

C. IMPROVEMENTS PROVIDED BY LESSOR. The term "Lessor Improvements" shall mean those things on or adjacent to the Leased Premises belonging to, constructed by, or to be constructed by the Lessor. Unless otherwise noted herein, all Lessor Improvements are and will remain the property of Lessor. The Lessor Improvements on the Leased Premises are to provide site grading. Lessor's site grading plan shall be approved by Lessee prior to commencement. *There will be no additional improvements provided by Lessor, except as may be set forth in Article II.F., "Access to Utilities".]*

D. IMPROVEMENTS PROVIDED BY LESSEE.

Lessee shall construct or cause to be constructed buildings and other improvements on the Leased Premises and the applicable portion of the Public Area, if any (the "Lessee Improvements"), as described in **Attachment "C"**, at Lessee's sole cost, expense and risk (except as may be otherwise agreed to between Lessor and Lessee) in accordance with the plans and specifications which are subject to the review and approval in writing by the Lessor, as set forth herein and **Article VIII**, below. The term "Lessee Improvements" shall also include those real property and structural improvements having been made prior to the Effective Date and now existing on the Leased Premises, other than Lessor Improvements, if any. Lessee shall own such Lessee Improvements during the Lease Term, as provided in **Article VIII**. Except as provided otherwise in this Agreement, Lessee may not construct, locate, install, place or erect any other improvements upon the Leased Premises or the Public Area without the express written consent of the Lessor, such consent not to be unreasonably withheld or delayed. Lessee shall also construct appropriate culverts or drainage as required by City ordinances, as well as other improvements as determined necessary by Lessor or as required by City ordinances

Construction of Lessee Improvements shall be commenced no later than **60** days following the issuance of a Building Permit from the appropriate governmental entity (the "Commencement Period") and shall be completed no later than **250** days, after the date of the issuance of the Building Permit (the "Construction Period"), subject to Force Majeure. For the purposes hereof, construction of the Lessee Improvements shall be deemed to have commenced when all of the following events shall have occurred: (i) Lessor's written approval and acceptance of the final construction design plans and specifications is provided to Lessee, such approval and acceptance not to be unreasonably withheld or delayed; (ii) Lessee has been issued the required building permit(s) or licenses necessary to construct the Lessee Improvements; (iii) Lessee shall have received (and shall have provided or caused to be provided to Lessor) a true and correct copy of the FAA's determination to Lessee's filing Form 7460 Notice of Proposed Construction or Alterations or other such filings required by the FAA and, or TxDOT; (iv) Lessee's execution of a contract with a qualified general contractor; (v) proof of required Builder's Risk Insurance Policy and Payment and Performance Bond, as required in **Article VIII**, below, is provided to Lessor; and (vi) the initiation of actual mobilization of construction equipment on the Leased Premises and/or the area of the Public Area wherein Lessee Improvements are to be constructed, if any.

Construction of the Lessee Improvements shall be considered complete upon (i) the issuance of a Certificate of Occupancy for the Lessee Improvements (other than the Lessee

Improvements located on the Public Areas); and (ii) acceptance by the Lessor of the Lessee Improvements constructed upon the Public Areas, if applicable, such acceptance not to be unreasonably withheld or delayed.

In addition, within 60 days after the Effective Date of this Lease Agreement ("Condition Precedent Date"), Lessee shall provide to Lessor (i) a written estimate to construct Lessee Improvements certified by the design architect or engineer and prepared by a contractor who has demonstrated experience in the successful construction of improvements similar to the Lessee Improvements (the "Construction Cost Estimate"); and, (ii) a written schedule of construction to complete Lessee Improvements (collectively, "Conditions Precedent"). Should the Conditions Precedent not be met, either party may terminate this Lease Agreement by giving the other party written notice within ten (10) days following the Condition Precedent Date, in which case this Lease Agreement shall be null and void and of no further force and effect, and all funds held on deposit with the Lessor and all documents and submittals provided to the Lessor shall be immediately refunded and returned to the Lessee. Such termination shall not prevent the Lessee from submitting a new proposed lease request at a later date. The parties may extend the Condition Precedent Date if agreed to by Lessor and Lessee, as evidenced in writing duly authorized and executed by both parties.

E. EASEMENTS. Lessor and Lessee by mutual agreement may establish, on the Leased Premises, easements for public access on roads and taxiways. Nothing contained herein shall be deemed to affect Lessor's rights provided in **Article X**, below. To the extent that such an easement is reasonably necessary for Lessee's access to or use and operation upon the Leased Premises, Lessor agrees to grant such easement, subject to such reasonable conditions as it may impose.

F. UTILITIES.

1. Lessor represents that there are water, sewer and three-phase electricity lines within two hundred feet (200') of the Leased Premises available to "tap-in" by Lessee, and that the same are sufficient for usual and customary service on the Leased Premises. Lessor warrants and represents that separate meters for utilities can be installed on the Leased Premises by Lessee.
2. Lessee shall be responsible, at Lessee's sole cost and expense, for obtaining all utility connections at or for the Leased Premises and Lessee shall pay all charges for water, electricity, gas, sewer, telecommunications or any other utility connections, tap-in fees, impact fees, other fees or expenses of any kind and for services furnished to the Leased Premises during the Term hereof. Lessee agrees to contact all utility service providers and all other parties that may own or claim to own underground pipelines, telecommunications, cable or any other structure or facility, prior to any excavation or boring on or under the Leased Premises. Lessor shall in no event be liable or responsible for any cessation or interruption in any such utility services. Provided, however, if any utility to the Leased Premises should become unavailable for a continuous