obligations of this lease and to all of the rights of the City hereunder. In no event shall Lessee have the right to encumber, subordinate or render inferior in any way City fee simple title in and to the Leased Premises. A copy of each executed document will be delivered to Airport Director to be kept on file.

Subject to Lessee's and /or any sublessee's authorization, any such Leasehold mortgagee, assignee, transfer, or purchaser at its option, at any time before the rights of lessee shall have been terminated, may pay any prorated share of the rents due hereunder or may affect any insurance, or may pay any taxes or may do any other act or thing or make any other payment required of the Lessee by the terms of this lease, or may do any act or thing which may be necessary and proper to be done in the observance of the covenants and conditions of this Lease, or to prevent the termination of the lease and may use insurance proceeds to pay any sum required to be paid by Lessee hereunder; and all payments so made and all things so done and performed by any such leasehold mortgagee, assignee, transferee or buyer shall be as effective to prevent a forfeiture of the rights of the Lessee hereunder as the same would have been if done and performed by the Lessee instead of by such leasehold mortgages, assignees, transferee, or buyer.

No leasehold mortgagee, assignee, transferee or buyer of the rights or interest of any portion or all of the leasehold interests of Lessee hereunder shall be or become liable to Lessor as an assignee of this lease or otherwise for the payment or performance of any

obligation of lessee until it expressly assumes by written instrument the payment or performance of such obligation, and no assumption of liability shall be inferred from or result from foreclosure or other appropriate proceedings in the nature thereof or as the result of any other action or remedy provided for by any leasehold mortgage, or from a conveyance or assignment pursuant to which any purchaser at foreclosure shall acquire the rights and interest of Lessee under the terms of this lease. All assignments shall be on the condition that the assignee accepts and agrees to the prorated share of all of the terms, conditions and provisions of this Agreement and agrees to accept and discharge the prorated share of all of the covenants and obligations of the Lessee hereunder, including but not limited to the payment of all sums due and to become due by Lessee under the terms hereof. This is not to be interpreted to mean that any voluntary or involuntary assignee may refuse to express assume the payment or performance of the obligations or Lessee, and any such Assignee that so refuses may be evicted or otherwise removed from the Airport.

Upon request by Lessee to the Airport Director and upon the approval by the City, the City will execute, upon written request, a partial assignment with the assignee using like terms necessary to allow the purchaser of such interest in the leasehold improvements to assume a prorated obligation of this agreement.

Upon an assignment of all or part of the leasehold interests a new monthly ground rental rate may be established for Lessee, if necessary, by reducing the rental amount in Article II by an amount equal to the amount assessed the assignee of the Leasehold interest.

During such time as Lessee's leasehold estate is subject to a leasehold mortgage, this Lease may not be modified or voluntarily surrendered without the prior written consent of the leasehold mortgagee; provided, however, that this Lease may be terminated without the consent of the leasehold mortgagee if a default or other cause of termination under this Lease occurs and is not corrected or satisfied in accordance with the terms and conditions of the lease.

## **XX. LIENS BY LESSEE**

Lessee, its sublessees or assignees covenant and agree that they shall have no power to do any act or make any contract that may create or be the foundation for any lien upon the property or interest in the property of Lessor, and if any such purported lien is created or filed, Lessee, or, if applicable sublessee or assignee, its sole cost and expense, shall liquidate and discharge same, or file a bond to discharge same, within thirty (30) days next after the filing thereof. Should Lessee, or if applicable, its sublessee or assignee fail to discharge same, such failure shall constitute an immediate breach of this lease for which no further opportunity to cure shall be granted, and Lessee's ninety (90) days to vacate the premises shall begin on said 31st day.

## **XXI. BANKRUPTCY**

Lessee agrees and covenants that, in the event that any proceedings in bankruptcy or



insolvency shall be instituted against Lessee, whether voluntary or involuntary, Lessor may, at its option, declare this lease forfeited and terminated, and take such position in a bankruptcy court or other appropriate forum, and upon such declaration, and approval by a judge or other appropriate authority, Lessee agrees to give and deliver immediate possession of the premises to Lessor.

## **XXII. TAXES AND ASSESSMENTS**

Lessee agrees to pay any federal, state or local taxes or assessments which may be lawfully levied against Lessee, its sublessees or assignees due to (1) Lessee's, sublessee's or assignee's occupancy or (2) Lessee's, sublessee's, or assignee's use of the premises, or any improvements or property placed thereon by Lessee, its sublessees or assignees as a result of Lessee's occupancy.

## **XXIII. ATTORNEYS' FEES**

In any action brought by Lessor for enforcement of the obligations of Lessee, Lessor shall be entitled to recover interest and reasonable attorneys' fees.

## **XXIV. NONDISCRIMINATION**

The granting of this lease is conditioned upon the following covenants:

A. Lessee, and all assignees, sublessees, or other successors, covenant and agree to comply with all federal, state, and local rules, regulations and laws, including all ordinances of the City of Grand Prairie, all rules and regulations of Lessor, all rules and regulations established by the Airport Director (Airport Rules and Regulations) for the operation of the Airport, and all rules and regulations adopted by the City Council of the City of Grand Prairie pertaining to the conduct of Airports owned or operated by the City, as such rules, regulations and laws exist or may hereafter be amended or adopted. It is understood and agreed that if Lessor calls the attention of Lessee to any such violation on the part of Lessee, or any of its officers, agents, employees, contractors, subcontractors, licensees or invitees, Lessee shall immediately desist from and correct such violation.

B. Lessee, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. no person on the grounds of race, color, sex, creed, age, disability or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said public Airport facilities;
2. in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, creed, age, disability or national origin shall be excluded from

participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended or renumbered.
4. Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable, and not unjustly discriminatory prices for each unit of service; provided, however, that Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar price reductions to volume users.

#### **XXV. LICENSES AND PERMITS**

Lessee, and its sublessees or assignees, shall, at their sole expense, be responsible for obtaining and keeping in effect all licenses and permits necessary for the operation of their business(es) on the premises.

#### **XXVI. GOVERNMENTAL POWERS**

It is understood and agreed that by execution of this lease, the City of Grand Prairie does not waive or surrender any of its governmental powers.

#### **XXVII. NON-WAIVER**

The failure of Lessor to insist upon the performance of any term or provision of this lease or to exercise any right herein conferred shall not be construed as a waiver or relinquishment to any extent of Lessor's right to assert or rely upon any such term or right on any future occasion.

Should any action, whether real or asserted, at law or in equity, arise out of the terms and conditions of this lease, venue for said action shall lie in Tarrant or Dallas County, Texas.

#### **XXVIII. ENTIRETY OF AGREEMENT**

This written instrument constitutes the entire agreement by the parties hereto concerning the premises, and any prior or contemporaneous, oral or written agreement which purports to vary from the terms hereof shall be void.



SIGNED AND EFFECTIVE ON THIS 1st DAY OF March, 2019.

CITY OF GRAND PRAIRIE, TEXAS, LESSOR

SCDY  
Deputy City Manager

APPROVED AS TO FORM:

Mark E. Dempsey  
City Attorney Deputy

ATTEST:

Catherine E. DiMaggio  
City Secretary

STAGGERWING DEVELOPMENT #5, LLC, LESSEE

By: Isabelle DeB

Printed Name: Isabelle DeBaun

Title: Managing Member

## **XXIX. LEGAL CONSTRUCTION**

In case any one or more of the provisions contained in this lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the lease, and this lease shall be construed as if such invalid, illegal, or unenforceable provision had not been included in the lease.

## **XXX. FORCE MAJEURE**

Neither Lessor nor Lessee, its sublessees or assignees, shall be required to perform any term, condition, or covenant in this lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee and which, by the exercise of due diligence, Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

## **XXIX. EXECUTION TIME LIMITS**

This lease shall be executed by Lessee within thirty (30) days of the time it is presented to Lessee by Lessor. If it is not executed within this thirty (30) day period, it will be null and void, and any holdover tenancy or tenancy at will under an existing occupancy will immediately terminate; provided, however, that if Lessee is already occupying the premises, Lessee will be liable for lease payments during such time of occupancy.

## **XXX. GOVERNING LAW; VENUE**

This Agreement and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas. This Agreement is performable in Tarrant County, Texas, and exclusive venue for any action arising out of this Agreement shall be in Tarrant County, Texas.

## **XXXI. CHARITABLE IMMUNITY OR EXEMPTION**

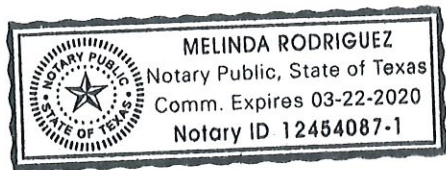
If Lessee, as a charitable association, corporation, entity or individual enterprise, has or claims an immunity or exemption (statutory or otherwise) from and against liability for damage or injury to property or persons, Lessee hereby expressly waives its rights to plead defensively such immunity or exemption as against Lessor.



STATE OF TEXAS       §  
                                 §  
COUNTY OF DALLAS   §

Before Me, a Notary Public, on this day personally appeared **Steve Dye**, known by me to be the person and whose name is subscribed to the foregoing instrument and acknowledges to me that the same was the act of the said City of Grand Prairie, and that he has executed the same as was the same act of said City of Grand Prairie, Texas.

Given under my hand and seal of office this 1 day of March, A.D. 2019.

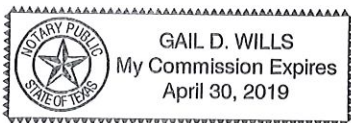


Melinda Rodriguez  
Notary Public, State of Texas  
My Commission Expires: 03-22-2020

STATE OF TEXAS       §  
                                 §  
COUNTY OF DALLAS   §

Before Me, a Notary Public, on this day personally appeared **Isibelle DeBaun**, and known by me to be the person and whose name is subscribed to the foregoing instrument and acknowledges to me that the same was the act of the said Staggarwing Development #5, LLC.

Given under my hand and seal of office this 1st day of February, A.D. 2019.



Gail D. Wills  
Notary Public, State of Texas  
My Commission Expires: 4/30/19





LEGAL LAND DESCRIPTION

LEASE AREA

BEING a portion of that certain tract of land in the William J. Whiting Survey, Abstract No. 1614, City of Grand Prairie, Tarrant County, Texas, described as a portion of that certain tract of land described in a Deed to the City of Grand Prairie, Texas for the creation of a public airport (hereinafter referred to as Grand Prairie Airport), as recorded in Volume 4122, Page 602, Deed Records, Tarrant County, Texas, and being more particularly described, by metes and bounds, as follows:

**BEGINNING** at a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set in the South boundary line of existing lease number S26, from which City of Grand Prairie Monument No. GPS 37 bears North 01 degree 52 minutes 05 seconds East, a distance of 1874.38 feet;

**THENCE** crossing said Grand Prairie Airport for the following 6 courses:

1. South 00 degrees 12 minutes 41 seconds East, a distance of 212.12 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set for corner;
2. South 89 degrees 36 minutes 31 seconds West, a distance of 270.00 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set for corner;
3. North 00 degrees 23 minutes 29 seconds West, a distance of 175.00 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" found for corner, same being the Southwest corner of the existing Lease Number S26;
4. North 89 degrees 36 minutes 31 seconds East with the South line of said existing Lease Number S26, a distance of 126.00 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" found for corner;
5. North 00 degrees 23 minutes 29 seconds West, continue with the South line of said existing Lease Number S26, a distance of 36.12 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" found for corner;
6. North 89 degrees 36 minutes 31 seconds East, continue with the South line of said existing Lease Number S26, a distance of 144.66 feet to the **PLACE OF BEGINNING**, and containing a calculated area of 1.206 acres (52,522 square feet) of land.

All bearings shown herein are Texas State Plane Coordinate System, NAD83 (CORS), Texas North Central Zone (4202). All distances shown herein are surface distances.

This description and corresponding plat or map were prepared from a survey made on the ground under my supervision.

 11/21/18

Michael Dan Davis                      DATE:  
Registered Professional Land Surveyor No. 4838  
BANNISTER ENGINEERING, LLC  
T.B.P.L.S. REGISTRATION NO. 10193823

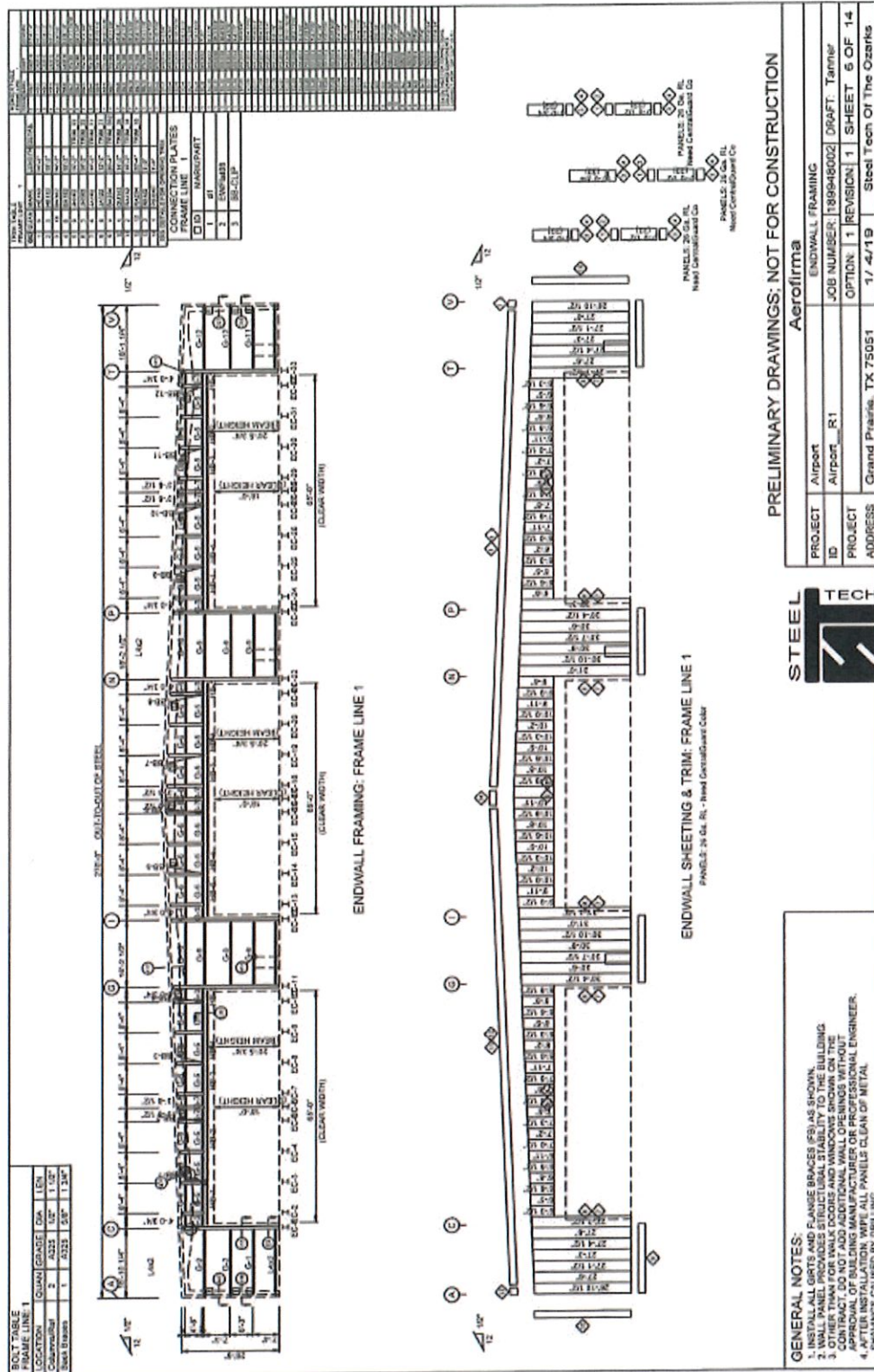


Project No. 116-18-01 | Date: 11/21/2018 | Page 1 of 2 | Drawn by: SA | Checked by: MDJ

LEASE AREA DESCRIPTION EXHIBIT  
PORTION OF GRAND PRAIRIE MUNICIPAL AIRPORT  
OUT OF WILLIAM J. WHITING SURVEY, ABSTRACT NO. 1614  
CITY OF GRAND PRAIRIE, TARRANT COUNTY, TEXAS

 **BANNISTER**  
ENGINEERING  
240 North Mitchell Road | Mansfield, TX 76063 | 817.842.2094 | 817.842.2095 fax  
TBPLS REGISTRATION NO. 10193823

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# Exhibit C - General Description of Development

