

LEASE AGREEMENT

This LEASE AGREEMENT (the "Agreement") is made and entered into on this the 4th day of December, 2018, by and between the CITY OF RANGER, Texas, a Texas municipal corporation (hereinafter referred to as "Lessor"), the owner of Ranger Municipal Airport, hereinafter referred to as "Airport" located within the City of Ranger, and the Ranger Airfield Maintenance Foundation, a non-profit corporation (hereinafter referred to as "Lessee").

ARTICLE I.

1.01. Consideration. The parties hereto expressly stipulate that this Agreement is entered into in consideration of the sums of money recited herein, the use of the Leased Premises as designed herein, the value to Lessor of ensuring occupancy and use of its property inventory, and other good and valuable consideration given, the receipt and sufficiency all of which is hereby acknowledged.

1.02. Leased Premises. Approximately ____ acres, more or less of rentable area and all improvements located thereon situated in Ranger, Eastland County, Texas, as shown on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Leased Premises").

1.03. Leasing of Premises. Subject to and upon the terms and conditions herein set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the premises. Lessor represents and warrants that the premises are a part of the premises it is authorized to lease. The parties hereto expressly stipulate that the Leased Premises are not a dwelling as defined in V.T.C.A., Property Code §92.001(1).

1.04. Purpose and Use of Premises.

(a) The Leased Premises will be used for the purpose of maintaining and operating the Airport and improvements as a tribute to the Golden Age of Aviation as one of the few publicly owned grass airfields still operating with history dating back to 1911; and for the use by Lessee of the Leased Premises upon which is now situated certain assets, buildings, and other improvements that are agreed by the parties to be personal property owned by Lessee, save and except the original hangar, or potential sublessees. Lessor desires to see its historical asset preserved. Permitted uses include: conducting various aviation activities and events, such as fly-ins; other aviation or special events by way of sublease under such terms and conditions Lessee deems to be advisable at that time but pursuant to the terms and conditions herein set out; and to further the activities associated with those events and the preservation of the Airport.

(b) Prior to any other use, Lessee shall first secure the written consent of Lessor as provided herein. Notwithstanding the foregoing, Lessee shall not use the Leased Premises for the purposes of manufacturing or selling any explosives, or other inherently dangerous thing, or device; nor shall Lessee use the Leased Premises in violation of any City of Ranger ordinance provisions, or those of the state or nation.

1.05. Use of Airport and Facilities. During the term of this Lease, Lessor agrees that Lessee shall have unrestricted access to the runways and taxiways now in existence on the Airport to the same extent that any other parties may have use thereof, subject to reasonable rules and regulations and non-discriminatory charges that may be imposed for use of the Airport and facilities by Lessor, the Federal Aviation Administration, or any other governmental entity having

jurisdiction or control over the use of such Airport and facilities.

1.06. Access. Lessee and its employees shall have access to the premises at all times. Lessee's invitees and customers and the general public shall have access to the premises during normal business hours and, at Lessee's election, after business hours.

ARTICLE II.

2.01. Lease Rent. A rental fee of \$1.00 per annum shall be paid by Lessee to Lessor on the first day of the year ("Lease Rent").

2.02. Place of Payment. All payments made hereunder by Lessee shall be made to Lessor at the offices of the City of Ranger, unless notified in writing to the contrary by Lessor. All payments of lease rent and other amounts becoming due and payable from Lessee to Lessor under and in connection with this lease may be made by delivering to Lessor, at the then- applicable address provided for herein, Lessee's check in the amount of such payment, on or before the due date thereof under the terms of this lease.

2.03. Delinquent Payment. Lessee shall pay a late charge of \$25.00 if the annual payment has not been paid by Lessee by the tenth (10th) day of the year in which it is due. Failure of Lessee to pay any rental or the monetary penalty on delinquent rent, shall constitute Lessee's default of this Lease.

2.04. Abatement. Lessee's covenant to pay rent and Lessor's covenants hereunder are independent of each other. Except as otherwise provided herein or by law, Lessee shall not be entitled to abate rent for any reason.

ARTICLE III.

3.01. Effective Date. The effective date of this lease shall be the date and year first above written.

3.02. Term of Lease. The term of this Lease for the Leased Premises described in Exhibit "A" shall begin on the Effective Date and shall continue for thirty (30) years expiring on the 4th day of December, A.D. 2048 (the "Expiration Date") unless sooner terminated or extended as hereinafter provided (the "Initial Term"). At the expiration of the Initial Term of this Agreement, and Lessee not being in default in any rental payments required to be paid and obligations required to be conducted by the terms of this Agreement, Lessee shall have an option to renew this lease for an additional ten (10) years beginning the 1st day of January, A.D. 2048. Said renewal Lease shall be based upon the conditions specified herein and the rental rates for the renewal Lease as fixed in Section 2.01 shall be negotiated hereof. Lessee shall give to Lessor notice of its intention to exercise said option in writing on or before ninety (90) days prior to the end of the Initial Lease Term.

3.03. Termination of Lease. Either party may terminate the lease after the Initial Term upon notice being given of its desire to so terminate at least ninety (90) days prior to the then Initial Term's expiration date. If the Lessor desires to terminate the lease for cause or repurposing the land prior to the expiration of the Initial Term, the Lessee shall be compensated for personal property at a fair market value as represented by airports in Texas located at Granbury, Weatherford, Stephenville, Eastland and Brownwood. The purchase price shall reflect a depreciation schedule of ninety percent (90%) valuation at ten (10) years; seventy-five percent (75%) valuation at twenty (20) years; and sixty percent (60%) valuation at thirty (30) years.

Additionally, the Lessee may surrender the Lease to the Lessor if it becomes insolvent and unable to maintain the Airport. If Lessee becomes insolvent or unable to maintain the Airport, Lessee agrees that all permanent improvements, owned by the Lessee and located on the Leased Premises, shall become the property of Lessor.

ARTICLE IV.

4.01. Covenants and Conditions by Lessee. Lessee hereby covenants and agrees to the following:

(a) Leased Premises. General obligations of Lessee arising from the requirements of Lessor, owner of the Airport, for the use of the Airport and Leased Premises are as follows:

1. Lessee shall lease the premises for the lease term, on the terms and conditions enumerated herein, beginning on the Effective Date and ending on the lease expiration date.

2. Lessee shall utilize the Leased Premises for the purpose of aviation related activities, which includes normal activities related to the operation and storage of an aircraft at a public airport; aviation and civic events; and other ancillary uses. The Leased Premises may not be used as a permanent residence.

3. Lessee shall keep the doors to buildings closed and locked in the absence of the Lessee or authorized invitees.

4. Lessee shall not utilize the Leased Premises for any illegal or unauthorized uses.

5. Lessee shall not use the Leased Premises in a way that is extra hazardous, engage in any activity which would cause Lessor's fire and extended coverage insurance to be canceled or the rate therefor to be increased over the rate which would have been charged had such activity not been engaged in by Lessee, or that would void insurance on the Airport.

(b) Acceptance of Premises. Lessee agrees to accept the Leased Premises in their present condition, the Leased Premises being suitable "as is" for Lessee's intended use(s); further, Lessor hereby disclaims, and Lessee accepts such disclaimer, as to warranty, either express or implied, of the condition, use, or fitness for purpose of the Leased Premises. Lessee assumes full responsibility to make any repairs, at Lessee's own expense, as may be necessary for the safe and/or efficient use of the premises by Lessee and to furnish any equipment necessary to properly secure Lessee's aircraft(s), if any.

(c) Utilities. Lessee shall arrange and be responsible for obtaining and paying for its own telephone and internet service and obtaining any necessary extensions and hardware for the operation and maintenance of these services. Lessee shall pay or reimburse Lessor for the connection and extension of any utility services used by Lessee which are not provided by Lessor.

(d) Equipment. Lessee shall be responsible for obtaining the necessary equipment such as computers, printers and fax machines for the operation of an office.

(e) Maintenance.

1. Lessee shall perform general grounds maintenance and repair to all the Leased Premises including but not limited to, structures, aprons, parking lots, taxi ways, light fixtures, pavements, grass cutting, landscaping, trash collection and removal and all other maintenance requirements that may arise using its own equipment. The grass runway shall be maintained according to applicable guidelines from the FAA Advisory Circular 150/5300-13 Airport Design or an updated version. However, for the first three (3) years of the lease, Lessee may borrow Lessor equipment to accomplish this task, afterwards Lessor may approve usage on a case by case basis.

2. Lessee agrees to maintain the Leased Premises and surrounding area in a safe, clean, neat and reasonable manner free of trash and debris; and maintain the structures and improvements, located thereon in a state of good repair during the entire period of this lease and any renewals thereof.

3. Lessee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of Lessee's and any of its sublessees' activities. Lessee shall provide and use approved receptacles for all such garbage, trash, and other refuse. Piling of boxes, cartons, barrels or other similar items in an unattractive or unsafe manner, on or about the Leased Premises, shall not be permitted.

4. Lessee herein agrees not to utilize or permit others to utilize, for an extended period of time, areas on the Leased Premises, which are located in plain sight on the outside of the hangar(s) or building(s), or enclosed fenced areas, to be used for the storage of wrecked or permanently disabled aircraft, aircraft parts, automobiles, vehicles of any type, or any other equipment or items which would distract from the appearance of the Leased Premises.

5. The proceeds derived from any commercial operation, sublease, fly-in, or event shall be retained by the Lessee to partially offset its cost of maintaining the Leased Premises.

(f) Access. During the term of this Lease, Lessee shall have the unencumbered use of the Leased Premises; provided, however, that Lessor shall have access to said property for the purpose fulfilling its obligations hereto of said Lessee as are hereinafter set out; or to reasonably inspect the premises. Further, provided that Lessor may make necessary improvements on the property herein leased as might be required for the efficient operation, maintenance, and/or expansion of the Airport in conjunction with the Lessee.

(g) Assignment/Subletting.

1. Lessee may assign this lease or sublease any part of or the entire Leased Premises as long as written consent is obtained from Lessor. Lessor shall not unreasonably withhold consent to a proposed assignment or sublease. Lessee may appeal to the City Council if consent to a proposed assignment or sublease is withheld. The City Council shall grant permission to assign this lease. Any attempt to assign or sublet without Lessor's consent shall be null and void. Neither the acceptance nor rent from any assignee or sublessee, nor the passage of time after any such assignment or

sublease, shall constitute a waiver of this prohibition. Lessor's written approval to any particular such assignment or sublease shall not constitute Lessor's approval of any subsequent assignment or sublease and shall not relieve Lessee from the performance of its obligations hereunder, including, but not limited to, the payment of rent.

2. Upon obtaining permission from the City Manager, Lessee may sublet the Leased Premises to other organizations or entities; if other entities desire to sublease a portion of the Airport property to build a structure, the Lessee has the supervisory role to approve representative period structure design to further the goal of preserving the airfield as a historical asset.

(h) Illegal Activity. If Lessee, its employees, successors or assigns, or any Director of Lessee's organization, is arrested and convicted of any felonious illegal activity on Airport grounds and it is proved in court that Lessee condoned, and or, participated in such activity then this Lease Agreement is to be considered void and terminated.

(i) Grant Compliance. Lessee agrees to comply with such enforcement procedures as the United States or State of Texas might demand that the City take in order to comply with the City's Assurances required to obtain F.A.A. or Texas Department of Transportation grant funding or other action necessitated for any future Airport improvements.

(j) Non-Discrimination. The Lessee, for itself, its 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 grounds of race, color, sex, religion, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance from the Department of Transportation;

2. That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, religion or nation origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

3. That the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Code of Federal Regulations, Title 49, Transportation Subtitle A, Office of the Secretary of Transportation, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964, Section 21.5 Discrimination prohibited; and

4. That the Lessee shall at all times use the premises in compliance with all Non-Discrimination laws, either in effect at the present time or those promulgated in the future, of the United States of America, the State of Texas, the City of Ranger, and the Federal Aviation Administration, or their successors.

(k) Abide by All Laws.

1. Lessee shall obey all rules, regulations, and terms of the lease and of the use, condition, and occupancy of the premises, including the rules and regulations of the Airport, if any, adopted by Lessor from time to time.

2. Lessee agrees to abide by all laws, statutes, ordinances, rules and regulations of the Federal Aviation Administration, Texas Department of Transportation, Division of Aviation, State of Texas, Texas Commission on Environmental Quality, the Environmental Protection Agency, City of Ranger and of all other duly constituted public authorities having jurisdiction. No provision in this Agreement shall be construed as being in conflict with Federal Aviation Administration Rules or other laws; and this Agreement shall be construed as being in harmony with such laws in the case of any conflict. Lessee agrees to conduct all activities on the Leased Premises in accordance with the standards now established or that may be reasonably established later by any competent and lawful authority.

3. Further, Lessee agrees to abide by the manufacturer's direction in regards to the use, storage and disposal of pesticides, herbicides, hazardous chemicals, fuel, oil and other chemicals including their containers except for a conflict with a superior law which shall be adhered to strictly.

(l) Taxes. Lessee agrees to pay, in addition to the rent provided for herein, all taxes which Lessee may be required by law to pay. In addition, Lessee agrees to pay its pro-rata share of any *ad valorem* taxes assessed against Lessor associated with any improvements on the Leased Premises and/or for the real property, if such is not tax-exempt.

(m) Securing Aircraft. Lessee agrees to inform aircraft owners that the owner or their agents are responsible for setting parking brakes, placing chocks and tying down and checking of all aircraft on the Leased Premises. Lessee agrees to not park vehicles or aircraft in locations that inhibit the flow of traffic flow or other authorized user's access.

(n) Lien Granted. Lessee may grant a first lien to a bank for construction of improvements. Subject thereto, City retains a lien upon all improvements made to and upon the Leased Premises to secure Lessee's performance hereunder and a first lien on all improvements not subject to a lien from a bank. Lessor subordinates its security interest and statutory and/or contractual liens to a bank's security interests in Lessee's personal property. Notwithstanding the foregoing, no bank lien shall be longer than the term of this lease.

(o) Storage. Lessor shall not be liable for any loss or damage to Lessee's or sublessee's aircraft. Lessee expressly agrees that the aircraft and their contents under Lessee's control are to be stored, whether on the field or in the hangar and covered under Lessee's insurance as is appropriate.

(p) Lock Systems and Keys. Lessee may, at its sole cost and expense, add or change security systems or lock systems, provided that Lessee furnishes security codes and/or key(s) to any gate(s) emergency service vehicles must access in case of emergencies.

4.02. Performance Representations by Lessor. Lessor hereby covenants and agrees to the following:

(a) Leased Premises. Lessor shall lease the premises to Lessee for the lease term, on the terms and conditions enumerated herein, beginning on the Effective Date and ending on the Expiration Date, or ending on any renewal after the Expiration Date.

(b) Rules and Regulations. Lessor shall obey all laws, rules, regulations, and terms of the Agreement and of the use, condition, and occupancy of the Leased Premises.

(c) Operating expenses. Lessor shall pay operating expenses, which shall mean expenses that Lessor shall be required to pay in connection with the ownership outside of normal maintenance of the Airport, except principal and interest on any debt, expenditures classified as capital expenditures for federal income tax purposes, and expenses for which Lessee may be required to reimburse Lessor.

(d) Insurance. Lessor shall adequately insure the Airport as required by law and as further described herein. The parties agree that Lessee shall have no claim to any proceeds of Lessor's insurance policy.

(e) Maintenance by Lessor.

1. Maintenance of any unoccupied property or future acquired property of the Airport that is not a part of the Leased Premises shall remain the obligation of Lessor. Provided, however, that Lessor shall only be obligated to use Airport revenue funds or state and federal grants for such purpose and it shall never have the obligation to use general, operating or bond funds for this purpose.

(f) Utilities. Lessor shall be required and does hereby agree to maintain sewer, water and electric service which are located on some of the Airport property herein leased and shall have access to same across the Leased Premises for the purposes of performing said maintenance in the future. Lessor shall provide sewer, water (not to exceed 10,000 gallons per month) to a single connection specified by the Lessee and Lessee shall reimburse Lessor for electric service, except where limits herein are exceeded. Airport sub-lessees shall pay Lessor for electricity and other utilities used at their own cost.

(g) Inspection. Lessor shall have the right to enter said Leased Premises at reasonable times during normal business hours, for inspection and to make written request that repairs be made to the facilities as may be necessary for the safe and efficient use of the facilities by Lessee.

(h) Covenant of Title, Authority and Quiet Possession.

1. Lessor represents and warrants that Lessor has full right and lawful authority to enter into and perform the Lessor's obligations under this lease for the full term as stated above, and all renewals hereafter provided.

2. Lessor further represents and warrants that Lessor has title to the Leased Premises.

3. Lessor further covenants that if Lessee shall discharge the obligations herein set forth to be performed by Lessee, Lessee shall have and enjoy, during the term hereof, and all renewals hereinafter provided, quiet and undisturbed possession of the Leased Premises and all appurtenances appertaining thereto, together with the right to use the runways and taxiways of the Airport facility as contemplated herein so long as Lessee is not in default or has not become insolvent. Provided, however, that this lease is subject to the right of the United States of America to have exclusive or non-exclusive

use, control and possession without charge, of the Airport or any portion thereof, during periods of national emergency; and further, subject to the right of the F.A.A. and United States Government under such Agreement including the right to take a portion of the Airport premises for air traffic control activities, weather reporting activities or communication activities related to air traffic control. Lessee shall provide notice of dates and times the Airport will be closed to use; and Lessor reserves the right to close the Airport for emergencies without notice.

ARTICLE V.

5.01. Insurance. As a condition precedent to Lessee's right to operate at said Airport, Lessee shall continuously maintain in effect during the term of this Agreement and any extension thereof, at Lessee's expense, the following insurance coverage:

(a) Comprehensive General (Public) Liability Insurance covering the Lessee, and Lessee's activities at the Airport. Liability insurance limits shall be in the following minimum amounts: Bodily Injury, including Death and Property Damage: \$500,000 combined single limit coverage, on a per occurrence or claims made basis/\$1,000,000 aggregate limit.

(b) Fire and extended coverage to cover 80% of the full replacement value for the original 1928 Hangar at the initiation of this Lease Agreement. This coverage shall include for theft, vandalism, malicious mischief, as well as damages caused from weather conditions, acts of God, etc.

(d) All policies, either of the Lessee or Sub-Lessee's, shall name the City of Ranger as an additional named insured and provide for a minimum of thirty (30) days written notice to Lessor prior to the effective date of any cancellation, material change, or lapse of such policies. Notwithstanding other provisions herein contained, Lessor may cancel this lease with or without notice to Lessee should Lessee's insurance lapse for a period of ten (10) days or more. Lessor may elect to reinstate and revive such Lease after such insurance obligation is cured by Lessee.

(f) Appropriate insurance on Lessee's personal property located within the Leased Premises.

(g) All policies must be approved by Lessor to ensure that the provisions of this section are included.

(h) Lessor shall be provided with a copy of all such policies.

(i) Any insurance policy herein required or procured by Lessee shall contain an express waiver of any right or subrogation by the insurance company against the City of Ranger.

5.02. Destruction of the Premises. If the improved premises shall be partially damaged by any casualty insurable under Lessee's insurance policy, Lessee shall, upon receipt of the insurance proceeds, repair the same. If the Leased Premises shall be damaged as a result of a risk which is not fully covered by Lessee's insurance, Lessee shall either (a) repair or rebuild the damaged improvements to the extent of available insurance proceeds, (b) remove all evidence of said building returning the land to natural state, or (c) in the case of the 1928 Hangar assign the insurance proceeds to Lessor. If Lessee fails to repair or rebuild the damaged improvements to the extent of available insurance proceeds or terminate this

Lease and assign insurance proceeds to Lessor, Lessor shall have the right to terminate this Lease and recover damages from Lessee.

5.03. Airport Insurance. Lessor shall be required and does hereby agree to maintain Airport insurance under the general policy of the City.

5.04. Independent Contractor. During all times that this Lease is in effect, the parties agree that Lessee is and shall be deemed to be an independent contractor and operator and not an agent or employee of the City with respect to their acts or omissions hereunder. It is mutually agreed that nothing contained herein shall be deemed or construed to constitute a partnership or joint venture between the parties hereto.

Indemnity. Ranger Municipal Airport will remain a Public Airport open for Public use. As such Lessor retains liability for normal airport operations covered by City insurance as per 5.03 above. Lessee agrees to indemnify and hold harmless the Lessor, its agents, employees, and representatives from and against all liability for any and all claims, suits, demands, and/or actions arising from negligent acts or omissions which may arise out of or result from Lessee's occupancy or use of the Airport. Lessee shall also indemnify Lessor against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the premises demised hereunder arising as a result of Lessee's conduct or activity.

ARTICLE VI.

6.01. Default by Lessee.

(a) Default by Lessee shall be defined as (a) failing to timely pay the Lease Rent, or (b) failing to begin a reasonable attempt to comply, within ten (10) days of receiving written notice from Lessor, with any substantive provision of this lease other than the defaults set forth in this Article VI.

(b) Lessor's remedies for Lessee's default are to (a) enter and take possession of the Leased Premises, after which Lessor may relet the Leased Premises on behalf of Lessee and receive the Lease Rent directly by reason of the reletting, and Lessee agrees to reimburse Lessor for actual expenditures reasonably made in order to relet; or (b) enter the Leased Premises and perform Lessee's obligations; or (c) terminate this lease by proper written notice and sue for damages.

(c) Lessee agrees that due to termination of the Lease by Lessor because of default, all permanent improvements located on the Leased Premises shall become the property of Lessor and that Lessee shall timely and peaceably vacate the premises.

6.02. Default by Lessor.

(a) Default by Lessor shall be defined as (a) Lessor failing to comply with applicable provisions of the lease which constitute default; or (b) Lessor failing to begin a reasonable attempt to comply with any substantive provision of this lease within ten (10) days of receiving proper written notice.

(b) Lessee's remedies for Lessor's default include provisions under this Article VI., and termination of this lease if Lessor fails to provide an essential service for thirty (30) days after default.

(c) It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or as provided by law. Lessor and Lessee have a duty to mitigate damages.

(d) Lessor retains all rights allowable by law and equity to remove Lessee from the premises and recover damages therefrom.

6.03. Early Termination.

(a) If Lessee does not timely pay all sums due to Lessor when such sums become due and payable in accordance with the terms of this lease, or if Lessee shall abandon the premises for a period of one-hundred twenty (120) days or more, or if Lessee is not performing any terms, provisions, covenants or conditions of this Agreement, then, the same shall constitute a default. In said event, Lessor may immediately or any time thereafter, terminate this lease by giving Lessee one-hundred twenty (120) days notice in writing of the cause for termination. Improvements may be disposed of as provided in Section 6.01 above.

(b) Provided, however, that as to those actions or circumstances which Lessee should do or discontinue doing or correct which create a danger or are derogatory to aviation activities, the delinquency shall be cured by Lessee immediately, without notice by City. Conditions or circumstances creating a dangerous situation or which are or may be derogatory to aviation activities shall be conclusive as to Lessee if the determination that they are such is made by the Federal Aviation Administration, Texas Division of Transportation, Division of Aviation or City. The term derogatory as herein used, shall mean those things which do or reasonably appear to hinder aviation activities.

6.04. Cancellation. It is understood and agreed, by and between the parties hereto, that the continuing use of the Airport as an airport for general aviation is essential to the operation of Lessee, and that failure to continue the use of the Airport for Airport and aviation purposes shall constitute a default in the lease; and upon giving notice to Lessor by Lessee of such default and failure to cure such default within thirty (30) days after the giving of such notice, Lease shall terminate and end the lease as of the date one-hundred twenty (120) days after such notice shall have been given to Lessor. Lessee's remedy shall be limited to cancellation and recovering the costs of constructing the improvements prorated over the term of the lease, as provided in Section 3.03, less any months of the existence of the improvements prior to the cancellation. Lessor shall not be responsible or liable for any other actual or consequential damages that may arise from such cancellation.

6.05. Abandon or Vacated Leased Premises. In the event that the Leased Premises is abandoned or vacated by Lessee, Lessor shall have the right, but not the obligation, to relet the premises for the remainder of the period covered by this lease. Lessee agrees that upon abandoning or vacating the Leased Premises, all permanent improvements owned by the Lessee located on the Leased Premises shall become the property of Lessor. Lessor agrees to treat any sublessee according to their lease unencumbered by the faults of the Original Lessee.

6.06. Remedies. In case of any default which continues for more than thirty (30) days after notice is given as herein required, Lessor may, at its option, instead of canceling this Lease,

take possession of the Leased Premises and relet the same for the account of Lessee, and Lessee shall be liable to Lessor for the amount of rent payable hereunder for the remainder of the lease term, less the net amount received by Lessor on account of such reletting, such net amount to be the total amount received by such reletting, less necessary costs and expenses, including, without limitation, the expense of renovating, repairing and advertising incurred in connection with the reletting of the Leased Premises. Lessee hereby grants, and at all times Lessor shall have a contractual lien on Lessee's property in the Leased Premises to secure the performance of all of Lessee's obligations hereunder which contractual lien shall be in addition to all liens provided as a matter of law. Lessee may remove its property, including improvements thereon, in accordance with the provisions contained in this lease within thirty (30) days of the notice by Lessor of default and Lessor's request to remove same. After such time, Lessor, in addition to the other rights or remedies it may have, shall have the right to remove all persons and property from the Leased Premises. Such property shall become the property of Lessor. Lessee hereby waives all claims for damages which maybe caused by the re-entry of Lessor and the taking of possession of the Leased Premises or removal or storage of the property as herein provided, and will save Lessor harmless from any loss, costs or damages occasioned by Lessor thereby, and no such re-entry shall be considered or construed to be a forcible entry. No such re-entry or taking possession of said Leased Premises by Lessor shall be construed as an election on its part to terminate this lease unless a written notice of such intention be given Lessee.

6.07. Waiver of Statutory Notice to Quit. In the event Lessor exercises its option to cancel this lease upon the happening of any or all of the events set forth herein, a notice of cancellation given pursuant to the lease and sent to the address specified in this lease, or subsequent address provided shall be sufficient to cancel this lease.

6.08. Surrender of Premises. Lessee covenants and agrees that it will not injure the building or the premises but will take the same care thereof which a reasonably prudent person would take of his/her own property, and upon termination of this lease, in whatever manner such termination may be brought about, promptly surrender and deliver the Leased Premises to Lessor in as nearly identical conditions as they existed at the beginning of this lease, ordinary wear and tear and damage by any casualty excepted. Lessee shall also surrender to Lessor all keys to the Leased Premises and identification badges. Lessee, having paid all rentals and not in default thereof, shall be given an reasonable time, not to exceed one-hundred twenty (120) days after the termination of this Lease, to remove all of Lessee's personal property, including the improvement as allowed by this lease.

6.09. Rights of Mortgagee. A bank may retain a first lien on any hangar, structure, building or improvement constructed pursuant to a mortgage between Lessee and the bank. Upon default of Lessee's obligations to said mortgagee, the mortgagee shall have the right to enter upon said Leased Premises and operate or manage said hangar, structure, building or improvement according to the terms of this Agreement, for a period not to exceed the term of the mortgage with Lessee, or until the loan is paid in full, whichever comes first, but in no event longer than the term of this Lease. The mortgagee shall not lease the Leased Premises to any other person without the express written consent of the City. Lessee must notify the City of the name, address and amount of mortgage for any improvements attached to the Leased Premises. It is expressly understood and agreed that the right of the mortgagee referred to herein is limited and restricted to those improvements constructed with funds borrowed from mortgagee.

6.10. NON-APPROPRIATION. Notwithstanding anything contained in this lease to the contrary, each and every financial obligation of Lessor pursuant to this lease is subject to appropriations. In the event no funds or insufficient funds are appropriated or budgeted by Lessor for the intended use of the Leased Premises, Lessor will immediately notify Lessee its assignee

of such occurrence and this lease shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to Lessor of any kind whatsoever, except for the proration of the improvements as provided for in Section 3.03. In the event of such termination, Lessee agrees to peaceably surrender possession of the Leased Premises to Lessor or its assignee on the date of such termination and remove Lessee's personal property and improvements as provided in Section 6.08.

ARTICLE VII.

7.01. Improvements. The Lessee may, for its purposes and approved activities, erect a building, or buildings, of a design, décor, purpose and in a place which represent the Golden Age of Aviation defined to be the 1920's to the 1930's and protects the historical aspect of the Airport. Such building or buildings, even though affixed to the premises, shall be deemed to be personal property belonging to the Lessee and may be removed at any time but at no cost to the Lessor, and the premises shall be placed by the Lessee in substantially the same condition as they were in prior to the Lessee's utilization thereof. Within a reasonable time after the termination of this lease, or any renewal term thereof, the Leased Premises shall be placed by the Lessee in a clean and orderly condition.

7.02. Runways and Hangars. Lessee may install a paved all-weather runway at its expense, with the provision that it must not replace the grass runway. Lessee may build a new operating hangar(s) and restore the original 1928 Airport Hangar at Lessee's expense.

7.03. Construction of Improvements. All improvements and alterations made by Lessee on the premises are subject to approval by Lessor, in writing, prior to construction to determine that such construction is in accordance with the various building ordinances, electrical codes and the uses and purposes contemplated by this Agreement. Lessee shall tender an adequate site plan to Lessor and secure the proper building permits.

7.04. Alterations/Improvements to Leased Premises. Lessee shall undertake no alterations or modifications to the Leased Premises, except for the buildings and improvements currently on the property the parties have agreed are Lessee's personal property, without express written consent of Lessor, and upon termination of this Lease Agreement, any such alterations or modifications shall become the property of the Lessor.

ARTICLE VIII.

8.01. Excusable Delay. "Excusable Delay," as used herein, shall mean and include all delays in a party's performance of its obligations hereunder (other than its obligations to pay money), including the impossibility of such performance, which shall result from or be caused by any legal proceedings or other litigation threatened, instituted against or defended by such party, in good faith, and not merely for purposes of delay; acts of God, acts of the public enemy, wars, blockades, epidemics, earthquakes, storms, floods, explosions, strikes, labor disputes, work stoppages, riots, insurrections, breakage or accident to machines or lines of pipe or mains, lawful acts of any governmental agency or authority restricting or curtailing the erection of the building, other causes beyond the reasonable control of such party, including but not limited to equipment failures, inability of Lessee to procure and obtain needed building materials whether as a result (directly or indirectly) of any lawful order, law or decree of any governmental authority or agency or otherwise, and any other cause, whether of the kind herein referred to or

otherwise; provided, that as to any and all such causes of Excusable Delay the party subjected thereto (i) within ten (10) days after such party has knowledge thereof shall give the other party notice of the existence thereof and of the length of the delay anticipated therefrom, and (ii) within ten (10) days after the cause of delay has ceased to exist, shall give the other party notice of the actual Excusable Delay which resulted from such cause; and provided further, such party shall pursue with reasonable diligence the avoidance or removal of such delay. The inability or refusal of a party to settle any labor dispute shall not be deemed to qualify or limit the foregoing or the effect of Excusable Delay and no such failure or refusal shall constitute delay by such party for which such party shall be responsible hereunder.

8.02. Force Majeure. All of the obligations of Lessor and of Lessee under this lease are subject to delay or suspension resulting from Excusable Delay. The parties hereto shall exercise reasonable diligence to avoid or minimize any such delay or suspension.

ARTICLE IX.

9.01. Miscellaneous Provisions. The parties hereto agree as follows:

(a) Protection of Airport. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft. Height locations shall be specifically identified based upon location of the demised premises and safety requirements of Federal and State Governments and Aviation Administrators.

(b) Development of Airport. Lessee expressly reserves the right to grant to others additional leases and privileges with respect to said Airport and facilities, with Lessors consent. Lessor shall not unreasonably withhold consent.

(c) Subordination. This Lease shall be subordinate to provisions of any existing or future Agreements entered into by and between the Lessor and the Federal or State Government for the improvement, operation and maintenance of the Airport; provided, that if such Agreements restrict the operation of the Leased Premises, lease terms shall be negotiated, if and where appropriate.

(d) Release of Claims/Subrogation. Lessor and Lessee hereby release each other from any claim, by subrogation or otherwise, for any damage to the premises, the improvements or personal property by reason of fire or the elements, regardless of cause, including negligence of either party. This release applies only to the extent that it is permitted by law, the damage is covered by insurance proceeds, and the release does not adversely affect any insurance coverage.

(e) Notice to Insurance Companies. Lessor and Lessee shall notify the issuing insurance companies of the release set forth in this Article, and shall have the insurance policies endorsed, if necessary, to prevent invalidation of coverage.

(f) Casualty/Total or Partial Destruction. If the premises are damaged by casualty, the Lessor may, at its sole option, choose not to restore the premises.

(g) Condemnation/Substantial or Partial Taking. If the premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, then this lease will terminate. Lessee shall have no claim to the condemnation award or proceeds in lieu of condemnation.

(h) Limitation of Warranties. There are no implied warranties of merchantability, of fitness for a particular purpose, or of any other kind arising out of this lease, and there are no warranties that extend beyond those expressly stated in this lease.

(i) Notices. Any notice or communication to parties required or permitted to be given under this lease shall be effectively given only if in writing and such notice shall be considered received three (3) days after depositing such notice in the U.S. registered or certified mails, postage prepaid, return receipt requested, or by commercial overnight courier service, addressed as follows:

1. If addressed to Lessor:

City of Ranger, Texas

Ranger, TX
Attention: City Manager

With a copy to:

City Attorney
Attn: Paige Saenz
The Knight Law Firm, LLP

Austin, TX

2. If addressed to Lessee:

Ranger Airfield Maintenance Foundation
1402 Oddie Street
Ranger, Texas 76470
Attention: Executive Director

provided, however, that any party shall have the right to change the address to which notices shall thereafter be sent by giving notice to the other party as aforesaid, but not more than two addresses shall be in effect at any given time for Lessor and Lessee hereunder.

(j) Attorneys' Fees. In the event of litigation between Lessor and Lessee wherein one or both parties is seeking to enforce any right or remedy hereunder, the prevailing party shall be entitled to recover its reasonable attorneys' fees incurred in connection with such litigation from the other party.

(k) Applicable Law. This lease shall be governed by and construed in accordance with the laws of the state of Texas, and venue shall lie in Eastland County, Texas.

(l) Binding Effect. The covenants and agreements herein contained shall inure to and be binding upon Lessor, its successors and assigns, and Lessee, its successors and

assigns; provided such reference to assigns is not intended to imply or grant any right on the part of either party to assign this lease. No modification of this Lease shall be binding upon either party unless it is in writing and is signed by both parties.

(m) Tense and Captions. For the purposes of this agreement, the singular number shall include the plural and the masculine shall include the feminine and vise-versa, whenever the context so admits or requires. The 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.

(n) Severability Clause. If any term, covenant, condition or provision of this lease, or the application thereof to any person or circumstance, shall ever be held to be invalid or unenforceable, then in each such event the remainder of this lease or the application of such term, covenant, condition or provision to any other person or any other circumstance (other than such as to which it shall have been invalid or unenforceable) shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

(o) Incorporation of Exhibits. All exhibits, schedules and attachments referred to in this lease are hereby incorporated by reference for all purposes as fully as if set forth at length herein. This lease constitutes the entire agreement of the parties with respect to the subject matter hereof, and all prior correspondence, memoranda, agreements or understandings (written or oral) with respect hereto are merged into and superseded by this lease.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written, in duplicate originals.

Lessor:

CITY OF RANGER,
a municipal corporation

By: [Signature]
_____, Mayor

Lessee:

Ranger Airfield Maintenance
Foundation, a non-profit corporation

By: [Signature]
Name: JARED CALVERT
Title: DIRECTOR RAMP

Attest:

[Signature]

Savannah Foster City Secretary



Exhibit "A"



LADD GARDNER
 AVIATION INSURANCE

PO Box 183
 ADDISON, TX 75001
 OFFICE: 972-250-0400
 FAX: 972-250-0401
 LGAINSURANCE.COM

TEXAS

ARIZONA

CALIFORNIA

KANSAS

CERTIFICATE OF INSURANCE

CERTIFICATE HOLDER:

To Whom It May Concern

POLICYHOLDER:

Eagle Flying Museum
 1402 Oddie Street
 Ranger, TX 76470

This is to certify that the following policy(s), subject to the terms, conditions, limitations and endorsements contained therein, and during their effective period, have been issued by the company(s) indicated below. In the event of material change or cancellation of said policy(s), the company will endeavor to notify the certificate holder, but failure to do so shall impose no liability or obligation of any kind upon the undersigned or the company(s) involved.

Policy Type: Property & Liability

Insurance Company: Preferred Aviation Underwriter

Policy Number: 02-LX-027569021-0

Policy Period: June 13, 2018 – June 13, 2019

Property – 1402 Oddie Street

Building - \$126,000

Deductible \$1,000 / \$6,500 Minimum Wind & Hail

THE FOREGOING EVIDENCE OF COVERAGE IS NOT VERBATIM OF POLICY CONDITIONS, LIMITATIONS OR LANGUAGE; THE POLICY(S) REPRESENTED BY THIS CERTIFICATE ARE NOT AMENDED IN ANY WAY UNLESS SO STATED ON THIS CERTIFICATE.

NOTICE OF CANCELLATION: IN THE EVENT OF MATERIAL CHANGE OR CANCELLATION OF SAID POLICY(S), THE COMPANY(S) SHALL ENDEAVOR TO GIVE 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER WITH THE EXCEPTION OF A 10 DAY NOTICE FOR NON-PAYMENT OF PREMIUM.

Authorized Signature

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement ("Amendment") shall be effective as of January 31, 2022 ("Effective Date") and is between the City of Ranger, Texas, a Texas municipal corporation (hereinafter "Lessor"), the owner of Ranger Municipal Airport (hereinafter "Airport"), and the Ranger Airfield Maintenance Foundation, a non-profit corporation (hereinafter "Lessee"), with each party to this Amendment being individually referred to as "Party" or collectively being referred to as "Parties".

WHEREAS, Lessee is the current lessee under that certain Lease Agreement, dated December 4, 2018, with Lessor, (hereinafter "Lease");

WHEREAS, Lessor desires to convey ownership of the Airport to Lessee upon the satisfaction of certain improvements; and

WHEREAS, the Parties to this Amendment would like to amend the Lease as set forth in Sections 1-7 below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both Lessor and Lessee, the Parties hereby agree as follows:

1. **Additional Hangars.** Lessee shall permit not less than three (3) new, vintage-style appearance aircraft hangars to be constructed on Airport property by approved third parties. Lessee also agrees to sublease to each third party constructing a new hangar, a lot of land in the dimensions of the newly constructed hangar. Said lots will be sold/transferred to private ownership upon execution of Section 3 below. The aforementioned third parties are subject to approval by Lessee, and that approval cannot be unreasonably withheld.
2. **1928 Hangar.** Lessee shall restore Lessor's 60'x60' 1928 hangar to its historical 1928 size and appearance.
3. **Purchase Option.** Upon completion of Sections 1 & 2 above and subject to adherence to all provisions that are required under Texas Department of Transportation Airport Division, Lessor shall convey to Lessee the Airport and Airport Property as set out in Exhibit "A" attached hereto and incorporated herein. Airport Property shall include Airport land, rights, fixtures, and appurtenances, but shall not include the approximately 80'x80' lot of land upon which the City's 1928 hangar. Such hanger shall continue to serve as the Leased Premises under the Lease between Lessor and Lessee. Conveyance shall be under a Special Warranty Deed with an automatic right of reversion outlined in 4 below.
4. **Right of Reverter.** Under the terms of the Special Warranty Deed, Lessee is granted the Airport and Airport Property to facilitate development of the property around the Airport with personally owned hangars. Subject to the Special Warranty Deed, Lessee agrees that the Airport's current runways and infield will not be developed, and no currently existing runway (longest being Runway 1/19, 3400 feet) will be shortened more than 25% in length or in any way permanently closed. If any of these events occur, Lessee's right of ownership to the runways and the infield shall automatically revert to Lessor.
5. **Amendment Governs.** Should there be a conflict between the terms and conditions of this Amendment and the terms and conditions of the Lease or any other oral or written agreement between the Parties,

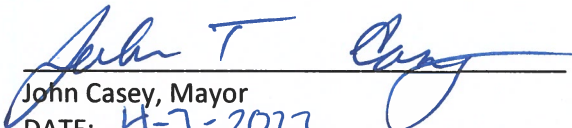
the terms and conditions of this Amendment shall control and govern. The remainder of the Lease not amended by this Amendment shall remain in full force and effect.

6. Successors and Assigns. This Amendment shall inure to the benefit and bind the respective heirs, representatives, successors and permitted assigns of the parties.


7. Entire Agreement. This Amendment embodies and includes the entire agreement between the Parties. This Amendment may only be amended or modified by mutual written agreement by all of the Parties hereto or their respective successors and assigns.

CITY OF RANGER

RANGER AIRFIELD MAINTENANCE FOUNDATION

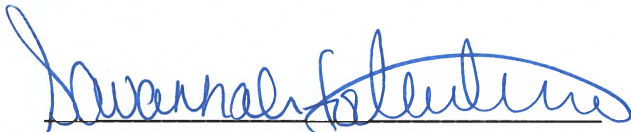


John Casey, Mayor
DATE: 4-7-2022



Jared Calvert,
DATE: 4.7.22

ATTEST:



Savannah Fortenberry, City Secretary