

Premises" shall mean all property located within the parcel described in Attachment "A", including all Lease Improvements (as defined below) constructed or assumed by the Lessee, but not including easements or property owned and/or controlled by the Lessor, if any.

B. LESSEE ACCEPTS LEASED PREMISES.

EXCEPT AS EXPRESSLY PROVIDED IN THIS LEASE AGREEMENT, THE EXECUTION AND DELIVERY OF THIS LEASE AGREEMENT IS ON A "WHERE IS," "AS IS," AND "WITH ALL FAULTS" BASIS, AND LESSOR MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESSED, STATUTORY, OR IMPLIED, INCLUDING, WITHOUT LIMITATION, AS TO THE DESCRIPTION, TITLE, VALUE, QUALITY, QUANTITY, PHYSICAL AND ENVIRONMENTAL CONDITION OF THE LEASED PREMISES AND/OR MATERIALS CONTAINED OR LOCATED IN, ON, OR UNDER THE LEASED PREMISES, THE NATURE OF THE PAST OR HISTORIC USE OF THE LEASED PREMISES, AND/OR MERCHANTABILITY, SUITABILITY, OR FITNESS FOR PURPOSE OF ANY OF THE LEASED PREMISES, ABSENCE OF LATENT DEFECTS AND COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO THE LEASED PREMISES. Lessee further acknowledges that, in executing and accepting this Lease Agreement, it has relied solely upon its independent evaluation and examination of the Leased Premises, public records relating to the Leased Premises, and the independent evaluations and studies based thereon. Lessor makes no warranty or representation as to the accuracy, completeness, or usefulness of any information furnished to Lessee, if any, whether furnished by Lessor or any third party. Lessor, its officers, employees, elected officials and agents assume no liability for the accuracy, completeness or usefulness of any material furnished by Lessor, if any, or any of its officers, employees, elected officials and/or agents, and/or any other person or party, if any, and Lessee hereby releases such parties from and against any claims related to such matters. Reliance on any material so furnished shall not give rise to any cause, claim, or action against Lessor, its officers, employees, elected officials and/or agents, and any such reliance shall be at Lessee's sole risk.

Lessee has satisfied itself as to the title, type, condition, quality, and extent of the property and property interests which comprise the Leased Premises and the interests and rights provided by this Lease Agreement.

C. IMPROVEMENTS PROVIDED BY LESSOR. NONE: *There will be no improvements provided by Lessor, except as may be set forth in Article II.F., "Access to Utilities".* 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.

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 "B", 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. 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 270 days and completed no later than 550 days, after the Effective Date (the "Construction Period"). For the purposes hereof, construction of the Lessee Improvements shall be deemed to have commenced when all of the following events have occurred: (i) Lessor's written approval and acceptance of the final construction design plans and specifications; (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) 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; 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.

In addition, as a condition precedent to the effectiveness of this Lease Agreement, within 180 days after the Effective Date of this Lease Agreement, 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"); (ii) a written schedule of construction to complete Lessee Improvements; and, (iii) a written loan commitment from a lending institution providing for funding to cover the Construction Cost Estimate (collectively, "Conditions Precedent"). Should the Conditions Precedent not be met, either party may terminate this Lease Agreement by giving the other party written notice, in which case this Lease Agreement shall be null and void and of no further force and effect. Such termination shall not prevent the Lessee from submitting a new proposed lease request at a later date. The parties may extend the 60 day time period if agreed to by Lessor and Lessee, as evidenced in writing duly authorized and executed by

both parties. Lessee is not entitled to take possession of the Leased Premises under this Lease Agreement until the Conditions Precedent have been fulfilled.

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.

F. UTILITIES.

1. Lessor represents that there are water, sewer and 3-phase electric lines accessible 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.
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.

III. TERM

A. The term of this Lease Agreement shall be for a period of (40) years, commencing on the 1st day of August, 2017 and continuing through the 31st day of July of 2057, unless earlier terminated under the provisions of the Lease Agreement (the "Lease Term").

B. HOLDING OVER. If Lessee holds over and continues in possession of the Leased Premises after the Term of this Lease Agreement expires, the holding over may be considered by the Lessor, at the Lessor's option, a month to month tenancy binding Lessee to all terms and conditions as set forth herein with the following exception: The rental payment due Lessor herein shall be the amount per month at the last full month of the Term prior to expiration of this Lease Agreement, payable on the first day of each month thereafter, until the tenancy is terminated as provided herein. The holding over tenancy may be terminated at any time by Lessor or Lessee upon thirty (30) days written notice to the other party, or may be terminated by Lessor as a remedy in accordance with the terms of this Lease, as elected by Lessor.

IV. PAYMENTS, RENTALS AND FEES

Lessee covenants and agrees to pay Lessor, as consideration for this Lease Agreement, the following payments, rentals and fees: