

NUECES COUNTY AIRPORT
HANGAR LEASE AGREEMENT

STATE OF TEXAS

COUNTY OF NUECES

This lease is entered into this 1st day of November, 2012, between NUECES COUNTY, TEXAS hereinafter referred to as "Lessor" and is the owner of the Nueces County Airport, hereinafter referred to as "Airport" located at 3983 Wings Drive, Robstown, Texas 78380 and Donald Bayne Horne, Jr., acting herein by and through its duly authorized agent, hereinafter referred to as "Lessee."

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

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

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

SECTION 1. LEASED AREA

- A. Hangar** – Lessor does hereby lease to Lessee Hangar/T-Hangar more particularly describe as follows:

T-Hangar 1

T-Hangar 10

and as shown on the "Airport Hangar Layout " which is attached hereto and incorporated herein, all hereinafter referred to as the "Hangar" and located on the Airport. Lessee hereby leases the said Hangar from Lessor subject to the terms, considerations, and privileges stated herein.

SECTION 2. TERM:

This lease shall be for the term of 1 years, commencing on the 1st day of November, 2012 and, unless earlier terminated according to the terms hereof, shall terminate on the 30 day of September, 2013. Thereafter, this lease may be renewed for a subsequent One (1) year extension upon giving of written notice by Lessee to Lessor not more than one-hundred-eighty (180) nor less than sixty (60) days prior to the expiration of the preceding 1 year lease term and upon mutual and written agreement by Lessor.

SECTION 3. CONSIDERATION

- A. In consideration for the lease of the Hangar referenced herein, Lessee hereby agrees to pay monthly the sum of \$ 310.00 (155.00 ea). The first month's payment is to be made in advance. Thereafter, all future payments shall be made on or before the first working day of the month due for the term of this contract plus any extensions thereto.
- B. Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at the end of each term covered by the lease. Any adjustments to the lease payment shall be based on the U.S. Department of Commerce's Consumer Price Index (CPI). The adjusted lease fee shall be calculated on the anniversary of this lease and recalculated at subsequent annual intervals. Such increase in the lease payment shall begin immediately upon request from Lessor and continue at that rate until the next anniversary. Upon review, if the CPI shall have decreased as compared to the previous review date, the lease fee for the subject Hangar shall not be decreased, but shall remain at the same level as was charged during the preceding period.
- C. All lease fees shall be paid as the same becomes due, without demand, in lawful currency of the United States made payable to Nueces County and sent by mail or delivery to the Nueces County Airport Manager Airport 3983 Wings Drive, Robstown TX 78380
- D. In the event Lessee fails to remit any payments when the same are due, **interest at the rate of \$25.00 per day shall be charged by Lessor beginning on the tenth (10th) day after the date the payment is due** and such interest shall continue to accrue against such delinquent payment until the payment plus interest is received by Lessor. In the event Lessee shall become delinquent for more that 30 days, this lease may be terminated by Lessor as further defined in Section 7, -- Termination.
- E. Lessee agrees that he will at all times keep the premises of the Hangar, including the inside and the outside of the Hangar, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and recommendations of the

Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's direction in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the leased Hangar clean and free of hazards, Lessor may, after ten (10) days written notice, arrange for the clean up of the littered or hazardous area. Such clean up shall be charged to Lessee and payable upon demand. Failure to render proper payment for such clean-up and/or general disregard of the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease. Lessee expressly understands and agrees that Nueces county employees may enter the Airport hangars from time to time to inspect the premises or for such other purpose as the Airport Manager may deem necessary and/or appropriate.

- F. Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property located at the Airport under Lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee should provide his own insurance coverage for any personal property located in or on the Hangar.
- G. Lessee agrees to abide by the Rules and Regulations for the Nueces County Airport as adopted by the Nueces County Commissioners Court and any subsequent amendment thereof.

SECTION 4. PERMITTED USE

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

SECTION 5. RESTRICTED USE

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

SECTION 6. SUBLEASE, ASSIGNMENT, OR SALE:

Lessee shall not sublease, assign, sell, or transfer this contract agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of Lessor, for Lessor to immediately terminate this contract agreement.

SECTION 7. TERMINATION

- A. This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Should Lessee be declared bankrupt, incompetent, or become deceased, this contract agreement shall immediately terminate and shall not be considered as part of Lessee's estate and shall not become an asset of any appointed or assigned guardian, trustee, or receiver. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance or bond, uses the Airport property for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the leased property vacant or unoccupied for 30 consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.

- B. Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Hangar would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation and/or FAA approved Airport Layout Plan or Master Plan.

- C. This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract, except as contained in paragraph 7.D. hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumes or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.

- D. At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport and hold such until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

SECTION 8. NOTICES:

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

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

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

With copy to: Nueces County Airport Manager
 Airport 3983 Wings Drive
 Robstown TX 78380

Lessee Donald Bayne Horne, Jr.
 111 North Odem, Suite 6
 Sinton, TX 78387
 361.364.5003

SECTION 9. RIGHT TO ENTER PREMISES:

Lessee shall permit Lessor to access the leased Hangar at reasonable times with reasonable notice for the purpose of inspecting, altering, and repairing the leased

Hangar. Lessee shall provide and Lessor shall maintain a key with which to unlock the leased Hangar. Lessor shall have the right to use any means that Lessor may deem proper to open doors in an emergency to obtain entry to the leased Hangar. Any entry to the Hangar obtained by Lessor for any of the above-stated purposes and by any of such means shall not be deemed to be a forcible or unlawful entry onto the leased Hangar or an eviction of Lessee. Lessee waives any claim for damages for any injury or inconvenience to or interference with Lessee's business, any loss or occupancy or quiet enjoyment of the leased Hangar, and any other loss arising from Lessor's entry onto the leased Hangar during an emergency.

SECTION 10.

HOLD HARMLESS:

Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees. This indemnity agreement shall apply and protect Lessor and its agents, servants, and employees even though it be contended, or even established, that said Lessor or its agents, servants, or employees were negligent or that their conduct or omission in any way caused or contributed to any such liability, expense, cause of action, damage, and/or attorney's fees.

SECTION 11. MAINTENANCE OF LANDING AREA:

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA and/or the Texas Department of Transportation. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport. Lessee also understands that Lessor is not obligated by this lease to continue operating the Airport as an airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies or other compensation will be owed to the Lessee by Lessor.

SECTION 12. EXCLUSIONS

- A.** This contract agreement embraces the entire lease agreement of the parties mentioned herein pertaining to the Hangar and no statement, remark, agreement, or understanding, either oral or written, not contained herein shall be recognized or enforced as it pertains to the lease of the Hangar, except that this contract agreement may be modified by written

addendum agreed to and signed by all pertinent parties and attached hereto.

- B. For the purpose of this contract agreement, the singular number shall include the plural and the masculine shall include the feminine and vice-versa, whenever the context so admits or requires.
- C. The "Section" captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or aid in the construction of any provision hereof.
- D. The parties to this contract agreement hereby acknowledge and agree that they are the principals to the contract agreement and have the power, right, and authority to enter into this contract agreement and are not acting as an agent for the benefit of any third party; except that Lessor is acting on behalf of Nueces County, Texas.
- E. This contract agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this contract agreement shall be in Nueces County, Texas.
- F. If any section, paragraph, sentence, or phrase entered in this contract agreement is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this contract agreement and, to this end, the provisions of this contract agreement are declared to be severable.

EXECUTED this _____ day of _____, 20_____.

Lessor: County of Nueces

County Judge

Lessee:

Attest: _____
County Clerk