



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Meeting Agenda Airport Advisory Board

Wednesday, June 11, 2025

3:00 PM

Airport Terminal Meeting Room

After determining that a quorum is present, the Airport Advisory Board of the City of Denton, Texas will convene in a Regular Meeting on Wednesday, June 11, 2025, at 3:00 p.m. in the Meeting Room at the Denton Enterprise Airport Terminal Building, 5000 Airport Road, Denton, Texas, at which the following items will be considered:

1. PLEDGE OF ALLEGIANCE

- A. U.S. Flag
- B. Texas Flag

“Honor the Texas Flag – I pledge allegiance to thee, Texas, one state under God, one and indivisible.”

2. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

Citizens may complete one Request to Speak “Public Comment” card per night for the “Presentations from Members of the Public” portion of the meeting and submit it to the Airport Staff. Presentations from Members of the Public time is reserved for citizen comments regarding items not listed on the agenda. No official action can be taken on these items. Presentations from Members of the Public is limited to five speakers per meeting with each speaker allowed a maximum of three (3) minutes.

3. ITEMS FOR CONSIDERATION

- A. [AAB25-019](#) Consider approval of the minutes of April 9, 2025.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
[Exhibit 2 - Draft Minutes - April 9, 2025](#)

- B. [AAB25-022](#) Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of a Consent to Collateral Assignment of an Airport Land Lease Agreement between HC Aviation Property Holdings, Inc and Guaranty Bank & Trust; and providing an effective date.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
[Exhibit 2 - Consent to Collateral Assignment](#)

- C. [AAB25-023](#) Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Land Lease Agreement between the City of Denton, Texas and Hangar Club, LLC, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
[Exhibit 2 - Location Map](#)
[Exhibit 3 - Hangar Club, LLC Lease Agreement](#)

- D. [AAB25-021](#) Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Assignment of Airport Lease from Ezell Aviation, Inc to Marklyn Jet Parts, LLC covering property at 4855 Sabre, 4933 Sabre, 5011 Sabre, 5040 Warbird, Denton, Texas at the Denton Enterprise Airport as described in the Lease; authorizing the City Manager to execute the Assignment of Airport Lease; and providing an effective date.

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
 [Exhibit 2 - Location Map](#)
 [Exhibit 3 - Consent to Lease Assignment](#)

Following the completion of the Regular Meeting, the Airport Advisory Board will convene in a Work Session at which the following items will be considered:

4. WORK SESSION

- A. [AAB25-020](#) Staff Reports:
1. Monthly Operations Report - June 2025
 2. Airport Advisory Board-City Council Airport Related Items Matrix - June 2025

Attachments: [Monthly Operations Report - June 2025](#)
 [Airport Advisory Board-City Council Airport Related Items Matrix - June 2025](#)

5. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the Airport Advisory Board or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

NOTE: The Airport Advisory Board reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

CERTIFICATE

I certify that the above notice of meeting was posted on the official website (<https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on June 6, 2025, in advance of the 72-hour posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST 48 HOURS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
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Legislation Text

File #: AAB25-019, **Version:** 1

AGENDA CAPTION

Consider approval of the minutes of April 9, 2025.



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: June 11, 2025

SUBJECT

Consider approval of the minutes of April 9, 2025.

BACKGROUND

The draft minutes from the Airport Advisory Board meeting of April 9, 2025, are attached for the Board's consideration and approval.

EXHIBITS

1. Agenda Information Sheet
2. Draft Minutes – April 9, 2025

Respectfully submitted:
Leanne Alexander, A.C.E.
Airport Analyst

MINUTES
AIRPORT ADVISORY BOARD
April 9, 2025

After determining that a quorum was present, the Airport Advisory Board of the City of Denton, Texas convened in a Regular Meeting on Wednesday, April 9, 2025, at 3:00 p.m. in the Meeting Room at the Denton Enterprise Airport Terminal Building, 5000 Airport Road, Denton, Texas.

PRESENT: Chair Rick Woolfolk, Vice Chair Brownie Stonecipher, Members Ann Patterson, Davis Bird, Erica Garland, and Byron Woods.

ABSENT: None

1. PLEDGE OF ALLEGIANCE

Members conducted the U.S. and Texas pledge of allegiance.

2. PRESENTATION FROM MEMBERS OF THE PUBLIC

None

3. ITEMS FOR CONSIDERATION

A. Consider approval of the minutes of February 12, 2025. (AAB25-009)

The item was presented, and discussion followed.

Vice Chair Stonecipher moved to approve the item as presented. Member Woods seconded the motion. Motion carried.

AYES (6): Chair Woolfolk, Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (0): NONE

ABSENT (0): NONE

B. Ratification of the Airport Business Permit for Iconic Flight, LLC to conduct Flight Training services at the Denton Enterprise Airport. (AAB24-010)

The item was presented, and discussion followed.

Member Bird moved to approve the item as presented. Vice Chair Stonecipher seconded the motion. Motion carried.

AYES (6): Chair Woolfolk, Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (0): NONE

ABSENT (0): NONE

- C. Receive a report, hold a discussion, and provide a recommendation to the City Council regarding the adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a Professional Services Agreement between the City of Denton and Garver, LLC, amending the contract approved by Purchasing on August 28, 2023, in the not-to-exceed amount of \$15,000.00; amended by Amendment 1 approved by City Council; said second amendment to provide a Taxiway Rehabilitation Priority Report for the Denton Enterprise Airport; providing for the expenditure of funds therefor, and providing an effective date (RFQ 8209 – providing for an additional second amendment expenditures amount not-to-exceed \$53,200.00, with the total contract amount not-to-exceed \$138,200.00). (AAB25-017)**

The item was presented, and discussion followed.

Member Bird moved to approve the item as presented. Member Woods seconded the motion. Motion carried.

AYES (6): Chair Woolfolk, Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (0): NONE

ABSENT (0): NONE

- D. Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Hangar Lease Agreement between the City of Denton, Texas and DSR-Cherokee 180, LLC, covering property at 918 Aeronca Lane, Denton, Texas at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Hangar Lease Agreement; and providing an effective date. (AAB25-011)**

The item was presented, and discussion followed.

Vice Chair Stonecipher moved to approve the item as presented. Member Patterson seconded the motion. Motion carried.

AYES (6): Chair Woolfolk, Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (0): NONE

ABSENT (0): NONE

- E. Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Hangar Lease Agreement between the City of Denton, Texas and DSR-Cherokee 180, LLC, covering property at 922 Aeronca Lane, Denton, Texas at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Hangar Lease Agreement; and providing an effective date. (AAB25-012)**

The item was presented, and discussion followed.

Vice Chair Stonecipher moved to approve the item as presented. Member Patterson seconded the motion. Motion carried.

AYES (6): Chair Woolfolk, Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (0): NONE

ABSENT (0): NONE

- F. Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Hangar Lease Agreement between the City of Denton, Texas and DSR-Cherokee 180, LLC, covering property at 926 Aeronca Lance, Denton, Texas at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Hangar Lease Agreement; and providing an effective date. (AAB25-013)**

The item was presented, and discussion followed.

Vice Chair Stonecipher moved to approve the item as presented. Member Patterson seconded the motion. Motion carried.

AYES (6): Chair Woolfolk, Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (0): NONE

ABSENT (0): NONE

- G. Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Hangar Lease Agreement between the City of Denton, Texas and CFD Integration, LLC /D/B/A/ CFDI Aero, covering property at 5088 Sabre Lance, Denton, Texas at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Hangar Lease Agreement; and providing an effective date. (AAB25-014)**

The item was presented, and discussion followed.

Vice Chair Stonecipher moved to approve the item as presented. Member Patterson seconded the motion. Motion carried.

AYES (5): Vice Chair Stonecipher, and Members Patterson, Bird, Garland, and Woods

NAYS (1): Chair Woolfolk

ABSENT (0): NONE

4. WORK SESSION

- A. Receive a report and hold a discussion regarding a report of Fire Station 9 operations. (AAB25-016)**

The items were presented, and discussion followed. There was no direction provided as the items were for presentation/discussion purposes only.

B. Staff Reports: (AAB25-007)

- 1. Monthly Operations Report – April 2025**
- 2. Administrative Report – April 2025**
- 3. Airport Advisory Board-City Council Airport Related Items Matrix – April 2025**

The items were presented, and discussion followed. There was no direction provided as the items were for presentation/discussion purposes only.

5. CONCLUDING ITEMS

The next scheduled Airport Advisory Board meeting is May 14, 2025, at 3:00 p.m.

With no further business, the meeting was adjourned at 3:44 p.m.

X

Rick Woolfolk
Chair

X

Leanne Alexander
Recording Secretary

MINUTES APPROVED ON: _____



City of Denton

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Legislation Text

File #: AAB25-022, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of a Consent to Collateral Assignment of an Airport Land Lease Agreement between HC Aviation Property Holdings, Inc and Guaranty Bank & Trust; and providing an effective date.



City of Denton

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AGENDA INFORMATION SHEET

DEPARTMENT: Airport

ACM: Frank Dixon

DATE: June 11, 2025

SUBJECT

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of a Consent to Collateral Assignment of an Airport Land Lease Agreement between HC Aviation Property Holdings, Inc and Guaranty Bank & Trust; and providing an effective date.

BACKGROUND

The City of Denton has received a request from HC Aviation Property Holdings, Inc. and Guaranty Bank & Trust for the execution of a Collateral Assignment of Airport Land Lease. This assignment pertains to property leased by HC Aviation Property Holdings, Inc. at Denton Enterprise Airport and is intended to secure a lien. The City Attorney's Office has reviewed and approved the form of the associated document, which is attached to the proposed ordinance. (**Exhibit 2**).

RECOMMENDATION

Airport Staff recommends approval of the Consent to Collateral Assignment (**Exhibit 2**).

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved the lease agreement on November 19, 2024, Ordinance 24-2185

FISCAL INFORMATION

The associated lease agreement is for a 1.026-acre parcel for forty (40) years beginning at a rate of \$0.38 per square foot annually (\$16,978.02). Beginning with the second anniversary of an approved lease, and every second year thereafter, the lease rate will be adjusted based upon any increase in the Consumer Price Index (CPI) as provided in the lease terms.

EXHIBITS

1. Agenda Information Sheet
2. Consent to Collateral Assignment

Respectfully submitted:
Ryan Adams, C.M.
Airport Director

CONSENT TO COLLATERAL ASSIGNMENT OF LEASE

This Consent to Collateral Assignment of Lease is made between the City of Denton, Texas, a Texas home rule municipal corporation (“City” or “Landlord”), HC Aviation Property Holdings, Inc, a Texas Corporation (“Assignor”) and Guaranty Bank & Trust, N.A.; a Texas state banking association (“Assignee”).

WHEREAS, the City is the sole owner and landlord of a pad site at Denton Enterprise Airport located on Site 10 (the “Property”); and

WHEREAS, the Property is subject to a ground lease, described as the Master Lease Agreement, dated as of November 19, 2024, by and between the City, as Lessor, and Assignee, as Lessee (the “Master Lease”), said Master Lease governing the ground lease of certain portions of the Property pursuant to those certain Airport Lease Agreements, dated as of November 19, 2024, by and between the City, as Lessor, and Assignee, as Lessee (collectively, the “Airport Lease Agreement”, and together with the Master Lease, the “Lease”); and

WHEREAS, Assignee provided financing for the purchase of the Leasehold Estate and certain improvements on such ground leased property; and

WHEREAS, for the purpose of securing and enforcing the payment obligations of Assignor to Assignee, Assignor now wishes to collaterally assign the Lease to the Assignee through the Leasehold Deed of Trust attached hereto as **Exhibit A**; and

WHEREAS, Section 8.4 of the Lease provides that it may not be collaterally assigned without the written consent of City, at City’s sole discretion, and Assignor has requested the City’s consent; and

WHEREAS, Section 8.5 of the Lease provides preconditions that must be met before the City will consent to a collateral assignment and those preconditions have been satisfied or are satisfied herein;

NOW THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City hereby consents to Assignor’s collateral assignment of the Leasehold Estate to Assignee, through the Leasehold Deed of Trust (the “Collateral Assignment”) attached as Exhibit “A,” under the following terms and conditions:

1. Assignor shall pay to the City a transfer fee of One Thousand Dollars (\$1,000.00) in connection with the City providing its consent to the Collateral Assignment of the Leasehold Estate.
2. Assignor will pay or will have Assignee pay for all of the City’s administrative costs for handling and processing the assignment of the Leasehold Estate from Assignor to Assignee.

3. Assignee certifies that it has reviewed the Lease and accepts the provisions applicable to the Assignee as Lender, including but not limited to Section 8.5.
4. Assignee shall give the City copies of any written notice which Assignee gives to Assignor of any default by Assignor under any financing agreement, promissory note, or the Collateral Assignment at the same time it gives notice to the Assignor. Any such notice shall be delivered as follows:

City Manager
City of Denton
215 E. McKinney
Denton, Texas 76201

with copies to:

Airport Manager
Denton Enterprise Airport
5000 Airport Road
Denton, Texas 76207

City Attorney
City of Denton
215 E. McKinney
Denton, Texas 76201

5. The City agrees to provide Assignee a contemporaneous copy of all written notices provided to Assignor under the Lease. Wherein a notice of default or breach has been provided by the City to Assignor and Assignee, Assignee shall be entitled, at its option, to cure such default or breach, and the City shall accept such cure from Assignee. If the default or breach is not cured as provided under the Lease, the City shall have the remedies available to it as set out therein. Any notice to be delivered from City to Assignee shall be delivered to the following:

Guaranty Bank & Trust
Attn: Legal Department
100 West Arkansas Street
Mt. Pleasant, Texas 75455

6. Should Assignee foreclose or otherwise obtain Assignor's rights and interest in the Leasehold Estate, the City will not unreasonably withhold its consent to an assignment by Assignee to future successors upon being provided with the potential successor's (i) financial statement, (ii) confirmation of no outstanding taxes, liens, or judgments, and (ii) a demonstrated history of aviation experience. The City shall be the sole judge of any potential successor's qualifications, which shall be reasonably exercised.

7. In the event of any inconsistency between the terms and conditions of the Lease and the terms and conditions of this Consent, then the Lease shall govern and control.
8. If any provisions of this Consent shall be held or deemed to be illegal, inoperative, or unenforceable, the same shall not affect any other provisions contained herein; the remaining provisions to remain in full force and effect.
9. The City hereby represents and warrants that this Consent is made with proper authority under ordinance.
10. Assignee, its authorized representatives or agents, may, upon reasonable advanced notice (written or oral) to Assignor and City and at any reasonable times, enter the Property for the purposes of inspecting, repairing, or removing personal property. Assignee may further, upon reasonable advanced written notice to City and Assignor and at reasonable times, enter upon the Property to exhibit or conduct a sale(s) of any or all of the collateral pledged to Assignee, subject to the City's interests under the Lease.
11. This Consent to Collateral Assignment shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any action related to this Consent shall be solely in a court of competent jurisdiction in Denton County, Texas.
12. This Consent to Collateral Assignment of Lease will bind and inure to the benefit of the parties, their heirs, executors, administrators, successors in interest, and assigns.

IN WITNESS HEREOF, the parties have executed this Consent to Collateral Assignment of Lease as of the Date written below.

[Signatures on following page]

Dated: 5/29/2025

ASSIGNOR:

HC Aviation Property Holdings, Inc, a Texas Corporation

Signed by:
By: Garrett Martin
Name: Garrett Martin
Title: Managing member

ASSIGNEE:

Guaranty Bank & Trust, N.A.

DocuSigned by:
By: Jeremy Fykes
Name: Jeremy Fykes
Title: President, Denton

CITY OF DENTON
Landlord

By: _____
Name: _____
Title: _____

ATTEST:
LAUREN THODEN, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
By: Marcella Lunn
4B070831B4AA436...



City of Denton

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Legislation Text

File #: AAB25-023, **Version:** 1

AGENDA CAPTION

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Land Lease Agreement between the City of Denton, Texas and Hangar Club, LLC, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date.



City of Denton

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AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: June 11, 2025

SUBJECT

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Land Lease Agreement between the City of Denton, Texas and Hangar Club, LLC, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date.

BACKGROUND

In November 2024, the City of Denton released a Request for Proposals (RFP) for the development of airport property known as Sites 3 and 4. Two submissions were received and evaluated by a cross-departmental team of City staff including representatives from the Airport, Finance, Economic Development, Strategic Services, and Development Services. The RFP process was conducted following the City of Denton purchasing policy and evaluations were made on the basis of four criteria:

- Qualifications (i.e. Experience and Knowledge)
- Development Quality
- Airport Impact
- Financial Ability and Credit Worthiness

After evaluation and scoring, Hangar Club, LLC was awarded the right to enter into negotiations with the City for the development of Sites 3 and 4.

The airport has negotiated a land lease agreement with Hangar Club, LLC for a 7.91-acre site (344,687 sq ft). This lease is for the development of 44 hangar storage units, totaling a minimum of 110,000 square feet of aircraft storage space. Hangar Club, LLC will be responsible for connecting to Taxilane Hotel to serve its development, as well as providing vehicular parking that meets or exceeds local regulations. The completed hangar units will be sold by the Lessee through sublease agreements, with Hangar Club, LLC retaining responsibility for all direct rental payments and associated leasehold fees and obligations.

The capital investment for the overall leased premises shall be a minimum of \$15,000,000.00. The overall capital investment is commensurate with a forty (40) year term lease. The ownership of the buildings will revert to the City at the lease's end. The tenant shall be responsible for conducting a condition assessment report on their facilities during the term of the lease (the "Condition Assessment"). This shall be conducted in 5-year increments beginning at the 10th anniversary of the lease agreement.

STAFF RECOMMENDATION

Airport Staff recommends approval of the Ordinance (**Exhibit 3**).

FISCAL INFORMATION

The initial annual lease rate will be set at \$0.45 per square foot, amounting to \$155,109.15. Commencing on the second anniversary of the approved lease and every two years thereafter, the lease rate will be adjusted in accordance with any increases in the Consumer Price Index for All Urban Consumers (CPI-U) as published by the U.S. Department of Labor Bureau of Labor Statistics, in accordance with the lease terms.

EXHIBITS


1. Agenda Information Sheet
2. Location Map
3. Hangar Club, LLC Lease Agreement

Respectfully submitted:
Ryan Adams, C.M.
Airport Director

Location Map

Hangar Club, LLC
7.91 Acres
344,687 Square Feet

Legend

 Hangar Club, LLC

Google Earth

Image © 2025 Airbus

700 ft



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AIRPORT LEASE AGREEMENT

between

CITY OF DENTON

and

HANGAR CLUB, LLC

dated as of

_____, 2025

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AIRPORT LEASE AGREEMENT

THIS AIRPORT LEASE AGREEMENT (this “Agreement”) effective as of this _____ day of _____, 2025, by and between the CITY OF DENTON, TEXAS, a Texas home-rule municipal corporation (“City”), and HANGAR CLUB, LLC, a New Mexico limited liability company (the “Lessee” and, together with City, the “Parties” and each a “Party”).

RECITALS

WHEREAS, City is the owner and operator of the Denton Enterprise Airport in the City of Denton, Texas (the “Airport”);

WHEREAS, City has the right, title and interest in and to the real property on the Airport, together with the facilities, easements, rights, licenses, and privileges hereinafter granted, and has full power and authority to enter into this Agreement in respect thereof;

WHEREAS, City owns that certain real property located within the Airport legally described on **Exhibit A** attached hereto and made part hereof which consists of 344,687 square feet or 7.91 acres (such real property, together with all rights, privileges, easements and appurtenances benefiting such real property and all Preexisting Improvements, as hereafter defined, are collectively referred to herein as the “Leased Premises”);

WHEREAS, City desires to continue to have and further develop the Leased Premises for exclusively aeronautical purposes beneficial to the City and the general public;

WHEREAS, Lessee is qualified, ready, willing and able to undertake such commercial development and/or use; and

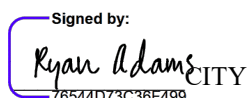
WHEREAS, the Parties hereto wish to memorialize their agreement herein and they agree as follows:

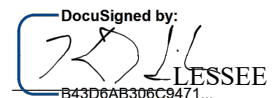
AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which by this reference are hereby incorporated into this Agreement, and the mutual covenants contained in this Agreement, the Parties hereto hereby agree as follows:

ARTICLE I LEASE OF LEASED PREMISES; TERM

Section 1.1 Lease of Leased Premises. City hereby leases to Lessee, and Lessee hereby rents from City for its exclusive use the Leased Premises, all herein described rights incident thereto, for and during the Lease Term and upon and subject to the terms, provisions and conditions herein set forth. All improvements existing in, on or under the Leased Premises as of the Commencement Date, as hereafter defined, shall be referred to herein as “Preexisting Improvements”. All improvements constructed by or on behalf of City from and after the Commencement Date, as hereafter defined, shall be referred to herein as “City Improvements”.

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The "Leased Premises" shall be deemed to include the Preexisting Improvements and the City Improvements, as hereafter defined.

Section 1.2 Lease Term. The term of this Agreement (the "Lease Term") shall be for a period of forty (40) years commencing on _____, 20__ (the "Commencement Date"), and unless sooner terminated pursuant to the provisions of this Agreement, shall terminate on _____, 20__.

Section 1.3 Holding Over; Rights at Expiration.

A. If Lessee retains all or any portion of the Leased Premises after the expiration or termination of the Lease Term by lapse of time or otherwise, such holding over shall constitute the creation of a tenancy at will with respect to such retained portion, terminable by City at any time upon thirty (30) days prior written notice to Lessee. Under such tenancy at will, Lessee agrees to pay to City as liquidated damages, and not as a penalty, 150 % of the last monthly rental rate under this agreement for each month of holdover. All provisions of this Agreement shall remain in full force and effect during such holdover period.

B. Lessee further agrees that, upon the expiration or termination of the Lease Term, the Leased Premises will be delivered to City in as good a condition as when this Agreement began, reasonable wear and tear and matters covered by insurance excepted and the Improvements, as hereafter defined, will be delivered to City in as good a condition as when such Improvements were constructed, located, installed, placed or erected in, upon or under the Leased Premises, reasonable wear and tear and matters covered by insurance excepted.

C. Except as otherwise expressly set forth elsewhere herein, Lessee shall have no rights with respect to any improvements made to the Leased Premises during the Lease Term that are not otherwise required to be removed by City.

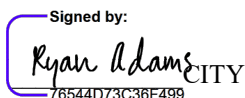
Section 1.4 Inspection of Leased Premises; Access to Books and Records. City, through its duly authorized agents, shall have at any reasonable time the full and unrestricted right to enter the Leased Premises and the Improvements, as hereafter defined, for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement; provided, however, that except in the case of emergency, such right shall be exercised upon reasonable prior notice to Lessee and with an opportunity for Lessee to have an employee or agent present, and will not interfere with Lessee's construction or operations. Lessee agrees to provide any documents that may be requested by City to determine compliance with this Agreement within thirty (30) days of such request.

Section 1.5 Ownership of Leased Premises. City and Lessee intend and hereby agree that the Leased Premises shall be and remain the property of City during the entire term of this Agreement and thereafter.

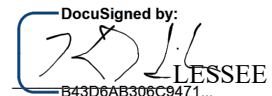
ARTICLE II

RENTAL; SECURITY DEPOSIT

Section 2.1 Rent.

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A. In consideration for the use of the Leased Premises herein granted, Lessee shall pay to City the following rental amounts (the “Rent”). The monthly rent shall be in the sum of \$0.45 per net square foot, as determined and provided in Exhibit A, said sum being stipulated herein as One Hundred and Fifty-Five Thousand One Hundred and Nine Dollars and Fifteen Cents (\$155,109.15) (sales tax included), payable in twelve equal monthly installments of Twelve Thousand Nine Hundred and Twenty-Five Dollars and Seventy-Six Cents (\$12,925.76). Prior to the Commencement Date, Lessee shall deposit with City, a sum equal to the first and last months’ Rent. All subsequent rental payment will be due in advance on the first of each calendar month thereafter. City will mail a courtesy statement on or about the first of each month. Failure to receive the statement in a timely manner does not absolve Lessee from making rental payment on the first of each month.

B. The Rent shall begin at the earlier of the issuance of a building permit or the first day of the third month following the Commencement date.

C. The Rent for the Leased Premises shall be readjusted at the end of each two (2) year period during the Lease Term, starting two (2) years after the Commencement Date and every two (2) years thereafter, on the basis of the proportion that the then current United States Consumer Price Index for all urban consumers (“CPI-U”) for the Dallas-Fort Worth Bureau of Labor Statistics (1982-84 = 100) bears to that of the Commencement Date .

Section 2.2 Insufficient Funds Charge. There shall be an extra charge of **THIRTY DOLLARS (\$30.00)** on any check returned by the bank for insufficient funds or account not existing.

Section 2.3 Time and Place of Payments. The Rent, as well as all other charges hereunder, shall be payable in equal monthly installments in advance on or before the first business day of each calendar month of the Lease Term at City’s offices of the Finance Department of the City of Denton, 215 E. McKinney, Denton, Texas, unless otherwise designated in writing by the City.

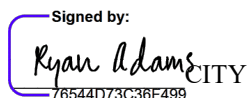
Section 2.4 Delinquent Rent. In the event Rent due pursuant to Section 2.1 or any other amounts payable by Lessee hereunder shall not be paid by Lessee on the due date thereof, Lessee shall pay to City as additional Rent, an interest charge of five percent (5%), or the maximum percentage allowed by law, whichever is greater, of the amount due for each full calendar month of delinquency, computed as simple interest. No interest shall be charged until payment is thirty (30) days overdue, but any such interest assessed thereafter shall be computed from the due date.

ARTICLE III

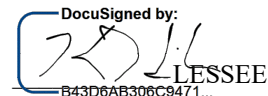
OCCUPANCY, USE AND CONDITIONS OF LEASED PREMISES

Section 3.1 Condition of Leased Premises. Lessee accepts the Leased Premises in their present “as is” condition. Lessee releases City and holds City and City’s officers, directors, elected and appointed officials, employees, and agents harmless for any claims arising out of or related to any condition of the Leased Premises.

Section 3.2 Construction and Ownership of Improvements.

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A. The Parties agree that this Agreement is entered into specifically with the understanding that Lessee will build, construct, complete, and furnish approximately 44 hangars at its own expense in accordance to Plans and Specifications, as defined in Section 5.1. Any and all buildings, structures, fixtures, appurtenances, site work, site utilities, or other improvements to be located or constructed on the Leased Property by Lessee during the Lease Term in accordance with the Plans and Specifications shall be known as "Improvements". "Improvements" shall not include any Preexisting Improvements or City Improvements. Lessee agrees to commence construction of the Improvements within 400 days after the Commencement Date and to complete the construction of the Improvements in accordance with all governmental requirements and the Plans and Specifications and to obtain a Certificate of Occupancy within thirty six (36) months from the Commencement Date. Lessee shall not construct, locate, install, place or erect any improvements, other than the Improvements, at, upon or under the Leased Premises or elsewhere at the Airport without the express prior written consent of City.

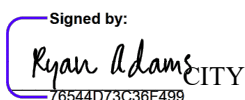
B. The capital investment in the Improvements on the Leased Property shall be a minimum of fifteen million dollars (\$15,000,000.00). The Improvements shall include:

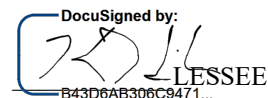
- (a) No less than 110,000 gross square feet of hangar size, excluding office, passenger terminal, and shop space;
- (b) Hangar door height of not less than 12 feet for 30'x40' units, 14' for 50'x40' units, and 16 feet for 60'x60' units;
- (c) Off-street vehicular parking with capacity to meet or exceed local building regulations taking into consideration permitted use at peak demand; and
- (d) The connection of the Airport Operations Area of the Leased Premises to Taxilane Hotel.

C. The Lessee shall use the Leased property for the following aeronautical uses: operation, management, sale, and lease of general aviation box hangars. Any changes in aeronautical use must be approved in writing by the Director of Airport or designee.

D. Lessee will own the Improvements during the Lease Term only. Effective upon the expiration or termination of this Agreement, the Improvements shall become the property of City, without the payment by City of any compensation or other consideration for any Improvements, and title to the Improvements shall merge with the title of, or be otherwise considered and deemed a part of, the real property of City, free and clear of any claim of Lessee and any persons or entities claiming under or through Lessee including, without limitation, the trustee, beneficiary or holder of any mortgage or deed of trust. Any other personal property of Lessee that can be removed by Lessee without material damage to the Leased Premises or to the Improvements may remain the personal property of Lessee and may be removed by Lessee at any time on or before the end of the Lease Term. Lessee shall, in removing any such personal property, repair all damage to the Leased Premises and Improvements caused by such removal.

Section 3.3 Access. City agrees that if Lessee is not in breach of this Agreement, Lessee and Lessee's employees, officers, directors, sublessees (that are approved by City pursuant to this Agreement), contractors, subcontractors, suppliers, agents, invitees, and other representatives

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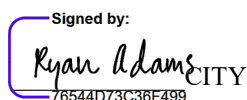
("Lessee's Associates") are authorized to ingress and egress across the common areas of the Airport (in the areas designated by City, for the purposes for which they were designed, and as permitted by applicable Laws and Regulations as defined in Section 3.4) on a non-exclusive basis and to the extent reasonably necessary for Lessee's use, occupancy, and operations at the Leased Premises. Lessee agrees to comply with any driver training program or guidelines established by the Lessor. Lessee further agrees to ensure that Lessee's Associates shall comply with such program or guidelines. During special events at the Airport, Lessee acknowledges that the standard operation procedure at the Airport may be altered such that egress and ingress to the Leased Premises may be altered by City. City will notify Lessee in writing of any special events or closures that will impede Lessee's use of the Leased Premises. Lessee's failure to comply with the altered procedure is a default of this Agreement, and City may proceed to terminate this Agreement.

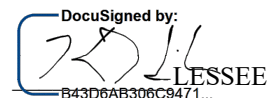
Section 3.4 Use of Leased Premises and Compliance with all Laws and Regulations. Lessee agrees that it shall use the Leased Premises and the Improvements only for aeronautical purposes and Lessee and Lessee's Associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Lessee's hangar construction, operation, management, sale, and lease business and Lessee's construction of the Improvements, including those pertaining to the construction of buildings on public property, and Lessee's use, occupancy, or operations at the Leased Premises, the Improvements or the Airport (the "Laws and Regulations"), which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law, and other pronouncements of any kind having the effect of law that may be applicable at any time during the term of this Agreement including, but not limited to, the Airport Rules and Regulations, Minimum Operating Standards, master plans and zoning codes, and all Laws and Regulations pertaining to the environment (the "Environmental Laws"); any and all plans and programs developed in compliance with such requirements (including, but not limited to, any Airport Security Plan); and all lawful, reasonable, and nondiscriminatory Airport policies and other requirements. Lessee shall provide all required notices under the Laws and Regulations. Upon a written request by City, Lessee will verify, within a reasonable time frame, compliance with any Laws and Regulations. Further, in its use of the Leased Premises and the Improvements, Lessee shall comply with the following:

A. **Address.** Lessee shall file with the Airport Director and keep current its mailing addresses, telephone numbers, and contacts where it can be reached in an emergency.

B. **List of Sublessee and Aircraft.** At least quarterly, Lessee shall file with the Airport Director and keep current a list of its sublessees and a list of all aircraft hangered or tied down on the Leased Premises within the previous four (4) month period.

Section 3.5 No Unauthorized Use. Lessee and Lessee's Associates shall use the Leased Premises, the Improvements and the Airport only for purposes that are expressly authorized by this Agreement and shall not engage in any unauthorized use of the same. Unauthorized uses include, but are not limited to, restricting access on any road or other area that Lessee does not lease; placing waste materials on the Airport or disposing of such materials in violation of any Laws and Regulations; any use that would constitute a public or private nuisance or a disturbance

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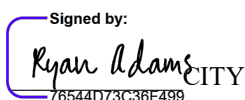
or annoyance to other Airport users; driving a motor vehicle in a prohibited Airport location; the use of automobile parking areas in a manner not authorized by City; any use that would interfere with any operation at the Airport or decrease the Airport's effectiveness (as determined by City in its sole discretion); and any use that would be prohibited by or would impair coverage under either Party's insurance policies or would cause an increase in the existing rate of insurance upon the Leased Premise.

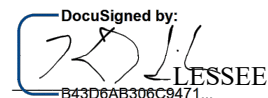
Section 3.6 Permits and Licenses. Lessee shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Lessee's construction of Improvements and the use, occupancy, or operations at the Leased Premises, the Improvements or the Airport. Those permits and licenses include, but are not limited to, (i) all contractors doing work on the Leased Premises, including work on or for the Improvements, must be licensed by the State of Texas, (ii) prior to commencing construction of any Improvements, a permit must be obtained from the City of Denton and a copy of the permit must be furnished to the Airport Manager, and (iii) if applicable, clearance must be obtained from the responsible health department or other agency. In the event that Lessee receives notice from any governmental entity that Lessee lacks, or is in violation of, any such permit or license, Lessee shall provide City with timely written notice of the same.

Section 3.7 Payment of Taxes. Lessee shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Lessee's use, occupancy, or operations at the Leased Premises, the Improvements or the Airport and all other obligations for which a lien may be created relating thereto (including, but not limited to, utility charges and work for any Improvements). Lessee shall be responsible for any and all taxes generated by the Denton County Tax Assessor / Collector.

Section 3.8 No Liens. No liens may be placed upon the Leased Premises. Within thirty (30) days, Lessee shall pay all lawful claims made against City and discharge all liens filed or which exist against the Leased Premises or any other portion of the Airport (other than Lessee's trade fixtures or trade equipment) to the extent such claims arise out of or in connection with, whether directly or indirectly, the failure to make payment for work done or materials provided by Lessee its contractors, subcontractors, or materialmen. However, Lessee shall have the right to contest the amount or validity of any such claim or lien without being in default under this Agreement upon furnishing security in form acceptable to City, in an amount equal to one hundred percent (100%) of such claim or lien, which insures that such claim or lien will be properly and fully discharged forthwith in the event that such contest is finally determined against Lessee or City. City shall give timely notice to Lessee of all such claims and liens of which it becomes aware. When contracting for any work in connection with the Leased Premises or the Improvements, Lessee shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against City's real property or any interest therein. Lessee is solely responsible for ensuring that all requirements are met such that such lien waivers are effective and enforceable (such as filing such contracts, if necessary). Furthermore, when completed, the Improvements on the Leased Premises shall be free from all construction liens.

Section 3.9 Compliance with 2252.909 of Texas Government Code.

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A. In connection with Lessee's construction, alteration or repair of the Improvements or any other construction on the Leased Property, Lessee shall require their contractor to:

(a) execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code; and

(b) execute a performance bond in an amount equal to the amount of the contract for the protection of the City and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents.

B. Lessee shall provide lessor with a notice of commencement of construction no later than ninety (90) days prior to the commencement of construction, alteration, or repair of any improvement to the Leased Property ("Notice of Commencement"), which will materially conform with the requirements under Texas Local Government Code 2252.909.

C. Notice of Commencement must:

(a) identify the public property where the work will be performed;

(b) described the work to be performed;

(c) state the total cost of the work to be performed;

(d) include copies of the performance and payment bonds required; and

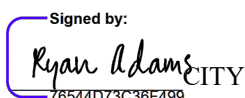
(e) include a written acknowledgment signed by the contractor stating that copies of the required performance payment bonds will be provided to all subcontractors not later than the fifth day after the date a subcontract is executed.

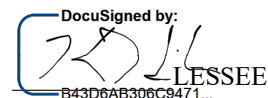
ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations by City. City represents and warrants that it has the right, power, and legal capacity to enter into and perform its obligations under this Agreement, has duly executed and delivered this Agreement, and that this Agreement constitutes a legal, valid, and binding obligation of City.

Section 4.2 Representations by Lessee. Lessee represents and warrants that it has the right, power, and legal capacity to enter into and perform its obligations under this Agreement, has duly executed and delivered this Agreement, and that this Agreement constitutes a legal, valid, and binding obligation of Lessee.

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ARTICLE V

OBLIGATIONS OF LESSEE

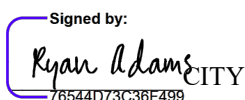
Section 5.1 Plans and Specifications. With respect to any Improvements, Lessee shall select qualified architects and engineers to prepare, prior to construction or on a phased basis during construction, the architectural, site, structural, mechanical, and/or electrical drawings and specifications for the Improvements in the form and content required by the appropriate local planning and zoning authorities and pursuant to all applicable Laws and Regulations and this Agreement, which shall be approved in writing by the Director of Airport or designee (collectively, the “Plans and Specifications”).

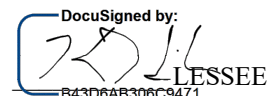
Section 5.2 Appraisal at Conclusion of Construction. Lessee shall, at its own expense, conduct an appraisal of the property within 90 days of conclusion of the construction of Improvements described in Section 3.2. The appraisal shall confirm investment of capital by the Lessee due to construction of the Improvements at the level required by Section 3.2. The appraiser selected by the Lessee shall be approved in writing by the Director of Airport, or designee.

Section 5.3 Operations and Maintenance.

A. Lessee shall maintain the Leased Premises and all Improvements in a condition that is clean, free of debris, safe, sanitary, and in good repair and shall not accumulate or permit the accumulation of any trash, refuse, debris, or of anything that is unsightly, which creates a fire hazard, nuisance, or causes inconvenience to adjoining properties. Lessee shall at its own expense create, execute, and maintain a comprehensive landscaping and irrigation plan for the Leased Premises in accordance with relevant local landscaping codes. Lessee shall perform all work in accordance with Laws and Regulations and in a good and workmanlike manner. Lessee shall promptly remedy any condition that fails to meet this standard. Without limiting the foregoing obligations, Lessee shall not store on the Leased Premises any inoperable equipment, discarded or unsightly materials, or materials likely to create a hazard; shall not use areas outside of enclosed buildings for storage; and shall store trash in covered metal receptacles or any other receptacles approved in writing by the Director of Airport, or designee. Any substance or material that is regulated by any Environmental Law (“Hazardous Materials”) shall be governed by Section 5.8. In addition, Lessee agrees to comply with all applicable provisions of City’s Texas Pollutant Discharge Elimination Multi-Sector General Permit.

B. Lessee shall conduct a condition assessment on all Improvements no later than the tenth (10th) anniversary of the Commencement Date, and every five (5) year anniversary thereafter (the “Condition Assessment”). The Condition Assessment shall be conducted by a licensed commercial building inspector, whom shall be approved in writing by the City. The Condition Assessment, which shall be at the Lessee’s sole expense, shall examine the building’s structural components, electrical, plumbing, heating and cooling systems, roof, and asphalt and/or concrete paving. The Condition Assessment shall be provided to the Lessor within 30 days of the Condition Assessment being due. Any extensions must be requested by the Lessee and approved by the Lessor in writing.

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Section 5.4 Utilities. Lessor represents that there are water, sewer, and 3-phase electrical lines accessible within the general vicinity of the Leased Premises. Lessee shall be responsible, at Lessee's sole cost and expense, for obtaining all utility connections at or for the Leased Premises and the Improvements. Further, Lessee shall pay for telecommunications, television, internet, gas, light bulbs, electricity, water, sewer, and garbage and trash removal services provided to or used by Lessee and shall make such deposits as are required to secure service. Lessee shall be responsible for any water or sewer impact fees incurred by their use of the Leased Premises. Any repairs of the utility lines, other than those which are the responsibility of the utility service, are the responsibility of Lessee. If utilities are billed to a common meter, Lessee shall pay to City the pro-rated amount based on square footage leased.

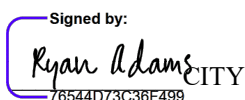
Section 5.5 Signs. With the exception of signage denoting an on-site, permitted business and in compliance with any applicable Laws and Regulations, Lessee shall not place, or cause to be placed, any sign or signs on the Leased Premises or the Improvements unless otherwise agreed to in writing by the Director of Airport, or designee. Any signage must meet all applicable Laws and Regulations.

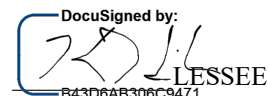
Section 5.6 Security. Lessee is responsible to comply (at Lessee's sole cost) with all security measures that City, the United States Transportation Security Administration, the United States Department of Homeland Security ("Homeland Security"), the United States Federal Aviation Administration ("FAA"), or any other governmental entity having jurisdiction may require in connection with the Airport, including, but not limited to, any access credential requirements, any decision to remove Lessee's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Lessee or Lessee's Associates. Lessee agrees that Airport access credentials are the property of City and may be suspended or revoked by City for security-related reasons in its sole discretion at any time. Lessee shall pay all fees associated with such credentials, and Lessee shall immediately report to the Airport Manager any lost credentials or credentials that Lessee removes from any employee or any of Lessee's Associates. Lessee shall protect and preserve security at the Airport. Lessee acknowledges that FAA, Homeland Security, or a subdivision of either may enact laws or regulations regarding security at general aviation airports such that City may not be able to comply fully with its obligations under this Agreement, and Lessee agrees that City will not be liable for any damages to Lessee or Lessee's personal property that may result from said noncompliance.

Section 5.7 Obstruction Lights. Lessee shall, at its expense, provide and maintain obstruction lights on any structure on the Leased Premises, including the Improvements, if required by City or FAA regulations. Any obstruction lights so required shall comply with the specifications and standards established for such installations by City or FAA.

Section 5.8 Hazardous Materials.

A. No Violation of Environmental Laws. Lessee shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Leased Premises or the Airport by Lessee or Lessee's Associates in violation of applicable Environmental Laws. Lessee is responsible for any such violation as provided by Section 7.1.

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B. **Response to Violations.** Lessee agrees that in the event of a release or threat of release of any Hazardous Material by Lessee or Lessee's Associates at the Airport, Lessee shall provide City with prompt notice of the same. Lessee shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If City has reasonable cause to believe that any such release or threat of release has occurred, City may request, in writing, that Lessee conduct reasonable testing and analysis (using qualified independent experts acceptable to City) to show that Lessee is complying with applicable Environmental Laws. City may conduct the same at Lessee's expense if Lessee fails to respond in a reasonable manner. Lessee shall cease any or all of Lessee's activities as City determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Lessee or Lessee's Associates violate any Environmental Laws at the Airport (whether due to the release of a Hazardous Material or otherwise), Lessee, at Lessee's sole expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to City a written remediation plan, and City reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with City and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide City copies of all documents pertaining to any environmental concern that are not subject to Lessee's attorney-client privilege.


C. **Obligations upon Termination and Authorized Transfers.** Upon any expiration or termination of this Agreement or any change in possession of the Leased Premises authorized by City, Lessee shall demonstrate to City's reasonable satisfaction that Lessee has removed any Hazardous Materials and is in compliance with applicable Environmental Laws. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the Leased Premises. If the site is contaminated during Lessee's possession, Lessee shall bear all costs and responsibility for the required clean up, and shall hold City, its officers, elected and appointed officials, employees, and agents harmless therefrom. Notwithstanding anything to the contrary, the obligations of this Section 5.8 shall survive any termination of this Agreement.


Section 5.9 Trash, Garbage, and Other Refuse. Lessee shall pick up and provide for a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport through the City or any other licensed refuse hauler. Lessee is responsible for contacting the Master Refuse Hauler and arranging for disposal and payment of such services. Lessee shall provide and use suitable covered metal receptacles, or any other receptacles approved by the Director of Airport, or designee, for all such garbage, trash, and other refuse on the Leased Premises. Lessee shall not pile boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Leased Premises.

ARTICLE VI

INDEMNIFICATION AND INSURANCE

Section 6.1 Insurance. Lessee agrees to purchase general liability covering the Lessee and Lessee's Associates, and its operations on the Airport as described in Section 3 in an amount

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not less than \$1,000,000 per occurrence and provide coverage for premises/operations and contractual liability AND where exposure exists in the opinion of the Lessor, coverage for: products/completed operations; explosions, collapse, and underground property damage; and environmental impairment.

A. All risk property insurance on a one hundred percent (100%) replacement cost basis covering loss or damage to all facilities and improvements located on the Lease premises, either as a part of this Lease Agreement or erected by the Lessee subsequent to this Lease Agreement. Covered perils shall include, but not be limited to, Fire, Extended Coverage, and Vandalism & Malicious Mischief. Under no circumstances shall the Lessor be liable for any damages to fixtures, merchandise, or personal property of the Lessee or its sub-lessees. The City of Denton will be shown as a loss payee, as their interest may appear.

B. Additional Insurance requirements may be necessary as identified in the Airport Minimum Operating Standards for specific aeronautical uses.

C. Coverage Requirements

i. All liability policies shall be endorsed to include the city of Denton, and its officers and employees as an Additional Insured. All all-risk property policies shall be endorsed to name the City of Denton as a loss payee. All required insurance policies shall provide for a minimum of 30 days written notice to the City of any cancellation or material change to the policy.

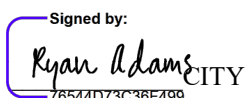
ii. All insurance required by the Lease Agreement must be issued by a company or companies of sound and adequate financial responsibility and authorized to do business in the State of Texas. All policies are subject to the examination and approval of the City's office of Risk Management for their adequacy as to content, form of protection and providing company.

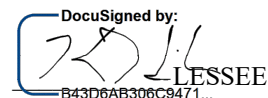
iii. Required insurance naming the City as an additional insured must be primary insurance and not contributing with any other insurance available to the City whether from a third-party liability policy or other. Said limits of insurance shall in no way limit the liability the Lessee hereunder.

iv. The Lessor shall be provided with a copy of all such policies and renewal certificates. Failure to Lessee to comply with the minimum specified amounts or types of insurance as required by Lessor shall constitute Lessee's default of this Lease Agreement.

v. During the Lease Term, or any extension thereof, Lessor herein reserves the right to, with one hundred twenty (120) days' notice, adjust or increase the liability insurance amounts required of the Lessee, and to require any additional rider, endorsement, provisions, or certificates of insurance, and Lessee hereby agrees to provide any such insurance requirements as may be required by Lessor.

Section 6.2 Lessee's Indemnification and Duty to Pay Damages.

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A. LESSEE SHALL HOLD CITY AND CITY'S OFFICERS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND AGENTS EXEMPT AND HARMLESS, TO THE EXTENT ALLOWED BY LAW, FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, SUITS, JUDGMENTS, COSTS, AND EXPENSES ASSERTED BY ANY PERSON OR PERSONS (INCLUDING AGENTS OR EMPLOYEES OF CITY, LESSEE, OR SUBLESSEE) BY REASON OF DEATH OR INJURY TO PERSONS OR LOSS OF OR DAMAGE TO PROPERTY RESULTING FROM LESSEE'S OPERATIONS, OR ANYTHING DONE OR OMITTED BY LESSEE UNDER THIS AGREEMENT EXCEPT TO THE EXTENT THAT SUCH CLAIMS, DEMANDS, SUITS, JUDGMENTS, COSTS, AND EXPENSES MAY BE ATTRIBUTED TO THE INTENTIONAL ACTS OR OMISSIONS OF CITY, ITS AGENTS, OR EMPLOYEES.

B. CITY SHALL NOT BE LIABLE TO LESSEE FOR ANY DAMAGE BY OR FROM ANY ACT OR NEGLIGENCE OF ANY CO-TENANT OR OTHER OCCUPANT OF THE SAME BUILDING, OR BY ANY OWNER OR OCCUPANT OF ADJOINING OR CONTIGUOUS PROPERTY.

C. LESSEE AGREES TO PAY FOR ALL DAMAGES TO THE LEASED PREMISES, THE IMPROVEMENTS, ITS APPARATUS, OR APPURTENANCES CAUSED BY LESSEE'S MISUSE OR NEGLIGENCE THEREOF.

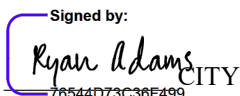
D. LESSEE SHALL BE RESPONSIBLE AND LIABLE FOR THE CONDUCT OF LESSEE'S ASSOCIATES IN, ON AND AROUND THE LEASED PREMISES.

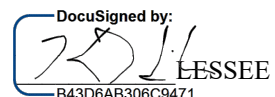
ARTICLE VII

DEFAULT AND REMEDIES

Section 7.1 Lessee's Default. The occurrence of any of the following events shall constitute a default by Lessee under this Agreement unless cured within thirty (30) days following written notice of such violation from City: (i) Lessee fails to timely pay any Rent; (ii) Lessee or Lessee's Associates violate any requirement under this Agreement (including, but not limited to, abandonment of the Leased Premises); (iii) Lessee assigns or encumbers any right in this Agreement, delegates any performance hereunder, or subleases any part of the Leased Premises (except as expressly permitted in this Agreement); (iv) Lessee files a petition in bankruptcy or has a petition filed against Lessee in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; (v) Lessee petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within thirty (30) days; (vi) Lessee defaults in constructing any Improvements that are required to be constructed under this Agreement; or (vii) Lessee dissolves or dies.

Section 7.2 Default by City. City shall not be in default under this Agreement unless City fails to perform an obligation required of City under this Agreement within thirty (30) days after written notice by Lessee to City. If the nature of City's obligation is such that more than thirty (30) days are reasonably required for performance or cure, City shall not be in default if City

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commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

Section 7.3 Remedies for Failure to Pay Rent. If any Rent required by this Agreement shall not be paid when due, City shall have the option to:

A. Terminate this Agreement, take possession of the Improvements, resume possession of the Leased Premises for its own account, and recover immediately from Lessee the differences between the Rent and the fair rental value of the property for the term, reduced to present worth, or

B. Terminate this Agreement, take possession of the Improvements, resume possession of the Leased Premises, re-lease the Leased Premises for the remainder of the term for the account of Lessee, and recover from Lessee, at the end of the term or at the time each payment of Rent comes due under this Agreement as City may choose, the difference between the Rent and the rent received on the re-leasing or renting.

In either event, City shall also recover all expenses incurred by reason of breach, including reasonable attorney's fees.

Section 7.4 Remedies for Breach of Agreement. If Lessee shall fail to perform or breach any provision of this Agreement other than the agreement of Lessee to pay Rent, City shall provide written notice to Lessee specifying the performance required. Thirty (30) days after such notice is provided under this Section 7.4, City may terminate this Agreement or take any such action it is legally entitled to take, including instituting litigation to compel performance of this Agreement. Should litigation be filed by City or Lessee arising out of or relating to a breach of this agreement, the prevailing party shall be entitled to an award of all expenses related to such litigation, including reasonable attorney's fees.

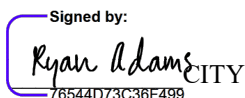
Section 7.5 Survival. The provisions of this Article VII and the remedies and rights provided in this Article VII shall survive any expiration or termination of this Agreement.

ARTICLE VIII

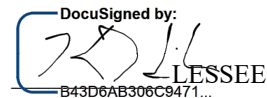
ASSIGNMENT AND SUBLEASING

Section 8.1 Assignment by Lessee.

A. Except as expressly set forth herein, Lessee shall not assign any of its rights under this Agreement, including, but not limited to, rights in any Improvements, (whether such assignment is voluntarily or involuntarily, by merger, consolidation, dissolution, change in control, or any other manner), and shall not delegate any performance under this Agreement, except with the prior written consent of City to any of the same, in City's sole discretion. As a condition of obtaining such consent, the City reserves the right to require the transferee receiving any such rights from Lessee to execute a new lease agreement provided by City. Regardless of City's consent, Lessee shall not be released from any obligations for matters arising during the time when this Agreement was in effect. Any purported assignment or delegation of rights or delegation of performance in violation of this section is void.

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B. Upon the expiration or termination of this Agreement, Lessee hereby assigns, transfers, and conveys to City, without warranty, the following:

(a) The right to the use of the Plans and Specifications on the Premises to the extent owned by Lessee;

(b) A non-exclusive, royalty-free license to use Lessee's copyright interests in its Plans and Specifications (but not derivatives thereof) at the Premises for a term of ten (10) years; and

(c) The right to enforce, in Lessee's own name as a proper party, (i) any subcontracts related to the Improvements or other maintenance or services contracts in force with respect to the Leased Premises or Improvements and any warranties arising under any of them or in connection with the performance thereof, as the case may be.

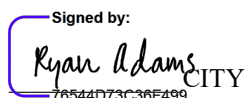
Section 8.2 Assignment by City. City shall have the right, in City's sole discretion, to assign any of its rights under this Agreement (and in connection therewith, shall be deemed to have delegated its duties), and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this Agreement in favor of such assignee.

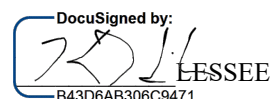
Section 8.3 Encumbrances. Lessee shall not encumber or permit the encumbrance of any real property at the Airport. Except for a Leasehold Mortgage as defined in Section 8.5, Lessee shall not encumber or permit the encumbrance of any of Lessee's rights under this Agreement without City's prior written consent, in City's sole discretion. Lessee shall not record this Agreement or any document or interest relating thereto. Any purported encumbrance of rights in violation of this Section 8.3 is void.

Section 8.4 Leasehold Mortgage.

A. Right to Mortgage. Lessee may encumber its leasehold estate by granting a mortgage or other similar instrument creating a mortgage lien against the Lessee's leasehold interest. Any such instrument which creates a first mortgage lien is hereinafter referred to as "Leasehold Mortgage", and the holder thereof is referred to as "Leasehold Mortgagee") during the Lease Term and any extension thereof; provided that, Lessor shall not be obligated to, nor deemed to have subjected or subordinated Lessor's fee simple interest in the Leased Premises to any Leasehold Mortgage, nor subordinated the Lessor's interest in this Lease to such Leasehold Mortgage. Lessor's interests in the fee and in this Lease are and shall always remain superior and prior in right to any Leasehold Mortgage.

B. Notice of Default, Default. A Leasehold Mortgagee may provide written notice of its Leasehold Mortgage in the same manner and at the same address as required by this Lease for notices delivered to Lessor, together with the name and address of the Leasehold Mortgagee. In the event such notice is delivered to Lessor, Lessor upon serving Lessee with any notice of default under this Lease, shall also serve a copy of that notice of default upon the Leasehold Mortgagee in the same manner as required by this Lease for notices delivered to Lessee. The delivery shall be made at the address the Leasehold Mortgagee shall have designated in writing to Lessor.

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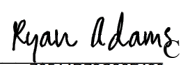
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C. Right to Cure. In case Lessee shall default under any of the provisions of this Lease, the Leasehold Mortgagee shall have the right to cure such default, within the time periods set forth for Lessee in this Lease Agreement, whether same consists of the failure to pay rent and other payments as further set forth in Article IV, or the failure to perform any other matter or thing which Lessee is required to do or perform and Lessor shall accept such performance on the part of the Leasehold Mortgagee as though the same had been done or performed by Lessee subject to Lessor's rights to damages, restitution, or other legal or equitable monetary remedies related directly to the default(s) at issue. The Leasehold Mortgagee, upon receiving such notice, shall have, in addition to any time to cure a default (a "Cure Period") extended to Lessee under the terms of this Lease, a period of an additional thirty (30) days within which to cure the default or cause same to be cured or, if such default cannot reasonably be cured within such 30 days, to commence to cure such default with diligence and continuity, notwithstanding the foregoing:

- a. Where a provision of this Lease provides less than a thirty (30) day Cure Period, the Leasehold Mortgagee shall also have an additional fifteen (15) days Cure Period following the Lessee's Cure Period; or
- b. Where a provision of this Lease expressly provides that Lessee has no opportunity to cure, the Leasehold Mortgagee shall have no Cure Period.
- c. In case Lessee shall default under any of the provisions of this Lease, the Leasehold Mortgagee shall have the right to cure such default, within the time periods set forth above, whether same consists of the failure to pay rent and other payments as further set forth in Article IV, or the failure to perform any other matter or thing which Lessee is required to do or perform and Lessor shall accept such performance on the part of the Leasehold Mortgagee as though the same had been done or performed by Lessee.

D. Cure of Default or Termination. Lessor will take no action to affect a termination of the Lease until such time as the Cure Period provided herein has expired and the defaults remain uncured. During the Cure Period, the Leasehold Mortgagee shall be entitled to: 1) obtain possession of the Premises (including possession by a receiver) and cure such default in the case of a default which is susceptible of being cured when the Leasehold Mortgagee has obtained possession; or 2) institute foreclosure proceedings or otherwise acquire Lessee's interest under this Lease with diligence and continuity and thereafter proceed to cure such default; provided, however, that the Leasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which would have been the reason for Lessor serving such notice of default shall be cured, and provided further, that nothing in this paragraph shall preclude Lessor from exercising any other rights or remedies under this Lease with respect to the default.

E. Foreclosure. The Leasehold Mortgagee may become the legal owner and holder of this Lease by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Lease in lieu of foreclosure, subject to Lessor's written consent, which shall not be unreasonably withheld, and effective upon such assignment whereupon such Leasehold Mortgagee or assignee

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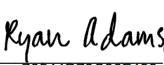
shall become and remain liable under this Lease as provided in this paragraph, except that such Leasehold Mortgagee may assign this Lease with Lessor's consent, which shall not be unreasonably withheld, and subject to the assignee's meeting the requirements of Section I herein to the City's reasonable satisfaction, and effective upon such assignment, the new lessee shall become and remain liable to Lessor under this Lease, and the Leasehold Mortgagee shall no longer be liable to Lessor. If a Leasehold Mortgagee shall become the owner or holder of Lessee's interest in this Lease by foreclosure of its Leasehold Mortgage or by assignment of this Lease in lieu of foreclosure, the term "Lessee" as used in this Lease, shall include the owner or holder of Lessee's interest in the event of a sale, assignment or other disposition of Lessee's interest in this Lease by the Leasehold Mortgage.

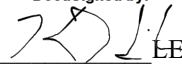
Reference in this Lease to acquisition of Lessee's interest in this Lease by the Leasehold Mortgagee shall be deemed to include, where circumstances require, to acquisition of Lessee's interest in this Lease by any purchaser at a sale on foreclosure of the Leasehold Mortgage and provisions applicable to the Leasehold Mortgagee in such instance or instances shall also be applicable to any such purchaser. Leasehold Mortgagee's acquisition of Lessee's interest in this Lease and any assignment of the acquired interest by the Leasehold Mortgagee shall not be deemed a novation of Lessee's obligations under this Lease. Lessor does not authorize any novation of Lessee's obligations under this Lease.

F. Prohibition on Fee Simple Transfer. So long as Lessee's interest in this Lease shall be mortgaged to a Leasehold Mortgagee, the parties agree, for the benefit of such Leasehold Mortgagee, that Lessor shall not sell, grant or convey to Lessee all or any portion of Lessor's fee simple title to the Premises without the prior written consent of such Leasehold Mortgagee (which consent shall not be unreasonably withheld, conditioned, or delayed, provided the parties agree in writing that such sale, grant, or conveyance shall not result in a merger of this Lease into fee simple title to the Premises). In the event of any such sale, grant, or conveyance by Lessor to Lessee, Lessor and Lessee agree that no such sale, grant or conveyance shall create a merger of this Lease into a fee simple title to the Premises. This paragraph shall not be construed to prevent any, or to require any consent of any leasehold mortgagee or Lessee to any, sale, grant, or conveyance of Lessor's fee simple title by Lessor to any person, firm, or corporation other than Lessee, its successors, legal representatives, and assigns.

G. Leasehold Mortgagee. Reference in this Lease to a Leasehold Mortgagee shall be deemed to refer where circumstances require, to any assignee of a Leasehold Mortgagee; provided that such assignee shall forward to Lessor, pursuant to this Article a duplicate original of the assignment of the Leasehold Mortgage in a form proper for recording or a copy of such assignment, as recorded in the Public Records, together with a written notice setting forth the name and address of the assignee and, to the extent available, the name, telephone number, facsimile number and email address of a representative of the assignee to whom notices may be sent.

H. Subordination. Any leasehold mortgage shall be specifically subject and subordinate to Lessor's rights under this Lease and Lessor's fee simple interest in the Premises. Despite any provision which is or may appear to the contrary in this Lease, under no circumstances whatsoever shall the fee simple title interest of Lessor in the Premises, or any portion of same, be subordinated to the leasehold mortgage or encumbered by the leasehold mortgage.

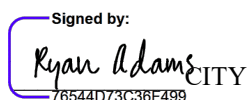
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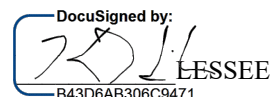
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I. Assignees. Notwithstanding anything herein to the contrary, after a default by Lessee whereby any Leasehold Mortgagee shall acquire any rights and/or obligations under this Lease, including as a result of bidding or lack thereof at auction after foreclosure (this also includes any rights/obligations a Leasehold Mortgagee shall acquire under any other lease of Lessee at the Airport, as a result of cross- default provisions), and thereafter the Leasehold Mortgagee or referee at sale proposes to assign, sell, rent, or otherwise transfer any interests, rights, and obligations to a special purpose entity and/or third party, or allow use of the property under this Lease (or any other property under any other lease at the Airport that Lessee is a party to as a result of cross-default provisions) by a special purpose entity and/or third party, any such assignment, sale, transfer, or use of the property under this Lease (or any other property under any other lease at the Airport that Lessee is a party to as a result of cross-default provisions) by a special purpose entity and/or third party is contingent upon Lessor confirming to its reasonable satisfaction that the special purpose entity and/or third party has the financial and operational capabilities sufficient for the proper conduct of a fixed base operator as those capabilities are defined in this Lease and the Minimum Standards for Aeronautical Activities and Rules and Regulations, as may be amended from time-to-time by Lessor applicable to the Airport. In such case, the Leasehold Mortgagee agrees to make commercially reasonable efforts to promptly find such a special purpose entity and/or third party meeting the requirements of this Section I to enter into a new agreement with the Lessor for the remainder of the Lease Term and/or to temporarily perform fixed based operator services at the property while the Leasehold Mortgagee secures a replacement lessee. Lessor may also submit nominees to the Leasehold Mortgagee, and the Leasehold Mortgagee shall negotiate in good faith and act with such nominees in order to determine whether any such nominee meets the Leasehold Mortgagee's qualifications.

J. Estoppel Certificates. Each party agrees, at any time and from time to time upon not less than twenty (20) days prior written notice by the other party, to execute, acknowledge and deliver to the other party a statement in writing, in substantially the same form as Attachment 2, certifying: (a) whether this Lease is in full force and effect, and if it is alleged that this Lease is not in full force and effect, setting forth the nature thereof in reasonable detail; (b) whether this Lease has been supplemented or amended, specifying the manner in which it has been supplemented or amended; (c) the date to which all rental payments have been made; (d) the commencement and expiration date of this Lease; and (e) whether or not, to the best of the knowledge of the signer of such statement, the other party is in default or may be with notice or the passage of time, or both, in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and if in default, specifying each such default, it being intended that any such statement delivered pursuant to this Section may be relied upon by the other party, any prospective assignee of the other party's interest in this Lease or any Leasehold Mortgagee, but reliance on such certificate may not extend to any default as to which the signer shall not have had actual knowledge.

Section 8.5 Lessee's Sale and Sublease of Hangar Units. Notwithstanding the provisions of Sections 8.1 through 8.4 above, the City and Lessee understand and agree that Lessee has entered into this Lease for the purpose of developing approximately 44 box hangar units for sale to the public for aeronautical use, together with the incidental sublease of that portion of the Premises comprised of the sold hangar unit footprint. Accordingly, in connection with Lessee's

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sale of any constructed hangar unit on the Premises, Lessee may, without prior written approval of the City, sublease its leasehold interest in the corresponding hangar unit footprint to the applicable hangar unit purchaser, provided that (i) any sublease executed under this Section 8.6 shall be null and void unless executed substantially in the form of sublease appended hereto as **Exhibit B**, and (ii) the Lessee promptly provides a copy of the fully-executed sublease to the Director.

Section 8.6 Lessee Management of Hangar Unit Subleases. Lessee shall collect from hangar unit purchasers/sublessees the Rent applicable to each hangar unit footprint and forward same to the City. Failure of any authorized occupant of any hangar unit to remit its Rent or other fees to the Lessee shall not relieve Lessee of its obligations under this Lease.

Section 8.7 Subsequent Subleasing and Rental of Hangars. Purchasers of hangar units who become initial hangar unit sublessees as contemplated in Section 8.5 of this Lease may not sublease or otherwise rent any hangar on the Premises to any subsequent purchaser or sub-sublessee without the prior written approval of Lessee.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1 Waiver of Exemption. Any constitutional or statutory exemption of Lessee of any property usually kept on the Leased Premises, from distress or forced sale, is waived.

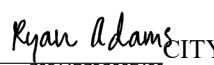
Section 9.2 Addresses. All notices given under this Agreement to City shall be sent to the Airport Manager at 5000 Airport Road, Denton, Texas 76207, with a copy to the City Attorney at 215 E. McKinney, Denton, Texas 76201, or such other place as City shall specify in writing. All notices given under this Agreement to Lessee shall be sent to:


John Badal
P.O. Box 25782
Albuquerque, NM 87125
(505) 238-7403
john@hangarclub.aero

With a copy to:

Kendrick Dane
P.O. Box 25782
Albuquerque, NM 87125
(505) 280-5337
legal@hangarclub.aero

All notices given under this Agreement to the Mortgagee shall be sent to the address provided by Mortgagee to City. Any notice properly mailed by registered mail, postage and fee prepaid, shall be deemed delivered when mailed, whether received or not.

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Section 9.3 No Waiver. The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The acceptance of rent hereunder by City subsequent to Lessee's breach shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Agreement, other than the failure of Lessee to pay the particular rental so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such rent.

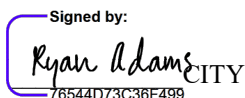
Section 9.4 Lessee's Subordination. Lessee hereby subordinates and makes this Agreement inferior to all existing and future mortgages, trust indentures or other security interest of City or City's successor in interest. Lessee shall execute and deliver any documents required to evidence and perfect such subordination.

Section 9.5 Additional Charges as Rent. Any charges against Lessee by City for services or for work done on the Leased Premises or the Improvements by order of Lessee or otherwise accruing under this Agreement shall be considered as Rent due.

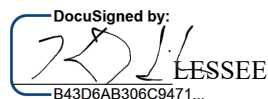
Section 9.6 Subordination to Grant Assurances. This Agreement shall be subordinate to the Grant Assurances. In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates any such Grant Assurances, City has the right to amend, alter or otherwise modify the terms of this Agreement in order to resolve such conflict or violation.

Section 9.7 Non-Interference With Operation of the Airport. Lessee expressly agrees for itself, its successors, and assigns that Lessee will not conduct operations in or on the Leased Premises or the Improvements in a manner that in the reasonable judgment of City, (i) interferes or might interfere with the reasonable use by others of common facilities at the Airport, (ii) hinders or might hinder police, fire fighting, or other emergency personnel in the discharge of their duties, (iii) would or would be likely to constitute a hazardous condition at the Airport, (iv) would or would be likely to increase the premiums for insurance policies maintained by City unless such operations are not otherwise prohibited hereunder and Lessee pays the increase in insurance premiums occasioned by such operations, (v) is contrary to any applicable Grant Assurance; (vi) is in contradiction to any rule, regulation, directive, or similar restriction issued by agencies having jurisdiction over the Airport including FAA, Homeland Security, Transportation Security Administration and Customs and Border Patrol, or (vii) would involve any illegal purposes. In the event this covenant is breached, City reserves the right, after prior written notice to Lessee, to enter upon the Leased Premises and the Improvements and cause the abatement of such interference at the expense of Lessee. In the event of a breach in Airport security caused by Lessee, resulting in fine or penalty to City of which Lessee has received prior written notice, such fine or penalty will be charged to Lessee.

Section 9.8 Emergency Closures. During time of war or national emergency, City shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly owned air navigation facilities and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with provisions of the agreement with the Government, will be suspended.

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Section 9.9 Interpretation.

A. References in the text of this Agreement to articles, sections, or exhibits pertain to articles, sections, or exhibits of this Agreement, unless otherwise specified.

B. The terms “hereby,” “herein,” “hereof,” “hereto,” “hereunder,” and any similar terms used in this Agreement refer to this Agreement. The term “including” shall not be construed in a limiting nature, but shall be construed to mean “including, without limitation.”

C. Words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons.

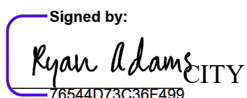
D. Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of this Agreement.

E. Words importing the singular shall include the plural and vice versa. Words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders.

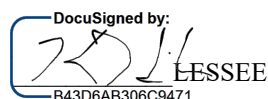
Section 9.10 Force Majeure. No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If City (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the Party so delayed or hindered. A “force majeure event” is an act or event, whether foreseen or unforeseen, that prevents a Party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such Party, and that such Party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, pandemics (not including the COVID-19 pandemic), accidents, fire, and changes in law. Lessee hereby releases City and City’s officers, elected and appointed officials, employees, and agents from any and all liability, whether in contract or tort (including strict liability and negligence) for any loss, damage, or injury of any nature whatsoever sustained by Lessee, its employees, agents, or invitees during the Lease Term, including, but not limited to, loss, damage, or injury to the aircraft or other personal property of Lessee that may be located or stored in, on or under the Leased Premises or the Improvements due to a force majeure event.

Section 9.11 Governing Law and Venue. This Agreement has been made in and will be construed in accordance with the laws of the State of Texas. In any action initiated by one Party against the other, exclusive venue and jurisdiction will be in the appropriate state courts in and for Denton County, Texas.

Section 9.12 Amendments and Waivers. No amendment to this Agreement shall be binding on City or Lessee unless reduced to writing and signed by both Parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

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Section 9.13 Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any Party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.

Section 9.14 Merger. This Agreement constitutes the final, complete, and exclusive agreement between the Parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither Party has relied on any statement, representation, warranty, nor agreement of the other Party except for those expressly contained in this Agreement.

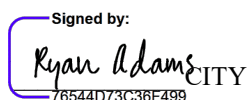
Section 9.15 Relationship of Parties. This Agreement does not create any partnership, joint venture, employment, or agency relationship between the Parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

Section 9.16 Further Assurances. Each Party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

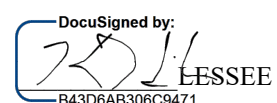
Section 9.17 Required Federal Clauses. Lessee and Lessee's Associates shall comply with all Laws and Regulations, including all of the required federal clauses in this Section 9.17.

A. During the performance of this contract, Lessee, for itself, its assignees, and successors in interest (hereinafter collectively referred to as the "Lessee") agrees as follows:

1. **Compliance with Regulations:** Lessee will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
2. **Non-discrimination:** Lessee, with regard to the work performed by it or use of the Leased Premises and the Improvements during the Lease Term, will not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Contracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by Lessee for work to be performed under a contract, including procurements of materials, or leases of equipment, each potential contractor or supplier will be notified by Lessee of Lessee's obligations under this Agreement

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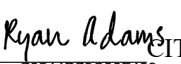
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and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

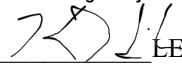
4. **Information and Reports:** Lessee will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to City or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of Lessee's noncompliance with the non-discrimination provisions of this contract, City will impose such sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to cancelling, terminating, or suspending the Lease, in whole or in part.
6. **Incorporation of Provisions:** Lessee will include the provisions of paragraphs one through six of this Section 9.17(A) in every contract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Lessee will take action with respect to any contract or procurement as City or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a contractor, or supplier because of such direction, Lessee may request City to enter into any litigation to protect the interests of City. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

B. Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

C. Lessee for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land,

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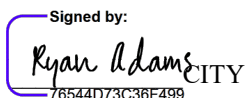
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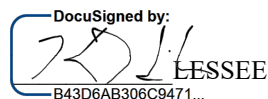
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and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that Lessee will use the Leased Premises and the Improvements in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

D. During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- i. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- ii. 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- iii. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- iv. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- v. The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- vi. Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- vii. The Civil Rights Restoration Act of 1987 (PL 100-209), (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- viii. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 – 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- ix. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

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- x. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- xi. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- xii. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 *et seq.*).


E. Lessee and its transferee agree to comply with pertinent statutes, Executive Orders, and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Lessee or its sublessee for the period during which Federal assistance is extended to the Airport through the Airport Improvement Program. In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods: (i) the period during which the property is used by the City or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (ii) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

F. In the event of breach of any of the above nondiscrimination covenants, City will have the right to terminate the this Agreement and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Agreement had never been made or issued.

G. This Agreement incorporates by reference the provisions of 29 CFR Part 201, the Federal Fair Labor Standards Act ("FLSA"), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers. Lessee has full responsibility to monitor compliance to the referenced statute or regulation. Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

H. This Agreement incorporates by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. Lessee retains full responsibility to monitor its compliance and any sublessee's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

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I. Lessee agrees that it shall insert the above eight provisions (Section 9.17(A) through Section 9.17(H)) in any agreement by which said Lessee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Leased Premises or at the Improvements, herein leased or owned, as applicable.

J. Lessee agrees to furnish service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. (Grant Assurance 22)

K. It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by the Grant Assurances, and City reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature. (Grant Assurance 23)

L. City reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance. (FAA Order 5190.6B)

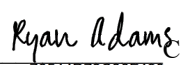
M. City reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard. (FAA Order 5190.6B)


N. This Agreement shall be subordinate to the provisions of and requirements of any existing or future agreement between City and the United States, relative to the development, operation, or maintenance of the Airport. (FAA Order 5190.6B)

O. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises. (FAA Order 5190.6B)

P. It is clearly understood by Lessee that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including but not limited to, maintenance and repair) that it may choose to perform. (Grant Assurance 22(f))

[SIGNATURE PAGES FOLLOW]

Signed by:

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IN WITNESS WHEREOF, the Parties have set their hands and seals this _____ day of _____, 20__.


CITY OF DENTON, TEXAS, LESSOR

By: _____
Sara Hensley, City Manager

ATTEST:
Lauren Thoden, City Secretary

By: _____

APPROVED AS TO LEGAL FORM:
Mack Reinwand, City Attorney

By:  _____
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HANGAR CLUB, LLC, LESSEE


By:  _____
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Kenneth Hinkes, Manager

Exhibit B

Form of Sublease

HANGAR UNIT SUBLEASE

THIS HANGAR UNIT SUBLEASE is made as of the ____ day of ____, ____ (this "**Sublease**"), by and between HANGAR CLUB, LLC, a Texas Limited Liability Company ("**HFH**") with its mailing address at P.O. Box 25782, Albuquerque, NM 87125, and _____ ("**Subtenant**").

WHEREAS, by that certain General Aviation Ground Lease by and between HFH and the City of Grayson, State of Texas ("City"), dated [EFFECTIVE DATE] (the "**Lease**"), the City leased to HFH the Premises situate in Denton County, Texas within the boundaries of the Denton Enterprise Airport as more particularly described therein. A true copy of the Lease is appended to the Hangar Unit Purchase Agreement as Exhibit 1.

WHEREAS, improvements on the Premises have been constructed consisting generally of [NUMBER] aircraft Hangar Units and associated common elements for sale to the public.

WHEREAS, pursuant to the Lease, HFH is authorized to execute and administer this Sublease for the hangar unit footprint of Hangar Unit [NUMBER] and collect certain charges due and owing under this Sublease for payment of common expenses, expenses owed by HFH to City under the Lease, and as otherwise set forth herein.

HFH and Subtenant desire to consummate a sublease of all of the foundation footprint of Hangar Unit No. [NUMBER] (the "**Subleased Property**"), shown on Exhibit 2 of the Purchase Agreement, on the terms and conditions contained herein.

WHEREAS, capitalized terms used herein without definition which are defined in the Lease or Purchase Agreement shall have the same meaning herein as given to such terms in the Lease or Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, it is hereby agreed as follows:

Sublease Term, Fixed Rent.

Sublease Term. HFH hereby leases to Subtenant and Subtenant hereby leases from HFH the Subleased Property, as the same is defined in the Purchase Agreement and as more particularly described and depicted in Exhibit 2 to the Purchase Agreement, for a term (the "**Sublease Term**") to commence upon the later of (i) the date of Closing as that term is defined in the Purchase Agreement (the "**Sublease Commencement Date**"), and to end at the expiration of the term of the Lease as that term is defined therein, or on such earlier date on which this Sublease may be cancelled or terminated pursuant to any of the provisions of this Sublease or the Lease or pursuant to law (the "**Sublease Expiration Date**").

Sublease Rent.

Subtenant shall pay its proportionate share of Ground Rent (the "**Fixed Rent**") as set forth in the Lease, Section 7.1 (as the same may be escalated or adjusted pursuant to the Lease) to HFH at P.O. Box 25782, Albuquerque, NM 87125 by certified funds, electronic payment, or check drawn on a nationally chartered bank in advance, without prior demand, offset, abatement or deduction, on or before the first day of each month during the Sublease Term, commencing on the Sublease Commencement Date (the "**Rent Commencement Date**"). Notwithstanding the foregoing, one (1) calendar month's Fixed Rent shall be paid by Subtenant to HFH upon Subtenant's execution hereof and applied to the first Fixed Rent payable hereunder for the first full calendar month after the month in which the Rent Commencement Date occurs. The Fixed Rent shall be adjusted during the Sublease Term in accordance with Section 7 of the Lease.

If the Rent Commencement Date occurs on a day other than the first day of a month, Fixed Rent from such day through the last day of the then calendar month shall be prorated on a per diem basis and shall be payable, in advance, on or before the Rent Commencement Date.

Subtenant shall also pay to HFH, as Additional Rent (as hereinafter defined) under this Sublease, effective as of the Sublease Commencement Date, Subtenant's Proportionate Share of all other additional rent and other charges payable by HFH to City pursuant to the Lease, including:

Any insurance policy HFH is required to obtain pursuant to the Lease;

HFH's Administration Fee, beginning at [AMOUNT IN WORDS] [(\$NUMBER)] per month, per unit, as adjusted by HFH on an annual basis in its sole discretion;

HFH's annual accounting and bookkeeping expenses;

All fees assessed by any utility provider for the provision of water, sewer, and trash;

All property taxes assessed on the Hangar Row in which the Hanger Unit is located;

All maintenance, repair, or replacement of any exterior common element the City requires under the Lease; and

and other fees expressly provided for in this Sublease.

The cost of electric energy is not included in the Fixed Rent payable hereunder. Commencing on the Sublease Commencement Date, Subtenant shall obtain and pay for electricity, by payment directly to the local utility service providing such energy as provided in the Lease.

All rent (other than Fixed Rent) and other sums payable by Subtenant pursuant to this Sublease, including, without limitation, Sublease Escalation Rent (as hereinafter defined) (collectively, "**Additional Rent**") shall be paid within thirty (30) days after Subtenant's receipt of the bill therefor, without offset, abatement or deduction evidencing the amount due by Subtenant.

For the purposes of this Sublease, "Subtenant's Proportionate Share" means a fraction (expressed as a percentage), the numerator of which is the aggregate square feet of the Subleased Property (as defined in Exhibit 2 of the Purchase Agreement) and the

denominator of which is the aggregate rentable square feet contained in the Gross Leasable Area (as defined in the Lease).

Sublease Rent Default. If Subtenant shall default in the payment of any sums due under Section 1.2 hereof or of any Sublease Escalation Rent (as defined in Article III. hereof) or any other Additional Rent, HFH, in addition to any other right or remedy, shall have the same rights and remedies as in the case of a default by Subtenant in the payment of Fixed Rent.

Subsequent Sublease. Subtenant may not sublet the Subleased Property to any person for any reason during the Sublease Term.

Provisions of Lease, Etc.

Incorporation of Lease. All of the terms, covenants, conditions and provisions in the Lease, including specifically the provisions regarding Lessee's default and City's remedies with respect thereto, are hereby incorporated in, and made a part of this Sublease, except (i) as herein otherwise expressly provided; (ii) which by their nature or purport are inapplicable to the subleasing of the Subleased Property pursuant to this Sublease; (iii) are modified by any of the terms, covenants or conditions of this Sublease; (iv) the obligation to pay rent and additional charges under the Lease; provided, however, with reference to this Sublease:

Subtenant's covenant to pay Fixed Rent and Additional Rent (collectively, the "**Sublease Rent**") shall be independent of every other covenant in this Sublease. HFH's failure to prepare and deliver any statements or notice set forth in this Sublease, or HFH's failure to make a demand, shall not in any way cause HFH to forfeit or surrender its rights to collect any items of Sublease Rent which may have become due during the Sublease Term. Subtenant's liability for such amounts shall survive the expiration of the Sublease Term.

References in the Lease to work, repairs or restorations to be performed or services to be supplied by "City" (if any) in respect of the Subleased Property shall continue to mean and provide that such work, repairs or restorations shall be performed and services provided by City (and not by HFH) pursuant to the applicable terms of the Lease.

Sublease Subordinate to Lease. This Sublease and all rights of Subtenant hereunder are and shall be subject and subordinate in all respects to the Lease and all of the terms, covenants, agreements, provisions and conditions of the Lease, and to all modifications, amendments and extensions of the Lease and to all of HFH's obligations under the Lease, and subordinate to all other interests set forth in the Purchase Agreement or the Lease.

Compliance with Lease. Subtenant shall duly and fully keep, observe and perform each and every term, covenant, provision and condition on HFH's part to be kept, observed and performed pursuant to the Lease, including, without limitation, the rules and regulations adopted by City pursuant thereto except as may otherwise be specifically provided in this Sublease. Subtenant shall not (i) take or permit any action inconsistent with the terms of the Lease or, (ii) do or permit to be done anything which HFH is prohibited from doing or permitting under the Lease, (iii) do or suffer to permit anything to be done or omit to do anything required under the Lease, which is required to be performed by Subtenant under

this Sublease and which would result in HFH's default under the Lease or cause the Lease to be terminated or forfeited, or (iv) take any action or do or permit anything to be done which could result in any additional cost or other liability to HFH under the Lease.

Subtenant shall erect no building, fence, wall, hedge, or other improvement within the Hangar Unit, nor alter or construct any exterior addition thereto without the written consent of HFH. All such alterations or improvements of any nature are subject to City's approval thereof, as well as compliance with building code, local ordinances, FAA regulations, and applicable permitting.

Termination of Lease. This Sublease shall terminate in the event the Lease is terminated by either party thereto for any reason, including in the event of any damage, destruction or condemnation with respect to all or part of the Subleased Property. HFH shall not be liable to Subtenant by reason thereof for any loss, cost or expense incurred by Subtenant in connection with such termination unless caused by the breach or default of HFH under the Lease (and further provided that Subtenant is not in default under this Sublease).

HFH not Responsible for Lease Services. Subtenant shall not under any circumstances seek or require HFH to perform or provide or to cause to be performed or provided any work, services, or repairs, or make any claim against HFH for any damage which may arise by reason of City's failure to perform or provide the same pursuant to the Lease.

HFH not Liable to Subtenant. HFH shall in no event be liable to Subtenant except to the extent caused by its willful breach of this Sublease or the Lease (excluding defaults under this Sublease arising out of Subtenant's acts or omissions or those claiming by, through or under Subtenant or its agents, contractors, employees, invitees or licensees), nor shall the obligations of Subtenant hereunder be impaired nor the performance hereof by Subtenant be excused because of (i) any failure or delay on City's part in doing such repairs or work, including those which may be contemplated by this Sublease, (ii) any other failure of City to observe and perform its covenants and agreements pursuant to the Lease, or (iii) the acts or omissions of City, its agents, contractors, servants, employees, invitees, or licensees. If City shall default in any of its obligations to HFH with respect to the Subleased Property, HFH will use reasonable efforts to cause City to perform and observe such obligations. However, HFH shall not be obligated to commence any legal action, arbitration, audit or other proceeding against City or to make any payment of money or other consideration, or to utilize any self-help rights in furtherance thereof. Moreover, HFH shall have no liability for City's nonperformance of any obligation under the Lease, of any failure of City to grant any consent or approval under the Lease, or for any misfeasance or nonfeasance of City, nor shall the obligations of Subtenant hereunder be excused or abated in any manner by reason thereof, except as provided in this Sublease. If HFH elects to commence legal action, arbitration, audit or other proceeding against City to enforce its rights under the Lease, Subtenant shall be responsible for reimbursing HFH for Subtenant's Proportionate Share thereof. If such action pertains to the Subleased Property only, then Subtenant shall be responsible for reimbursing all of the reasonable costs of such proceedings, including, without limitation, reasonable attorneys' fees incurred by HFH, such reimbursement to be made by Subtenant within twenty (20) days after demand therefor.

Sublease Subordinate; Attornment to City.

The rights of Subtenant hereunder are subject and subordinate to all agreements heretofore or hereafter made between City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or to the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended, in accordance with successive airport development acts, any and all Bond Ordinances pertaining to Airport Bonds, deeds, leases, and other contracts between City and the federal government to which the Lease may be subject and subordinate to, or to which the Lease may now or hereafter be subjected or subordinated (collectively, the Subordinated Interests”), whether now or hereafter affecting the Airport property of which the Subleased Property is a part. This clause shall be self-operative and no further instrument shall be required by any such superior interest. However, in confirmation of such subordination, Subtenant, within ten (10) days after Subtenant's receipt of a written request to execute and deliver such a confirmation, shall execute any commercially reasonable certificate or other instrument that either, all or any of City and HFH may request, provided the same does not increase the monetary or non-monetary obligations, or diminish the rights, of Subtenant hereunder other than to a de minimis extent. HFH is hereby vested with full power and authority to subordinate Subtenant's interest hereunder to any Subordinated Interest hereafter placed on the Subleased Property, and Subtenant agrees, upon demand, to execute such further instruments subordinating this Sublease, as HFH may request.

Subtenant expressly agrees that if, for any reason, the Lease should be terminated prior to the expiration date of this Sublease or if City shall succeed to HFH's estate in the Subleased Property, then at City's election Subtenant shall attorn to and recognize City as Subtenant's landlord under this Sublease, subject to the provisions of the Lease, any provision of law to the contrary notwithstanding. Subtenant shall promptly execute and deliver to City any commercially reasonable certificate or other instrument City may request to evidence such attornment. If the City has accepted such attornment and entered into a direct lease with Subtenant, HFH and Subtenant shall have no further liability to the other under this Sublease, except for any claims or liability which may have arisen or accrued prior to such attornment, and the parties shall enter into an agreement releasing each other pursuant to the terms of this Section, but the failure to do so shall in no way affect the release set forth in this sentence.

Notices from City, etc. HFH agrees to forward to Subtenant, upon receipt thereof by HFH, a copy of each notice of default received by HFH from City in its capacity as Lessee under the Lease. Subtenant agrees to forward to HFH, upon receipt thereof, copies of any notices received by Subtenant from City, any entity holding a security interest in the Hangar Unit, any party claiming an interest in this Sublease by, through, or under Subtenant, or from any governmental authorities with respect to the Subleased Property.

HFH Cure of Subtenant Default under Lease. If Subtenant shall default under any term of this Sublease, and Subtenant shall not have commenced diligently to cure such default within five (5) days after notice thereof (except in the case of what HFH reasonably

believes to be an emergency situation in which case no such notice need be given), HFH may, in addition to any other remedy provided in this Sublease, by law or otherwise, cure such default. The cost thereof, together with interest thereon from the date incurred until paid at the rate provided in Article IX hereof, shall be payable by Subtenant within ten (10) days following written demand therefor, and in the event Subtenant fails to pay the same, HFH may recover such costs, including interest, as Additional Rent, in an action brought against Subtenant.

HFH Representation. HFH represents that it is the holder of the interest of the tenant under the Lease, and that the Lease is in full force and effect as of the date of execution hereof.

Subtenant Indemnity. Subtenant agrees to indemnify HFH and hold HFH harmless from all losses, damages, liabilities and expenses (including, without limitation, reasonable attorneys' fees and expenses) that HFH may incur, or for which HFH may be liable to City, arising from the acts or omissions of Subtenant, Subtenant's agents, contractors, employees, invitees, or licensees. All amounts payable by Subtenant to HFH for such indemnity shall be deemed to be Additional Rent hereunder.

Sublease Escalations.

Escalation Rent.

In the event any additional rent or other amounts are payable with respect to any time period falling within the term of this Sublease which are attributable to the provisions of Section 7 of the Lease ("Escalation Rent") then Subtenant shall pay Subtenant's Proportionate Share of such amount as Additional Rent hereunder, (such additional rent payable by Subtenant hereinafter called "Sublease Escalation Rent"). At any time after receipt by HFH of any statement for any Escalation Rent, or if HFH is at any time obligated to pay any Escalation Rent, HFH may deliver to Subtenant a statement prepared, at the option of HFH, by HFH and/or City ("Escalation Statement") with respect to the payment of the Sublease Escalation Rent, and Subtenant shall pay to HFH the Sublease Escalation Rent.

If an annual City's Statement is furnished by City to HFH which shows that there has been an overpayment by Subtenant of Sublease Escalation Rent or if City shall notify HFH that HFH is entitled to a credit against subsequent rent due to a refund of amounts due under the Lease as to which Subtenant paid Sublease Escalation Rent, and if City shall actually give HFH credit therefor under the Lease, HFH shall permit Subtenant to credit the amount of such overpayment or Subtenant's portion of such refund, as the case may be, against the next subsequent Sublease Escalation Rent payments under this Sublease.

Subtenant shall not have the right to question the propriety of or the basis for any such Escalation Statement rendered by City, and HFH shall be under no obligation to challenge, object to or contest any such statement, any allocations or determinations made by City pursuant to such Escalation Rent although HFH may do so in its sole and absolute discretion. In the event that overpayment of Escalation Rent is determined after contest of any statement, as to which relates to Subtenant and Sublease Escalation Rent, HFH shall promptly notify Subtenant thereof, and if City

has actually credited HFH therefor under the Lease for the period occurring during the Sublease Term, HFH shall permit Subtenant to credit Subtenant's overpayment, but less all costs and expenses incurred by HFH in connection with such dispute to the extent not reimbursed by City to HFH, against the next subsequent Sublease Escalation Rent payments under this Sublease. After the termination of this Sublease and the payment to HFH of the balance, if any, of all Fixed Rent, Sublease Escalation Rent and other Additional Rent due hereunder, HFH shall promptly pay to Subtenant the amount described in the previous sentence to the extent not previously applied by Subtenant.

Broker.

HFH and Subtenant each covenants, represents and warrants to the other that it has had no dealings or communications with any broker or agent in connection with the consummation of this Sublease. Each of HFH and Subtenant covenants and agrees to pay, hold harmless and indemnify the other from and against any and all cost, expense (including reasonable attorneys' fees) or liability for any compensation, commissions or charges claimed by any broker or agent other than Brokers with respect to this Sublease or the negotiation thereof. This indemnity shall survive the Sublease Expiration Date.

Notices.

Any notice, demand or communication which, under the terms of this Sublease or under any statute or municipal regulation must or may be given or made by the parties hereto, shall be in writing and given or made by mailing the same by registered or certified mail, postage prepaid, return receipt requested, or by nationally recognized overnight courier for next business day delivery, addressed to the party for whom intended at its address as stated in the Recitals; provided, however, from and after the Sublease Commencement Date, Subtenant's address shall be the Subleased Property, and with a copy of such communications addressed to Subtenant sent to [Subtenant's mail address]. Either party, however, may designate such new or other address to which such notices, demands or communications thereafter shall be given, made or mailed by notice given in the manner prescribed herein. Any such notice, demand or communication shall be deemed given or served, as the case may be, on the date of receipt or if receipt is refused, on the date so refused if given by registered or certified mail, postage prepaid, return receipt requested and the first business day immediately after the day given to a nationally recognized overnight delivery service for next business day delivery.

End of Sublease Term; Holdover.

Surrender of Subleased Property. At the expiration of the Sublease Term or earlier termination of this Sublease for any reason, Subtenant shall thereupon restore the Subleased Property to the condition as required by the Lease upon the expiration of the term thereof, as defined in the Lease, and shall surrender and deliver up the Subleased Property in good condition and repair. If the Subleased Property is not timely vacated and surrendered in such condition at the Sublease Expiration Date, Subtenant shall and hereby agrees to indemnify and hold HFH harmless from and against any and all claims, losses,

expenses or damages, including, without limitation, attorneys' fees and disbursements, arising out of or resulting from any delay by Subtenant in so surrendering the Subleased Property, or any portion thereof, including, without limitation, any claims made by any succeeding tenant, prospective tenant, or City including, without limitation, any amounts payable by HFH to City pursuant to the Lease in respect of the Subleased Property.

Holdover. In the event Subtenant remains in possession of the Subleased Property, or any portion thereof, after the Sublease Expiration Date, the parties recognize and agree that the damage to HFH resulting therefrom will be substantial and will exceed the amount of the monthly installments of the Sublease Rent payable hereunder. Subtenant therefore agrees that in addition to any other right or remedy HFH may have hereunder or at law or in equity, Subtenant, at the option of HFH, shall be deemed to be occupying the Subleased Property as a subtenant from month to month, at a monthly rental equal to two times (i) the monthly Fixed Rent and Additional Rent and other charges payable during the last month of the scheduled term hereof or (ii) the fair market value for the Subleased Property, whichever is greater, subject to all of the other terms of this Sublease and the Lease insofar as the same are applicable to a month to month tenancy. The provisions of the preceding sentence shall not be construed to limit any other rights or remedies which might be available to HFH as a result of Subtenant's failure to surrender possession of the Subleased Property or any portion thereof on the Sublease Expiration Date, including, without limitation, prosecuting a holdover or forcible entry and unlawful detainer proceeding.

Alterations.

No Alterations. Subtenant may make no changes, alterations, additions, or improvements in, to or about the Subleased Property without HFH's prior written consent.

Surrender of Hangar Unit Improvements and Subsequent Alterations. All Hangar Unit Improvements conveyed by virtue of the Purchase Agreement, and any subsequent Subtenant alterations made and installed by Subtenant, shall be the property of City at the end of the Sublease Term in accordance with the Lease.

Security.

Security Deposit; Application. Subtenant shall prior to, or simultaneously upon execution and delivery of this Sublease to HFH, deposit with HFH five hundred dollars (\$500.00) (the "**Security Deposit Amount**") as security for the faithful performance and observance by Subtenant of all of the terms, provisions and conditions of this Sublease (including the payment of any Fixed Rent and Additional Rent (collectively referred to as "**Sublease Rents**"). HFH shall deposit the proceeds thereof into a bank or savings and loan association to be selected, from time to time, by HFH in its sole discretion, which account need not be separate from HFH's funds. HFH shall not be required to credit any Security Deposit Amount with interest or pay any interest thereon to Subtenant. Subtenant agrees that HFH shall be entitled to receive and retain any interest earned on such Security Deposit Amount. Subtenant agrees that, in the event that Subtenant defaults in respect of any of the terms, provisions and conditions of this Sublease, including the payment of any Sublease Rents, HFH may apply, or retain the whole or any part of the proceeds thereof to the extent

required for the payment of any Sublease Rents, or any other sum as to which Subtenant is in default, or for any sum that HFH may expend or may be required to expend by reason of Subtenant's default, in respect of any of the terms, provisions and conditions of this Sublease (including any damages or deficiency accrued before or after proceedings in forcible entry and unlawful detainer or other re-entry by HFH). In the event that HFH applies or retains any portion of the Security Deposit Amount, Subtenant shall within ten (10) business days restore the amount so applied or retained by remitting to HFH such funds as may be necessary to replenish the Security Deposit Amount in full. Nothing herein shall be construed as a limitation on HFH's rights and remedies under this Sublease or at law or in equity. Failure of Subtenant to satisfy the obligations of this section shall be, for notice purposes, construed as a monetary default. In the event that Subtenant shall fully and faithfully comply with all of the terms, provisions and conditions of this Sublease, the Security Deposit Amount shall be returned to Subtenant within ninety (90) days after the later of the Sublease Expiration Date or delivery of possession of the entire Subleased Property to HFH in accordance with the terms of this Sublease.

Assignment and Sublet.

Consent Required to Assign or Sublet. Subtenant shall not, whether voluntarily, involuntarily or by operation of law, in any manner or by reason of any act or omission on the part of Subtenant or any party acting by or through Subtenant (i) assign or otherwise transfer this Sublease or the term or estate hereby granted, nor (ii) sublet, license or sub-sublet all or any part of the Subleased Property, nor (iii) permit the Subleased Property to be occupied by any person(s), nor mortgage, pledge or encumber this Sublease or all or part of the Subleased Property without first obtaining:

HFH's written consent and all other required consents to such assignment as set forth in and pursuant to the terms of the Lease.

9.2. *Acceptance of Rent not a Waiver, etc.* If the Subleased Property is sub-sublet in violation of this Sublease, HFH, after default by Subtenant in its obligations hereunder, may, without notice to Subtenant, collect rent from the sub-subtenant and Subtenant hereby authorizes Subtenant's sub-subtenant to make such payments of rent directly to HFH and HFH shall apply the net amount collected to the Sublease Rents herein reserved, but no such sub-subletting or collection of rent shall be deemed a waiver of the covenant set forth in this Article IX, or the acceptance of the sub-subtenant as a Subtenant. No such sub-subletting of this Sublease shall release Subtenant from its performance under this Sublease. If the Subleased Property is assigned without City and/or HFH's written consent, Subtenant and the assignee shall be jointly and severally liable for all obligations to be performed thereafter under this Sublease.

1.3. *Late Charge.* To cover the additional expense incurred by HFH in the handling of delinquent payment of Fixed Rent, Sublease Escalation Rent, other Additional Rent and other charges payable to HFH by Subtenant pursuant hereto, Subtenant will pay on demand to the extent permitted by applicable law, (i) a "late charge" in an amount equal to the greater of any corresponding late charge under the Lease or ten (10%) percent of such delinquent payment, to cover the administrative expenses of handling such late payment, and (ii) for each dollar of such Fixed Rent, Sublease Escalation Rent, other Additional Rent

and other charges if any such amount is received after its due date, interest at the lesser of (A) an annual rate equal to eighteen percent (18%) percent or (B) the maximum rate permitted by law, accruing from the date such amounts of Fixed Rent, Sublease Escalation Rent, other Additional Rent and other charges first became due hereunder.

Quiet Enjoyment; HFH's Right to Enter.

So long as Subtenant pays all of the Sublease Rents due under this Sublease and performs all of Subtenant's other obligations hereunder, Subtenant shall peacefully and quietly have, hold and enjoy the Subleased Property during the term of this Sublease, without hindrance by HFH or by anyone claiming by or through HFH, subject, however, to the terms of this Sublease and the Lease. During the Sublease Term, HFH (and City pursuant to the Lease) shall have the right, but not the obligation, at such times as may be reasonable under the circumstances, to enter upon the Subleased Property, accompanied by an authorized Subtenant's representative if practicable, to inspect for compliance with the terms of this Sublease, the Lease, and all agreements incorporated therein, including for safety, fire protection, use, and security. Subtenant further agrees to correct any violations observed by HFH or City as a result of such inspections provided that Subtenant shall have no obligation to correct any violations that precede the Sublease Commencement Date.

Indemnity and Insurance.

Cross-Default; Subtenant Indemnification. Subtenant's default under any of the terms contained in or incorporated into 1) this Sublease (or any consents or amendments hereto), 2) the Purchase Agreement, or 3) any agreement between Subtenant and a third party pursuant to which Subtenant grants a security interest in the improvements constructed at any time on the Sublease Property (whether existing as of the date of this Sublease or subsequently made) shall each constitute a default under all such agreements. A default under any of the above-described agreements shall constitute a default under this Sublease. A default under this sublease shall constitute a default under the above-described other agreements. Subtenant hereby indemnifies and agrees to hold HFH harmless from and against any and all claims (including, without limitation, claims of City against HFH), losses or damages, including, without limitation, attorneys' fees and costs, resulting from or arising out of Subtenant's default under this Sublease or any of the above-described agreements.

HFH Indemnification. HFH agrees to indemnify Subtenant and to hold Subtenant harmless from and against any and all claims, losses or damages, including, without limitation, attorneys' fees and costs, resulting from or arising out of 1) HFH's default under any of the terms contained in or incorporated into 1) this Sublease, or 2) the Lease which, by the terms of this Sublease, HFH is obligated to perform, except for defaults arising out of the acts or omissions of Subtenant, its agents, contractors, employees, invitees, or licensees.

Insurance. In addition to Subtenant's obligation to pay Subtenant's Proportionate Share of common insurance policy premiums as set forth in Section 2 hereof, Subtenant shall, as to the Subleased Property, procure and maintain for the duration of the Sublease Term, at its sole expense, "all-risk" property insurance for damage or other loss caused by fire or other casualty or cause, including but not limited to, vandalism and malicious mischief, theft,

water damage of any type, including sprinkler leakage, bursting of pipes, explosion, in an amount not less than one hundred (100%) percent of the replacement cost covering the Hangar Unit, all alterations, improvements, fixtures, and personal property therein, and such other insurance as may be required by a mortgagee or otherwise desired by HFH. The proceeds of such insurance shall be used for the repair or replacement of the property so insured, except that if not so applied or if this Sublease is terminated following a casualty, the proceeds applicable hereto shall be paid to HFH except with respect to Subtenant's personal property. Subtenant shall name HFH, its parent company HFH, and the City as additional insured. Prior to or simultaneously with the Sublease Commencement Date, Subtenant shall deliver an insurance certificate evidencing the foregoing, along with evidence that the insurance policy is endorsed indicating that the rights of the additional insured are conferred, and rights of subrogation are waived. Subtenant shall furnish HFH with all certificates required to be delivered to City pursuant to the Lease.

Waiver of Subrogation - Subtenant. Notwithstanding anything to the contrary contained in this Sublease, Subtenant, on behalf of itself and on behalf of anyone claiming under or through it by way of subrogation or otherwise, waives all rights and causes of action against HFH and City, and the respective directors, shareholders, officers, employees, members, agents and invitees of HFH and City, for any liability arising out of any loss or damage in or to the Subleased Premises, its contents and other property located thereon and caused by any peril normally covered under all-risk policies issued in the geographic area in which the Subleased Property is located (whether or not such party actually carries such insurance policies). This waiver shall be total even if such loss or damage may have been caused by the negligence of HFH or City or their respective officers, directors, shareholders, employees, members, agents or invitees, and shall not be affected or limited by the amount of insurance proceeds available to Subtenant, regardless of the reason for such deficiency in proceeds. Subtenant covenants that from and after the date possession of the Subleased Property is delivered to Subtenant, its casualty insurance policies will contain waiver of subrogation endorsements, and that if such endorsements, for any reason whatsoever, are, become, or may become unavailable, it will give HFH not less than thirty (30) days prior written notice of such unavailability.

Miscellaneous.

Amendments. This Sublease may be amended only by an agreement, in writing, signed by all parties hereto with the express written consent of the City.

Entire Agreement. This Sublease, together with the Purchase Agreement, the Lease, and all exhibits thereto constitutes the entire agreement between the parties and all representations and understandings have been merged herein.

Successors and Assigns. This Sublease may not be assigned without City's consent as set forth in the Lease. HFH will cooperate with Subtenant in requesting any such consent or approval. Subtenant shall reimburse HFH for any costs or expenses payable under the Lease or otherwise reasonably incurred by HFH (including, without limitation, legal fees and disbursements) in connection with requesting City's consent or approval on behalf of Subtenant with respect to any matter as to which City's consent or approval is required

under the Lease or hereunder. If City refuses such consent or approval, HFH shall be released of any obligation to grant its consent or approval with respect to such matter whether or not City's refusal, in Subtenant's opinion, is arbitrary or unreasonable.

Memorandum of Lease. HFH may record this Sublease or a memorandum thereof as HFH determines in its sole discretion is necessary or desirable to perfect its rights hereunder.

Waiver of Certain Damages. Notwithstanding anything to the contrary provided in this Sublease, neither HFH nor Subtenant shall be liable to the other for any special, consequential or punitive damage arising under or pursuant to this Sublease, except as provided in Section 2.7 of this Sublease.

Governing Law. This Sublease shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction), and enforced in accordance with the jurisdictional and venue provisions set forth in Section 9.11 of the Lease.

Subtenant Authority. Subtenant hereby represents and warrants to HFH that it has the full right, power and authority to enter into the transactions provided for herein.

Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. Signatures provided by facsimile or electronic transmission shall have the same force and effect as original signatures and shall be binding upon the parties.

Severability of Provisions. In the event any provision of this Sublease shall be held to be invalid or unenforceable, the validity, legality and enforceability of the remaining provisions shall be unaffected.

Section Headings. Section headings are for purposes of convenience only and shall not be deemed a part of the Sublease.

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[SIGNATURE PAGE FOLLOWS]

HANGAR CLUB, LLC:

By: _____
Name: Kenneth Hinkes
Title: Manager

SUBTENANT:

By: _____
Name:

Exhibit C

Estoppel and Consent Agreement

GROUND LESSOR ESTOPPEL AND CONSENT AGREEMENT

WHEREAS, _____ a _____ **[corporation]** **[limited liability company]** (hereinafter “Landlord”), or its predecessor in interest, has heretofore leased certain lands described on Exhibit A attached hereto (hereinafter the “Premises”) to _____ a _____ **[corporation]** **[limited liability company]** (hereinafter “Tenant”), or its predecessor in interest, pursuant to an agreement of lease, as more particularly described on Exhibit B (as same may have been amended, modified, substituted or extended, hereinafter the “Lease”);

WHEREAS, Tenant and certain other affiliates of Borrower, as co-borrowers or guarantors (collectively, “Loan Parties”) intend to enter into a Credit Agreement among Borrower, the Loan Parties, SunTrust Bank, as Administrative Agent and Collateral Agent (together with its successors and assigns, the “Administrative Agent”), Swingline Lender and Issuing Bank, and the Lenders from time to time party thereto (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”; capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement). As security for the Obligations under the Credit Agreement and the other Loan Documents, Tenant intends to execute a first leasehold **[mortgage]** **[deed of trust]** **[deed to secure debt]** for the benefit of Administrative Agent upon Tenant’s interest as tenant under the Lease in the Premises (the “Leasehold Mortgage”); and

WHEREAS, the Administrative Agent and the Lenders are unwilling to enter into the Credit Agreement unless Landlord reaffirms to Administrative Agent that the provisions of the Lease respecting leasehold mortgages are restated and confirmed for Administrative Agent’s benefit **[and certain additional agreements are made with Administrative Agent with respect to Administrative Agent’s rights as the holder of the Leasehold Mortgage]**;

NOW THEREFORE, in consideration of ten dollars (\$10.00) and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Landlord hereby certifies to and agrees with Administrative Agent as follows:

ARTICLE X**[UPON THE RECORDING OF THE LEASEHOLD MORTGAGE, LANDLORD HEREBY RECOGNIZES ADMINISTRATIVE AGENT AS A “LEASEHOLD MORTGAGEE” AS DEFINED IN SECTION ____ OF THE LEASE, FOR ALL PURPOSES UNDER THE LEASE] [LANDLORD HEREBY CONSENTS TO THE GRANTING BY TENANT OF A MORTGAGE ON TENANT’S INTEREST PURSUANT TO THE LEASE TO ADMINISTRATIVE AGENT.]**

ARTICLE XI**[ALL OF THE LEASEHOLD MORTGAGEE PROTECTION PROVISIONS CONTAINED IN THE LEASE, INCLUDING BUT NOT LIMITED TO SECTIONS(S) _____, AND ALL OTHER PROVISIONS INURING TO THE BENEFIT OF LEASEHOLD MORTGAGEES OR THEIR SUCCESSORS AND ASSIGNS CONTAINED IN THE LEASE, ARE HEREBY INCORPORATED INTO THIS**

AGREEMENT BY REFERENCE AND RESTATED AND CONFIRMED BY LANDLORD FOR THE BENEFIT OF ADMINISTRATIVE AGENT, ITS SUCCESSORS AND ASSIGNS.] LANDLORD [CONFIRMS THAT PURSUANT TO THE PROVISIONS CONTAINED IN SECTION(S) ____ OF THE LEASE] [COVENANTS AND AGREES] THAT LANDLORD IS NOT PERMITTED, IN THE ABSENCE OF AN UNCURED DEFAULT OF TENANT UNDER THE LEASE OR A DEFAULT OF TENANT WHERE A PROVISION OF THE LEASE EXPRESSLY PROVIDES THAT TENANT HAS NO OPPORTUNITY TO CURE, TO DISTURB THE POSSESSION, INTEREST OR QUIET ENJOYMENT OF TENANT OR ANY SUBTENANT OF THE TENANT, OR IN ANY MANNER, WHICH WOULD ADVERSELY AFFECT THE SECURITY PROVIDED IN THE LEASEHOLD MORTGAGE.

ARTICLE XI LANDLORD HEREBY [CONFIRMS THAT PURSUANT TO SECTION ____ OF THE LEASE,] [AGREES THAT] THE LEASE SHALL NOT BE MODIFIED, TERMINATED, AMENDED, ALTERED OR CANCELLED, NOR SHALL A SURRENDER OF THE PREMISES BE ACCEPTED BY LANDLORD, WITHOUT PRIOR WRITTEN NOTICE TO ADMINISTRATIVE AGENT AND AFTER THE EXPIRATION OF ALL APPLICABLE OPPORTUNITIES TO CURE PROVIDED FOR IN THE LEASE, AND THAT ANY SUCH ACTION TAKEN WITHOUT SUCH NOTICE AND EXPIRATION SHALL NOT BE BINDING ON TENANT OR ADMINISTRATIVE AGENT.

ARTICLE XII LANDLORD HEREBY [CONFIRMS THAT, PURSUANT TO SECTION ____ OF THE LEASE] [COVENANTS AND AGREES THAT], IN THE EVENT THAT THE LEASE IS TERMINATED FOR ANY REASON INCLUDING, WITHOUT LIMITATION, AS A RESULT OF A REJECTION OF THE LEASE IN A BANKRUPTCY PROCEEDING, UPON ADMINISTRATIVE AGENT'S REQUEST, AND SUBJECT TO THE REQUIREMENTS IN SECTION XVI.I OF THE LEASE LANDLORD SHALL ENTER INTO A NEW GROUND LEASE WITH ADMINISTRATIVE AGENT AND SUCH NEW GROUND LEASE SHALL BE UPON THE SAME TERMS AND CONDITIONS OF THE UNEXPIRED TERM OF THE LEASE IMMEDIATELY PRIOR TO SUCH TERMINATION.

ARTICLE XIV LANDLORD HEREBY CONFIRMS WITH RESPECT TO THE NEW GROUND LEASE REFERRED TO IN [SECTION ____ OF THE LEASE] [PARAGRAPH 4 ABOVE] THAT, SHOULD ADMINISTRATIVE AGENT BECOME THE TENANT UNDER A NEW LEASE [PURSUANT TO SECTION ____ OF THE LEASE]:

Section 14.1 title to all improvements now owned by Tenant **[including the Building, as defined in the Lease]**, situate on the Premises shall automatically vest in Administrative Agent **[pursuant to Section ____ of the Lease];** and

Section 14.2 Landlord shall promptly assign to Administrative Agent all space leases and subleases under which the tenants have attorned, with the consent of Administrative Agent **[pursuant to Section ____ of the Lease]**, to Landlord.

ARTICLE XV LANDLORD HEREBY [CONFIRMS] [COVENANTS AND AGREES] THAT THE LEASEHOLD MORTGAGE SHALL NOT BE SUBJECT OR SUBORDINATE TO ANY MORTGAGE ENCUMBERING THE FEE ESTATE OF THE PREMISES.

ARTICLE XVI LANDLORD HEREBY [CONFIRMS THE PROVISIONS OF SECTION ____ OF THE LEASE TO THE EFFECT] [COVENANTS AND AGREES] THAT LANDLORD SHALL DELIVER TO ADMINISTRATIVE AGENT WRITTEN NOTICE OF ANY DEFAULT BY TENANT UNDER THE LEASE SIMULTANEOUSLY WITH SENDING SUCH NOTICE TO TENANT AND THAT NO NOTICE OF DEFAULT GIVEN TO TENANT, AND NO EXERCISE OF ANY REMEDY BY LANDLORD AS A RESULT OF ANY SUCH DEFAULT, SHALL BE EFFECTIVE UNLESS SUCH NOTICE SHALL HAVE BEEN DELIVERED TO ADMINISTRATIVE AGENT. LANDLORD HEREBY FURTHER [CONFIRMS THE PROVISIONS OF SECTION ____ OF THE LEASE TO THE EFFECT] [COVENANTS AND AGREES] THAT ADMINISTRATIVE AGENT SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO CURE ANY DEFAULT BY TENANT UNDER THE LEASE AND ADMINISTRATIVE AGENT SHALL BE AFFORDED (A) 30 ADDITIONAL DAYS TO CURE ANY SUCH DEFAULT WHERE TENANT HAS 30 DAYS TO CURE PURSUANT TO THE LEASE; OR (B) 15 ADDITIONAL DAYS WHERE THE TENANT HAS LESS THAN 30 DAYS TO CURE SUCH DEFAULT PURSUANT TO THE LEASE; OR (C) IN THE EVENT THAT ANY SUCH DEFAULT CANNOT, WITH REASONABLE DILIGENCE, BE CURED WITHIN SUCH CURE PERIOD, SUCH LONGER PERIOD AS MAY BE REQUIRED TO COMPLETE SUCH CURE INCLUDING, WITHOUT LIMITATION, SUCH TIME AS MAY BE REQUIRED FOR ADMINISTRATIVE AGENT TO GAIN POSSESSION OF TENANT'S INTEREST UNDER THE LEASE, PROVIDED THAT ADMINISTRATIVE AGENT NOTIFIES LANDLORD OF ITS INTENTION TO CURE SUCH DEFAULT AND ADMINISTRATIVE AGENT PROMPTLY COMMENCES AND DILIGENTLY PURSUES SUCH CURE TO COMPLETION.

ARTICLE XVII SUBJECT TO ANY ASSIGNEE OR SUBLESSEE MEETING THE REQUIREMENTS OF SECTION [__] OF THE LEASE, LANDLORD HEREBY [CONFIRMS] [AGREES] THAT TENANT SHALL HAVE THE RIGHT TO ASSIGN OR SUBLET TENANT'S INTEREST UNDER THE LEASE TO ADMINISTRATIVE AGENT, ITS SUCCESSOR OR ASSIGN WITHOUT THE CONSENT OF LANDLORD, AND IN THE EVENT TENANT'S INTEREST UNDER THE LEASE IS SO ASSIGNED OR SUBLET TO ADMINISTRATIVE AGENT, ITS SUCCESSOR OR ASSIGN (AS APPLICABLE, THE "ASSIGNEE"), SUCH ASSIGNEE SHALL HAVE THE RIGHT TO FURTHER ASSIGN OR SUBLET THE TENANT'S INTEREST IN THE LEASE WITHOUT THE NEED TO OBTAIN THE CONSENT OF LANDLORD.

ARTICLE XVIII LANDLORD HEREBY [CONFIRMS] [COVENANTS AND AGREES] THAT ADMINISTRATIVE AGENT SHALL BE ENTITLED TO PARTICIPATE IN ANY SETTLEMENT REGARDING INSURANCE OR CONDEMNATION PROCEEDS OR AWARDS, TO COLLECT AND HOLD ANY SUCH PROCEEDS OR AWARDS AND TO DETERMINE AND DIRECT WHETHER ANY SUCH PROCEEDS OR AWARDS ARE MADE AVAILABLE FOR THE RESTORATION OF THE PREMISES OR ARE

APPLIED TO THE REPAYMENT OF THE OBLIGATIONS UNDER THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS.

ARTICLE XIX LANDLORD HEREBY [CONFIRMS THE PROVISIONS OF SECTION ____ TO THE EFFECT] [AGREES] THAT ADMINISTRATIVE AGENT SHALL HAVE THE RIGHT, PURSUANT TO THE TERMS OF THE LEASE, TO EXERCISE ANY OPTION TO RENEW THE TERM OF THE LEASE OR ANY OPTION TO PURCHASE THE PREMISES, IF THE TENANT SHALL FAIL TO EXERCISE ANY OPTION TO SO EXTEND OR PURCHASE.

ARTICLE XX LANDLORD HEREBY CERTIFIES AS FOLLOWS:

Section 20.1 Landlord is the owner of the fee simple estate in the Premises and is the landlord under the Lease.

Section 20.2 Tenant is the owner of the leasehold estate in the Premises and is the tenant under the Lease.

Section 20.3 The Lease is in full force and effect in accordance with its terms and has not been further assigned, supplemented, modified or otherwise amended except as set forth in Exhibit B attached hereto and each of the obligations on Landlord's part to be performed to date under the Lease have been performed.

Section 20.4 To the best of Landlord's knowledge, each of the obligations on Tenant's part to be performed to date under the Lease have been performed.

Section 20.5 To the best of Landlord's knowledge, Borrower has no offsets, counterclaims, defenses, deductions or credits whatsoever with respect to the Lease.

Section 20.6 Except as set forth in Exhibit B attached hereto, there do not exist any other agreements (including Subordination, Non-Disturbance and Attornment Agreements) concerning the Premises, whether oral or written between Landlord and Tenant (or their respective predecessors or successors) under the Lease.

Section 20.7 As of the date hereof, no basic rent or additional rent is due from Tenant under the Lease. The basic rent currently payable by Tenant under the Lease is \$ _____ per annum. Basic rent due under the Lease has been paid through _____.

Section 20.8 The term commencement date of the Lease was _____, and the initial term/current extension term of the lease shall expire on _____.

Section 20.9 Neither Landlord nor Tenant has assigned the Lease or sublet the Premises.

Section 20.10 Landlord has not assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Premises and there are currently no mortgages, deeds of trust or other security interests encumbering Landlord's fee interest in the Premises and no third party has an option or preferential right to purchase all or any part of the Premises.

Section 20.11 Landlord has not received written notice of any pending eminent domain proceedings or other governmental actions or any judicial actions of any kind against the Landlord's interest in the Premises.

Section 20.12 Landlord has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Premises and its operation thereon, including, without limitation, any environmental laws or the Americans with Disabilities Act, and has no reason to believe that there are grounds for any claim or such violation.

Section 20.13 The Lease attached hereto is a true, correct and complete copy thereof.

ARTICLE XXINotices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in any event addressed to the intended addressee at its address set forth on the first page hereof and, if addressed to Administrative Agent, to _____, _____, _____, **ATTENTION:** _____, and if addressed to Landlord, to _____, _____, _____, **ATTENTION:** _____, or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. By giving to the other party hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

This Estoppel and Agreement and the representations and agreements made herein are given with the understanding that this Estoppel and Agreement constitutes a material inducement for Administrative Agent and the Lenders to enter into the Credit Agreement and that Administrative Agent and the Lenders shall rely hereon in entering into the Credit Agreement. This Estoppel and Agreement and the representations and agreements made herein shall inure to the benefit of Administrative Agent, its successors and assigns and shall be binding on Landlord, its heirs, legal representatives, successors and assigns.

This Estoppel and Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Estoppel and Agreement may be detached from any counterpart of this Estoppel and Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Estoppel and Agreement identical in form hereto but having attached to it one or more additional signature pages.

Executed this ____ day of _____, 202__.

LANDLORD:

[INSERT SIGNATURE BLOCK]

[INSERT EXHIBIT A AND B]



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Legislation Text

File #: AAB25-021, Version: 1

AGENDA CAPTION

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Assignment of Airport Lease from Ezell Aviation, Inc to Marklyn Jet Parts, LLC covering property at 4855 Sabre, 4933 Sabre, 5011 Sabre, 5040 Warbird, Denton, Texas at the Denton Enterprise Airport as described in the Lease; authorizing the City Manager to execute the Assignment of Airport Lease; and providing an effective date.



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Airport

ACM: Frank Dixon

DATE: June 11, 2025

SUBJECT

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Assignment of Airport Lease from Ezell Aviation, Inc to Marklyn Jet Parts, LLC covering property at 4855 Sabre, 4933 Sabre, 5011 Sabre, 5040 Warbird, Denton, Texas at the Denton Enterprise Airport as described in the Lease; authorizing the City Manager to execute the Assignment of Airport Lease; and providing an effective date.

BACKGROUND

The lease agreement for properties located at 4855 Sabre, 4933 Sabre, 5011 Sabre, and 5040 Warbird encompasses a 30-year term, commencing on May 1, 1997, and expiring on April 30, 2027. The lease provides the lessee with two (2) additional ten (10)-year renewal options, potentially extending the term to April 30, 2047. This land lease covers 1.997 acres (192,099.60 square feet) and includes three (3) 9,800 square foot buildings and one (1) 14,400 square foot building currently utilized for Aircraft Part Sales, Flight Training, and Airport Maintenance and Repair services.

Marklyn Jet Parts, LLC is a current subtenant of the City of Denton and holder of an existing Airport Business Permit for aircraft part(s) sales, intends to expand its operations to include aircraft management and airframe maintenance. The proposed assignment does not necessitate any renegotiation of the current lease terms or conditions.

RECOMMENDATION

Airport Staff recommends approval of the Consent to Lease Assignment (**Exhibit 4**)

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved the lease agreement on May 6, 1997, Ordinance 97-132.

Council approved the first amendment on December 8, 1998, Ordinance 98-431.

Council approved an amendment on March 6, 2001, Ordinance 2001-116.

Council approved the second amendment on July 22, 2003, Ordinance 2003-230

Council approved an assignment of leasehold interest on December 7, 2004, Ordinance 2004-379

Council approved a termination of that certain lease of Airport property on December 13, 2005, Ordinance 2005-376

Council approved an addendum to airport lease agreement on March 27, 2007, Ordinance 2007-063

FISCAL INFORMATION

This property lease is for 1.997 acres of land for a current annual lease rate of \$58,209.48. The annual lease rate is based on price per square foot and the US Department of Labor Bureau of Labor Statistics Consumer

Price Index (CPI-U), adjusted annually since 1997. The next CPI-U adjustment(s) will occur on May 1, 2026.

A transfer fee of \$1000 has been received from Assignee.

EXHIBITS

1. Agenda Information Sheet
2. Location Map
3. Consent to Lease Assignment

Respectfully submitted:
Ryan Adams, C.M.
Airport Director

Location Map

4855 Sabre, 4933 Sabre, 5011 Sabre, and 5040 Warbird

Assignor: Ezell Aviation, Inc

Assignee: Marklyn Jet Parts, LLC

Legend

 Assignee: Marklyn Jet Parts, LLC

Google Earth

Image © 2025 Airbus

500 ft



72

**ASSIGNMENT OF AIRPORT LEASE
DENTON ENTERPRISE AIRPORT**

DATE: _____, 2025

ASSIGNOR: Ezell Aviation, Inc

ASSIGNEE: Marklyn Jet Parts, LLC

LANDLORD: City of Denton, a Texas home-rule municipal corporation

LEASE: May 6, 1997, Lease Agreement, Ordinance 97-132
December 8, 1998, First Amendment, Ordinance 98-431
March 6, 2001, Amendment, Ordinance 2001-116
July 22, 2003, Second Amendment, Ordinance 2003-230
December 7, 2004, Assignment of Leasehold Interest, Ordinance 2004-379
December 13, 2005, Termination of Leasehold Interest, Ordinance 2005-376
March 27, 2007, Addendum to Airport Lease, Ordinance 2007-063

PREMISES: 1.997-acre parcel or XX square feet of leased land and three (3) approximately 9,800 square foot buildings and one (1) approximately 14,400 square foot building, located at 4855 Sabre, 4933 Sabre, 5011 Sabre, 5040 Warbird, Denton, TX, Denton Enterprise Airport, all as described in the Lease.

Assignor assigns to Assignee its interest in the Lease.

A. Assignee agrees to:

1. Assume Tenant's obligations under the Lease.
2. Accept the Premises in their present "as is" condition.
3. Complete all obligations of transfer and purchase from Assignor prior to this Assignment of Airport Lease becoming effective.

B. Landlord consents to this Assignment of Airport Lease:

1. Landlord agrees that following assignment, it shall look solely to Assignee for fulfillment of the Lease obligations.

C. Assignor agrees that:

1. Assignor confirms that the Lease with respect to the Premises is to be transferred to (Assignee).
2. On or before the date of this Assignment of Airport Lease, Assignor will pay or will cause the Assignee to pay to Landlord a \$1,000 transfer fee.

Assignor:
Ezell Aviation, Inc

DocuSigned by:

525B708C31B44B3...
Helen Dude Ezell, Owner/President

Assignee:
Marklyn Jet Parts, LLC


DocuSigned by:

A9CFE88B5E844F3...
Sean Lynch, Managing Director

Consent:
Landlord:
City of Denton

Sara Hensley, City Manager

Approved as to Legal Form

DocuSigned by:

4B070B31B4AA438...
Mack Reinwand, City Attorney

ATTEST:

Lauren Thoden, City Secretary



City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Legislation Text

File #: AAB25-020, **Version:** 1

AGENDA CAPTION

Staff Reports:

1. Monthly Operations Report - June 2025
2. Airport Advisory Board-City Council Airport Related Items Matrix - June 2025

MONTHLY OPERATIONS REPORT

June 2025

The following tables provide details on operations, fueling, based aircraft, alerts, and incidents. Historical Airport Operations, **Exhibit 1**, provides airport historical operations data from 2014-2024.

OPERATIONS (Calendar Year)						
Operation Type	Apr-24	Apr-25	% Change	2024 YTD	2025 YTD	% Change
IFR Itinerant	1,294	1,062	-17.9%	4,126	4,045	-2.0%
VFR Itinerant	7,448	7,415	-0.4%	31,040	31,766	2.3%
Local	8,250	4,807	-41.7%	39,018	22,100	-43.4%
Total	16,992	13,284	-21.8%	74,184	57,911	-21.9%

FUELING (Fiscal Year)						
Type	Apr-24	Apr-25	% Change	2024 YTD	2025 YTD	% Change
AvGas	62,405	53,838	-13.7%	315,181	360,134	14.3%
Jet A	103,347	71,556	-30.8%	708,708	524,633	-26.0%
Total	165,752	125,394	-24.3%	1,023,889	884,767	-13.6%

BASED AIRCRAFT					
Description	Single Engine	Multi-Engine	Jet	Helicopter	Total
Dec 2024	352	71	35	18	476
Dec 2023	309	62	34	15	420
Dec 2022	321	79	38	14	452

NOTE: Due to agenda-related deadlines, figures for the prior month will be available at the next Airport Advisory Board meeting.

ALERTS		
Date	Type	Description
N/A	N/A	Information to be provided at the meeting

INCIDENTS	
Date	Description
N/A	Information to be provided at the meeting

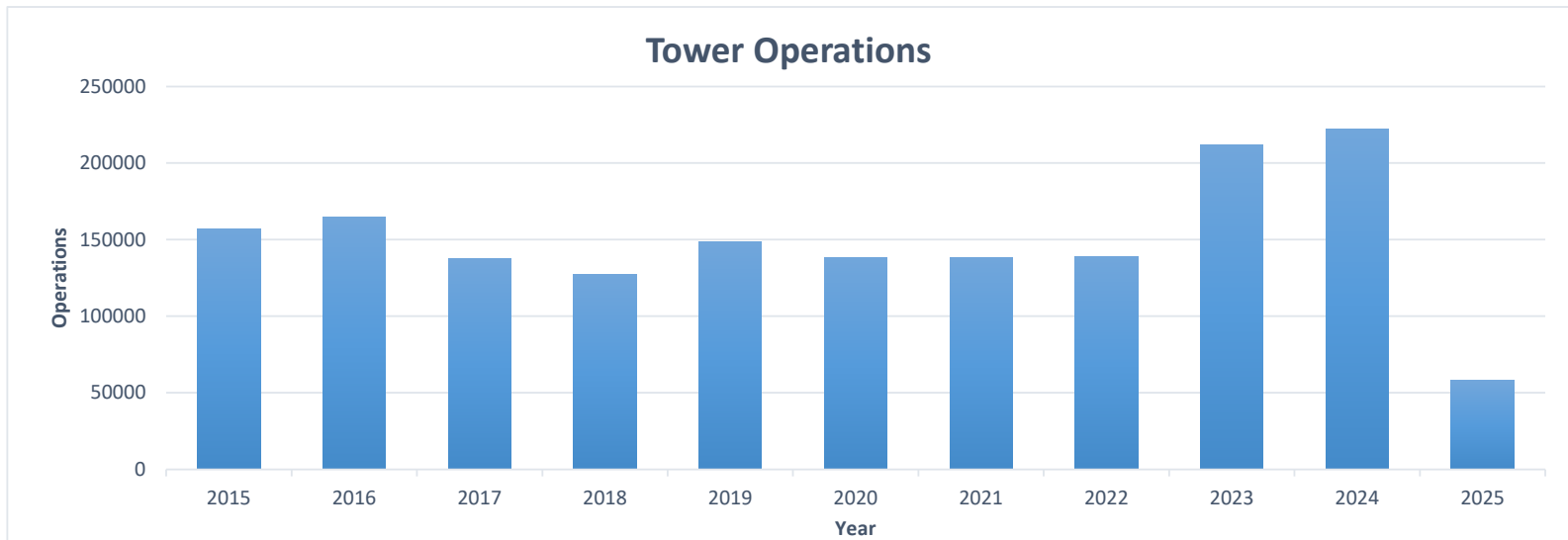
APRIL WEATHER DATA	
Days with Measurable Precipitation	Days with an Avg. Wind over 10mph
9	20

EXHIBITS

1. Historical Airport Operations 2014-2024 (Attached)

DENTON ENTERPRISE AIRPORT HISTORICAL OPERATIONS

Month:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
JAN	14419	12074	11070	13036	12323	9830	9138	14030	13814	14618	16068
FEB	10891	12530	9300	7899	9307	11704	6697	10469	13218	20919	13379
MARCH	12886	9240	10846	10659	13074	10055	12423	12719	15134	21655	15180
APRIL	12816	10226	9390	11314	11709	12090	10631	13601	14993	16992	13284
MAY	12431	11958	11914	14854	11172	12690	10704	9902	19470	19503	
JUNE	15308	11962	10342	12521	12468	11282	11519	15321	18549	22043	
JULY	17359	13190	11162	13553	11718	14274	14124	15936	19931	13869	
AUG	18143	11461	10514	14888	10392	13076	12868	17597	21408	14855	
SEP	14665	13523	11010	11477	12176	10911	13672	20217	20484	20090	
OCT	13208	13021	10870	13682	11444	11445	12837	17794	18362	23875	
NOV	10906	9195	10249	13276	11367	10508	12482	14415	18860	18914	
DEC	12020	9166	10899	11539	11379	10296	12051	14217	17977	14613	
Total:	157339	165052	137546	127566	148698	138529	138161	139146	212200	221946	57911



Tower OPS 2015-2025

Airport Advisory Board/City Council Airport Related Items **Council Airport Committee – Dissolved 09/28/2021 ***Legal Review				
	Airport Advisory Board		City Council	
Description	Date	Action	Date	Action
Pending Items				
Consent to Lease Assignment – Ezell Aviation, Inc to Marklyn Jet Parts, LLC	06/11/2025	Pending	06/17/2025	Pending
Consent to Collateral Assignment – HC Aviation Property Holdings, Inc	06/11/2025	Pending	06/17/2025	Pending
Land Lease Agreement – Hangar Club, LLC – Site 3 & 4	06/11/2025	Pending	06/17/2025	Pending
Land Lease Agreement – U.S. Aviation Academy, LLC – Site 7B	Pending	Pending	Pending	Pending
Garver – Third Amendment – Pavement Design	Pending	Pending	Pending	Pending
Airport Land Lease – Construction Timelines	Pending	Pending	Pending	Pending
Chapter 3 Amendment	Pending	Pending	Pending	Pending
Completed Items with Airport Advisory Board and City Council				
918 Aeronca Lane – Airport Hangar Lease Agreement	04/09/2025	Approved 6-0	04/15/2025	Approved 7-0
922 Aeronca Lane – Airport Hangar Lease Agreement	04/09/2025	Approved 6-0	04/15/2025	Approved 7-0
926 Aeronca Lane – Airport Hangar Lease Agreement	04/09/2025	Approved 6-0	04/15/2025	Approved 7-0
5088 Sabre Drive – Airport Hangar Lease Agreement	04/09/2025	Approved 5-1	04/15/2025	Approved 7-0
Garver – Second Amendment – Pavement Analysis	04/09/2025	Approved 6-0	05/06/2025	Approved 7-0
Airport Rates and Fees	12/11/2024	Approved 6-0	02/18/2025	Approved 7-0
Drainage Study – Garver Proposal – Task Amendment 1	02/12/2025	Approved 4-0	02/18/2025	Approved 7-0
Feasibility Study – UAS/Drone	02/12/2025	Approved 4-0	02/18/2025	Approved 7-0
Wayne and Maribeth Yarbrough – Lease Assignment	01/08/2025	Approved 5-0	01/14/2025	Approved 7-0
HC Commercial – Lease Agreement – Site 10	11/13/2024	Approved 5-0	11/19/2024	Approved 7-0
First Financial Resources – Lease Assignment	11/13/2024	Approved 5-0	11/19/2024	Approved 7-0
Airport Leasing and Development Policy	09/11/2024	Approved 6-0	10/15/2024	Approved 7-0
US Trinity Aviation, LLC – Lease Agreement – Site 9	10/09/2024	Approved 7-0	10/15/2024	Approved 7-0
GKY Holdings 1, LLC – Lease Amendment	08/14/2024	Approved 5-0	09/17/2024	Approved 7-0

Airport Advisory Board/City Council Airport Related Items **Council Airport Committee – Dissolved 09/28/2021 ***Legal Review				
	Airport Advisory Board		City Council	
Description	Date	Action	Date	Action
Airport Master Plan	03/20/2024	Approved 5-0	04/02/2024	Approved 7-0
Airport Financial Update	03/20/2024	Work Session	N/A	N/A
Roanoke Air and Auto, Inc – Lease Agreement	03/20/2024	Approved 5-0	04/02/2024	Approved 7-0
Hangar 10 Flying Museum – Lease Assignment	02/14/2024	Approved 6-0	02/20/2024	Approved 7-0
GKY Holdings 1, LLC – Lease Amendment	12/06/2023	Approved 4-0	12/12/2023	Approved 6-0
Financial Analysis	12/06/2023	Approved 4-0	12/12/2023	Approved 6-0
Nebrig Properties, LP – Lease Assignment	12/06/2023	Approved 4-0	12/12/2023	Approved 6-0
TxDOT – Primary Runway Reconstruction Project	10/11/2023	Approved 4-0	10/24/2023	Approved 6-0
Victory Aviation Supplies, LLC – Consent to Subsublease	09/13/2023	Approved 4-0	09/26/2023	Approved 7-0
Ronald J. Gowan – Lease Assignment	09/13/2023	Approved 4-0	09/26/2023	Approved 7-0
Petersen Hangars, LLC – Lease Assignment	09/13/2023	Approved 4-0	09/26/2023	Approved 7-0
Dave Austin – Lease Assignment	08/09/2023	Approved 5-0	08/15/2023	Approved 7-0
DTO 4858, LLC – Lease Assignment	08/09/2023	Approved 5-0	08/15/2023	Approved 7-0
US Trinity – Lease Assignment	02/23/2023	Approved 4-0	03/07/2023	Approved 6-0

**ASSIGNMENT OF AIRPORT LEASE
DENTON ENTERPRISE AIRPORT**

DATE: _____, 2025

ASSIGNOR: Ezell Aviation, Inc

ASSIGNEE: Marklyn Jet Parts, LLC

LANDLORD: City of Denton, a Texas home-rule municipal corporation

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December 8, 1998, First Amendment, Ordinance 98-431
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December 7, 2004, Assignment of Leasehold Interest, Ordinance 2004-379
December 13, 2005, Termination of Leasehold Interest, Ordinance 2005-376
March 27, 2007, Addendum to Airport Lease, Ordinance 2007-063

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Assignor assigns to Assignee its interest in the Lease.

A. Assignee agrees to:

1. Assume Tenant's obligations under the Lease.
2. Accept the Premises in their present "as is" condition.
3. Complete all obligations of transfer and purchase from Assignor prior to this Assignment of Airport Lease becoming effective.

B. Landlord consents to this Assignment of Airport Lease:

1. Landlord agrees that following assignment, it shall look solely to Assignee for fulfillment of the Lease obligations.

C. Assignor agrees that:

1. Assignor confirms that the Lease with respect to the Premises is to be transferred to (Assignee).
2. On or before the date of this Assignment of Airport Lease, Assignor will pay or will cause the Assignee to pay to Landlord a \$1,000 transfer fee.

Assignor:
Ezell Aviation, Inc

DocuSigned by:

525B708C31B44B3...
Helen Dude Ezell, Owner/President

Assignee:
Marklyn Jet Parts, LLC


DocuSigned by:

A9CFE88B5E844F3...
Sean Lynch, Managing Director

Consent:
Landlord:
City of Denton

Sara Hensley, City Manager

Approved as to Legal Form

DocuSigned by:

4B070B31B4AA438...
Mack Reinwand, City Attorney

ATTEST:

Lauren Thoden, City Secretary