STAT	E OF TEXAS	§	SOUTH TEXAS INTERNATIONAL
		§	AIRPORT AT EDINBURG
COU	NTY OF HIDALGO	§	HANGAR LEASE AGREEMENT
of Edi	<u>nburg</u> , a Municipal (Corporation, hereinafter ref	, 20, between the <u>City</u> terred to as "City" owner of <u>South Texas</u> ed to as "Airport" and
	poration, partnership, ree as follows:	or sole proprietor) hereina:	fter referred to as "Lessee" who covenant
	REAS , City and Lesse pment of the Airport;		per operation, improvement, and continued
	REAS, City deems it certain hangar as stat	_	to the operation of the Airport to lease to
	THEREFORE, in cond Lessee covenant an		onsiderations, and privileges listed herein,
		PART I <u>LEASED PREM</u>	<u>ISES</u>
1.	<u>Leased Area</u> . City hereby leases to Lessee, and Lessee takes as tenant that improved portion of real property within South Texas International Airport described as Hangar #at 1300 E. FM 490 Edinburg, Texas, 78542 as shown on plat/description attached hereto and incorporated herein by reference (hereinafter referred as "the Leased Premises")		
2.	<u>Term of Lease</u> . This Lease shall commence on the day of, 20, and continue for one (1) year or until Lessee is in breach or default of any term or condition of this Lease. Lessee shall have the option to renew for a subsequent one (1) year extension upon thirty (30) days written notice by Lessee to Lessor prior to the expiration of the month lease term and upon mutual and written agreement of Lessor.		
3.	Rental.		
	reserves the r	right to periodically review	unt of \$ per month. The City and reevaluate the monthly rental fees as 4: Airport Regulations, §54.31(B)(3).

- b. Rent is due and payable in advance on the 1st day of each month. Payments received by City more than ten (10) calendar days after the due date shall be considered delinquent and will be subject to a ten percent (10%) "Late Payment" charge. If any rent payment, including any applicable Late Payment charge, is not received by City within sixty (60) days from the end of the calendar month in which the second rent is due, Lessee shall be in breach of this Lease, and in such event, this Lease may be terminated by City. Alternatively, City may, at its option, require Lessee to make subsequent rental payments in cash or with a certified cashier's check. All payments due under this Lease shall be paid by mail or delivery to the City of Edinburg, Attention: Finance Department, 415 West University Drive, Edinburg, Texas 78541
- c. The City shall impose a fee for any returned checks due to insufficient funds against the Lessee.
- d. Background check shall be required of all Lessees <u>prior</u> to execution of the Lease Agreement as set out in the Background Check Authorization form attached and marked as Exhibit "G". Lessees will be responsible for background check service fees and make checks/payment payable to "City of Edinburg".
- 4. First Payment of Rent and Security Deposit. Upon execution of this Lease, Lessee will pay to City the first month rent payment plus a security deposit in the sum equivalent to one (1) month rent. The security deposit shall be held by City for faithful performance of Lessee's duties under this Lease. If Lessee shall default on any of the terms of this Lease, and City chooses to cure the Lessee's default at any expense to City, it may resort to the security deposit for such purpose. In such event, Lessee shall reimburse the security deposit no later than the next rent due date. Any unused security deposit existing at the termination of this Lease that is not already used to offset damage, if any, caused to the Leased Premises by Lessee's use of the Leased Premises, reasonable wear and tear excepted, or that is otherwise used toward outstanding rent, shall be refunded to Lessee within thirty (30) days after termination. If the Lease is executed in the middle of the month, a pro-rated rental fee, by day, will be assessed.

PART II USE AND MAINTENANCE

5. Hangar Use. Non-Exclusive Use – This lease agreement does not convey to Lessee any right, title or interest in the above described property. This Lease is made for the purpose of storage by the Lessee of an operational, airworthy aircraft or an aircraft that is actively progressing towards becoming operationally airworthy in a City owned aircraft hangar at South Texas International Airport. The Lessee shall accept the leased space as received from the City on the signing of the Lease. Lessee recognizes that the City does not undertake to guard against or prevent unauthorized use of, or entry onto, the Leased Premises by others. Should Lessee lease an aircraft from another individual or corporation,

the City shall be provided a copy of said lease. The use of the Leased Premises shall be strictly limited to the storage, routine maintenance, or construction of an operational, airworthy, non-commercial fixed or rotary wing aircraft, or other aircraft approved by the City, that is owned or leased by Lessee, along with tools and equipment directly related to Lessee's use of such aircraft. (Note: The aircraft described herein as being approved for storage in a City owned hangar on the Leased Premises is hereinafter referred to as "the Stored Aircraft"). If Lessee's aircraft is or becomes non-operational, it may be stored in the hangar only if it is being homebuilt or restored by Lessee. Prior to the commencement of any such homebuilding or restoration, Lessee shall provide to Airport: (1) a copy of the purchase agreement, or (2) a valid federal registration number. If Lessee's Stored Aircraft is not validly registered with the FAA as of the Effective Date, upon completion of construction, Lessee shall register such Stored Aircraft and apply for an airworthiness certificate for Lessee's Stored Aircraft in accordance with all applicable federal statutes and regulations, and provide the original registration and certification to South Texas International Airport, for inspection and copying, immediately upon receipt by Lessee. On or before January 1st of each year, if the homebuilding or restoration has not been completed, Lessee shall provide a written annual report to the South Texas International Airport Manager that details the homebuilding or restoration activity performed, work still required to be completed, and an estimate of time of completion.

6. Prohibited Uses and Maintenance of Premises. The Leased Premises shall not be used for any commercial activity, including, but not limited to, aircraft or equipment maintenance for profit, any aircraft used in the transportation for hire of goods, or persons, or aircraft used in flight training for compensation without the written consent of the City. Any such commercial operation shall be in accordance with a separate contract agreement with the City. The Leased Premises shall not be used to store vehicles or to store other personal property items that are wholly unrelated to the operation, repair, or maintenance of the Stored Aircraft without the written approval of the Edinburg Fire Marshal and the Airport Manager. There shall be no parking of unattended aircraft or other objects that would impede access to another Lessee's Leased Premises.

Lessee shall maintain the Leased Premises and stored objects in clean condition at all times and at Lessee's own cost and expense; and will conduct activities in such manner as to maintain the sightly appearance of all areas open to public view. The City shall remain responsible for the maintenance of the hangar structure, including doors, roof and walls except when necessitated by negligence or willful misconduct of Lessee, its agents, or guests. Any damages shall be reported to the City within five (5) business days upon discovery. It is a material consideration of this Lease that Lessee shall keep the Leased Premises clear of hazards and storage of any materials that may be unsightly or hazardous. Any sign or equipment that requires installation must receive written permission from the City. Any fixtures added to the Leased Premises shall become property of the City at the end of the Lease.

7. <u>Utility Services</u>. Lessee will provide, at Lessee's expense, any utility services required in addition to that provided by the City for Lessee's use of the Leased Premises.

- a. <u>Electricity</u>. All modification to existing electrical service must be approved by the City and conform to applicable City codes. If electric meters are installed for each hangar, Lessee agrees to pay for electricity used.
- b. <u>Water</u>. No extension of or connection to existing water services may be made.
- c. <u>Gas (Propane)</u>. The storage and use of propane or other gas is prohibited without a permit from the Edinburg Fire Department (hereinafter "EFD").
- d. <u>Utility Poles</u>. Installation and/or use of utility poles and lines are subject to City approval and must comply with local, state and federal regulations.
- e. <u>Antennas</u>. Radio, television, telecommunications or other exterior appurtenances may not be installed without the express written consent of the City.
- f. <u>Documentation of Utilities</u>. Any utility service installed or modified in the course of this Lease shall be documented by Lessee with a copy to City.
- g. <u>Security Lighting</u>. City shall have the authority to require the installation and operation of security lighting when deemed necessary for the general benefit of the South Texas International Airport.
- 8. <u>Alterations and Improvements</u>. Lessee may not make alterations, improvements, or additions to the Leased Premises without the prior written consent of the City. All such alterations, improvements, and additions shall become the property of City upon termination of this Lease.
- 9. <u>Lock</u>. City shall provide Lessee with a lock for the hangar. The City shall have one key and the Lessee shall have one key. Should Lessee lose the key for the hangar, the Lessee will be responsible for the payment of a sixty-five dollar (\$65.00) fee to replace the lock and key.
- 10. <u>Security</u>. Lessee is responsible for maintaining security in and around the hangar or any other area adjacent to or upon the South Texas International Airport which Lessee has an exclusive right to use or which Lessee otherwise controls. Lessee is further responsible for maintaining security with respect to entry upon the airfield or other portions of the South Texas International Airport designated by City from time-to-time as security areas by employees, subtenants, contractors, invitees, or customers of Lessee or any other person who enters the South Texas International Airport Operating Areas (AOA) at Lessee's invitation, direction, or authority, whether through or from the Leased Premises or otherwise.

PART III TITLE AND DISPOSITION

- 11. Property Abandoned on Leased Premises. If Lessee leaves any property, personal or otherwise, on the Leased Premises after the termination or revocation of this Lease, and fails, refuses or neglects, after notice from City, to remove same within thirty (30) days after such termination or revocation, City, at its option, may treat such property as abandoned, and shall have absolute right of disposal over such property. The cost for removal, if any, may be withheld from any deposit remaining in the account of the Lessee. Lessee hereby waives any and all damages for any loss resulting from disposal of such property. City shall also have the right to remove the Stored Aircraft if the Stored Aircraft is not otherwise removed by Lessee within thirty (30) days of termination of this Lease. If City removes the Stored Aircraft from the Leased Premises following termination of this Lease, Lessee shall be responsible to City for all costs of such removal and subsequent storage as well as Lease fees up through termination.
- 12. <u>Termination of South Texas International Airport Operations</u>. If, for any reason whatsoever, City ceases to operate the South Texas International Airport, Lessee's sole right and remedy shall be to terminate this Lease effective with the date of the cessation of airport operations and to remove Lessee's property within thirty (30) days after receiving notice of such cessation. In such event, City shall not be liable for any damage, cost, or expense to Lessee relating to the cessation of airport operations.

PART IV INSURANCE AND LIABILITY

13. <u>Insurance Coverage</u>.

- a. <u>General Liability</u>. Lessee shall maintain at all times during the term of this Lease a policy of liability insurance, with a carrier and in a form satisfactory to City, to cover both the Lessee as the primary insured party and City as an additional insured party by endorsement, insured against bodily injury, including death, and property damage for which the Lessee may be liable, with "occurrence" coverage of no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury or property damage.
- b. <u>Property Insurance</u>. City, at its own option, may maintain fire and extended coverage on the Leased Premises, but City shall not be obligated to invest any insurance proceeds in the repair or restoration of any improvements damaged or destroyed in any event or occurrence covered by the insurance. City shall not, in any event, be responsible for the loss or damage of such property, or any property of Lessee, whether or not insured.
- c. <u>Additional Insurance</u>. Lessee shall provide such insurance coverage in addition to the coverage specified above as Lessee may be required to carry by any state or federal law or regulation. Evidence of such additional insurance shall be provided to City within thirty (30) days after written notice from City to Lessee of the requirement for such additional insurance.

d. Other Provisions:

- (1) Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- (2) Insurance required of Lessee under this Lease shall be primary as to any covered loss, debt, or obligation of City. Any insurance maintained by City, its officers, officials, agents, employees or volunteers shall be in excess of Lessee's insurance and shall not contribute with it.
- (3) Each insurance policy shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to City at the address provided below.
- (4) Upon execution of this Lease and/or upon City's demand, Lessee shall furnish City with certificates of insurance, with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- (5) Lessee shall direct insurance provider to send insurance renewal certificates to the City, Attention: Airport Manager, on an annual basis.
- 14. **Indemnity**. To the fullest extent allowed by law, Lessee agrees to save, indemnify, hold harmless and defend the City, its officers, employees, agents, volunteers, and elected and appointed officials from and against any and all claims, demands, damages, liabilities, costs, attorneys' fees, and all other damage and detriment whatsoever to any person or entity whatsoever, including without limitation the agents, servants, employees, and guests of Lessee, arising out of or related to claims of injury to, or death of persons, or to claims of damage to the Leased Premises occurring or resulting directly or indirectly from this Lease or Lessee's use or occupancy of the Leased Premises or from Lessee's activities on or about the Leased Premises. Such indemnity shall, include, without limitation, the obligation to provide all costs of defense against any such claims, provided that such indemnity shall not extend to any loss arising from City's sole negligence or willful misconduct. In addition, Lessee shall save, indemnify, hold harmless and defend the City from any and all loss, cost, damage, injury or expense arising out of, or in any way related to, claims for work or labor performed, or to claims for materials or supplies furnished to, or at the request of Lessee, or in connection with performance of any work done for the account of Lessee on the Leased Premises.

- 15. <u>Waiver of Security</u>. Lessee acknowledges that City provides no continuous security for the Leased Premises nor for the South Texas International Airport, and Lessee agrees that neither City nor its officers, servants, employees, agents, volunteers nor its elected or appointed officials shall be liable for any loss of or damage to Lessee's property due to theft, vandalism or forces of nature.
- 16. Release of Liability of City and its Agents. Lessee hereby assumes all risks to the person and property of Lessee on and about the Leased Premises and the associated South Texas International Airport, and hereby releases and forever discharges the City, its officers, servants, employees, agents, volunteers, and elected and appointed officials of and from any and all liability which might arise from the acts or omissions, of the City, its officers, servants, employees, agents, volunteers, and elected and appointed officials.

PART V DEFAULT & TERMINATION

- 17. <u>Default or Breach of Lease</u>. City and Lessee agree that every condition, covenant and provision of this Lease is material and reasonable. Any breach by Lessee of a condition, covenant or provision of this Lease will constitute a material breach and a default of Lessee's obligations under this Lease, including, but not limited to:
 - a. Failure by Lessee to pay or cause to be paid when due the rent required to be paid under Lessee's lease agreement with the City including any Late Payment charge;
 - b. Use of the Leased Premises for any unlawful purpose;
 - c. Abandonment of the Leased Premises; or any lien shall be filed against the leased premises or any part thereof in violation of this agreement, and shall remain unreleased for a period of sixty (60) days from the date of such filing unless within said period Lessee is contesting in good faith the validity of such lien;
 - d. Assigning or subletting the Leased Premises without the prior written consent of City;
 - e. Committing waste on the Leased Premises;
 - f. Maintaining, committing or permitting the maintenance or commission of a nuisance on the Leased Premises;
 - g. Any material failure to keep the Leased Premises in a sanitary condition or to dispose of all trash and garbage;

- h. Altering the Leased Premises in any manner, including without limitation, the use of combustible materials on or in the Leased Premises, except as provided herein;
- i. Failure to perform any other term, covenant or condition of this Lease for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to Lessee by the City, unless the City shall agree in writing to an extension of such time prior to its expiration;
- j. Storage of an aircraft that does not meet the provisions set forth in Section 5 of this Lease;
- k. The dissolution or liquidation of Lessee or the filing by Lessee of a voluntary petition in bankruptcy, or appointment of receiver, or failure by Lessee within (60) days to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its operations at the leased premises, or the adjudication of Lessee as bankrupt, or general assignment by Lessee for the benefit of its creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceeding for its reorganization instituted under the provisions of the general bankruptcy act, as amended, or under any similar act which may hereafter be enacted.
- 1. Storage of vehicles or personal possessions except as otherwise permitted herein; and
- m. Replacing City provided lock with personal lock.
- 18. **Rights and Remedies are Cumulative**. The rights of each of the parties hereto and remedies hereunder are cumulative, and in addition to any other, and all legal rights which either party may have in the event of any default or breach on the part of the other. Whenever any event of default as to Lessee shall have happened and be subsisting, the City may take any one (1) or more of the following remedial steps against Lessee:
 - (a) The City may re-enter and take possession of the leased premises without terminating the agreement and sublease (or operate as a sublease) the leased premises for the account of Lessee, holding Lessee liable for the difference between the rents or other amounts payable by Lessee hereunder and the rents and other amounts payable by such sub-lessee in such subleasing or, if operated by the City, the difference between the net revenues received from such operations and the rents and other amounts payable by lessee hereunder.
 - (b) The City may terminate the agreement.
 - (c) The City may take whatever other action at law or in equity as may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of lease under the agreement.

19. <u>Tenancy and Termination</u>. The tenancy created hereunder is for a one (1) year term with the option to extend for a subsequent one (1) year term. Either party may terminate this Lease by providing thirty (30) days written notice of intent to terminate to the other at the address listed in Section 33, below. Upon termination of the Lease, the Lessee shall leave the Leased Premises clean and vacate by the end of the thirty (30)-day period as stated in the termination notice. Lessee shall be responsible for rent to the end of the thirty (30)-day period.

PART VI GENERAL CONDITIONS

- 20. <u>Access by City; Inspection</u>. City and its designated agents, employees and volunteers shall at all times have reasonable access to the Leased Premises for the purpose of inspection and to determine compliance with the provisions of this Lease. The City shall provide reasonable advance notice of the inspection; however, Lessee consents to immediate entry in the case of an emergency based on health and safety concerns.
- 21. Assignment and Subletting Prohibited. Lessee shall not sublease, assign, sell, or transfer this contract agreement or any right hereunder to any person, corporation or association without the prior written approval of the City. The City shall have the discretion to grant or refuse such approval. The parking of an aircraft not owned or leased by Lessee within the hangar without the written consent of the City shall constitute a sublease. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the City, for the City to immediately terminate this contract agreement. Lessee may allow the Leased Premises to be utilized by another aircraft on a temporary basis however Lessee may not charge the owner of the aircraft a fee or any other consideration for the temporary storage of the aircraft. "Temporary" means less than thirty (30) days in any one (1) calendar year. Five days prior to the arrival of the other aircraft, Lessee must provide the Airport Manager with written notice of the Aircraft's Registration Number, proof of insurance and emergency contact information. Lessee will remain responsible and liable for any actions or damage arising from the visiting aircraft, pilots and passengers.

22. **Obligations of the City**. The City agrees:

- a. To keep and maintain hangar spaces in a reasonable state of repair, not including normal wear and tear.
- b. To, correct defects or deficiencies of which the City is aware within a reasonable period of time.
- c. Provide lock for Lessee to use.

23. Additional Obligations of the Lessee. The Lessee agrees:

a. To comply with South Texas International Airport Rules and Regulations as approved by City Council (attached hereto as "Exhibit B") and as may be amended.

- b. To report to the South Texas International Airport Manager any defects to the hangar space that require maintenance.
- c. To assume complete responsibility for securing and protecting its Stored Aircraft.
- d. To keep assigned hangar space clean and free of debris using trash and oil containers provided by City and to not dump waste at the South Texas International Airport trash and oil containers that do not fit within the containers, and that did not come from the Lessee's space at South Texas International Airport.
- e. To park vehicles in the South Texas International Airport Administration Building parking lot and authorized locations defined by the City. Lessee may park his/her and or his/her passengers' privately owned automobile(s) inside the hangar, but only while on a flight which originated at the airport.
- f. To pay any taxes or special assessments that may be levied or assessed by any governmental entity for the storage of aircraft on the Leased Premises.
- 24. Hazardous Materials. Lessee shall not keep or store flammable liquids on the Leased Premises, except for the aviation fuel, oil, or other materials contained in the tank or tanks of the aircraft for which the hangar is used, and lubrication oil permitted by the South Texas International Airport Rules and Regulations. No storage of any pesticides, hazardous materials, or other combustible materials shall be permitted on the Leased Premises, at any time, without written approval of the Edinburg Fire Marshal. As used in this Lease, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local, state or federal government, or special district. If Lessee breaches the obligations stated in this Section, or if the presence of Hazardous Materials on the Leased Premises or the South Texas International Airport caused or permitted by Lessee results in contamination of the Leased Premises or the South Texas International Airport, or if contamination of the Leased Premises or the South Texas International Airport by Hazardous Materials otherwise occurs for which Lessee is legally liable to City for damage resulting therefrom, then Lessee shall save, indemnify, hold harmless and defend City from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including, without limitation, costs of remediation, diminution in value of the Leased Premises or the South Texas International Airport, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Leased Premises or the South Texas International Airport, damages arising from any adverse impact on marketing of space in the South Texas International Airport, and sums paid in settlement of claims, actual attorneys' fees, consultant fees and expert fees), which arise during or after the Term as a result of such contamination. This indemnification of City by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions, including regular inspections, or any clean-up, remedial, removal, or restoration work required or recommended by any federal, state, or local governmental agency, or political subdivision because of Hazardous Materials present in the soil or ground water on or under the Leased Premises and/or the South Texas International Airport. The indemnity, defense, and hold harmless obligations of Lessee under this

Section shall survive any termination of this Lease. Without limiting the foregoing, if the presence of any Hazardous Materials on the Leased Premises or the South Texas International Airport caused or permitted by Lessee results in any contamination of the Leased Premises or the South Texas International Airport, Lessee shall promptly take all actions at its sole expense as are necessary to return the Leased Premises and the South Texas International Airport to the condition existing prior to the introduction of any such Hazardous Materials; provided that, City's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions, in City's sole and absolute discretion, would not potentially have any material adverse long-term or short-term effect on the Leased Premises or the South Texas International Airport.

25. Compliance with Law and Rules. Lessee shall at its own cost and expense comply with all applicable state, federal and local laws, ordinances, rules and orders of the City of Edinburg, County of Hidalgo, State of Texas, the United States of America or other authorities pertaining to the operation of the Leased Premises pursuant to the provisions of this Lease whether such laws, ordinances, rules and orders be now in force or hereinafter enacted. The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by any government entity that Lessee has violated any such laws, ordinances, rules and orders shall be conclusive as between City and Lessee and shall be a grounds for immediate termination of this Lease by City. Additionally, any conduct by Lessee's invited guests in the operation of aircraft in the air or on the ground, or any other conduct which violates any duly promulgated rule or regulation applying to the South Texas International Airport or which violates any generally accepted safety standard, or which endangers the safety of persons or property at or in the vicinity of the South Texas International Airport shall constitute a default under this Lease and shall be grounds for immediate termination of this Lease by City. The City requires the Lessee to fill out a Lessee Information Sheet (attached hereto as "Exhibit A") and to report any changes to the City of Edinburg.

This Lease and all the provisions hereof shall be subject to whatever right the United States government now has, or in the future may have or acquire, affecting the control, operation, regulation, and taking over of the South Texas International Airport, or the exclusive or nonexclusive use of the South Texas International Airport, by the United States during the time of war or national emergency or otherwise.

- 26. Waiver. Waiver by either party of a breach of any covenant of this Lease will not be construed to be a continuing waiver of any subsequent breach or of the enforcement of any other provision hereof. No waiver by either party of a provision of this Lease will be considered to have been made unless expressed in writing and signed by all parties. Acceptance of delinquent rent or other payment by City shall not be deemed a waiver of any preceding breach or condition of this Lease.
- 27. **Time**. Time is of the essence of each provision of this Lease.

- 28. **No Joint Venture or Partnership**. The parties intend by this Lease to establish the relationship of City and Lessee only and do not intend to create a partnership, joint venture, joint enterprise, or any business relationship other than that of City and Lessee. Additionally, nothing contained in this Lease shall be construed to create and the parties do not intend to create any rights in third-parties.
- 29. Attorney's Fees and Costs. In the event that either party thereto shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant or condition of this Lease, the party prevailing in said action or proceeding shall be entitled to recover, in addition to its court costs, reasonable attorney's fees to be fixed by the court, and such recovery shall include court costs and attorney's fees on appeal, if any. The Court will determine who the "prevailing party" is, whether or not the suit proceeds to final judgment. However, if an action is voluntarily dismissed, or dismissed pursuant to a settlement of the case, neither party will be entitled to recover its attorney's fees.
- 30. Governing Law. This Lease shall be governed by the laws of the State of Texas. All parties to this Lease agree that all actions or proceedings arising in connection with this Lease shall be tried and litigated only in the County of Hidalgo.
- 31. <u>Binding on Heirs</u>. The provisions of this Lease shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. No delay on the part of City or Lessee in exercising any right, power, or privilege shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege constitute such waiver nor exhaust the same, which shall be continuing.
- 32. <u>Section Headings</u>. The headings contained in this Lease are added for the convenience of the parties and are for reference only. Such headings shall not, independently of the text of this Lease, provide any rights or create any obligations not otherwise expressly set forth herein.
- 33. <u>Notices</u>. All notices or other communications required under this agreement may be affected either by personal delivery in writing or by certified mail, return receipt requested. Notice shall be deemed to have been given when delivered or mailed to the parties at their respective addresses as set for the below or when mailed to the last address provided in writing to the other party by addressee.
- 34. <u>Waste; Nuisance</u>. Lessee shall not use the Leased Premises in any manner that will constitute waste, nuisance or unreasonable annoyance to owners or occupants of adjacent properties or other tenants of City. Lessee shall not do anything on the Leased Premises that will cause damage to the Leased Premises or the South Texas International Airport.
- 35. <u>Complete Lease</u>. City and Lessee agree that this instrument contains the entire, sole and only Lease between them concerning the Leased Premises, and correctly sets forth their rights and obligations to each other concerning the Leased Premises as of its date. Any Lease or representations respecting the Leased Premises or the duties of either City or

- Lessee in relation thereto, not expressly set forth in this instrument or the attachments thereto, is null and void. This Lease may only be modified by a written amendment hereto.
- 36. **Severability**. In the event that any provision of this Lease is finally held or determined to be illegal or void by a court having jurisdiction over the parties, the remainder of this Lease shall remain in full force and effect unless the parts found to be void are wholly inseparable from the remaining portion of this Lease.
- 37. Additional Exhibits. Airport Hangar Lease Application (attached hereto as "Exhibit A"); The South Texas International Airport Rules and Regulations (attached hereto as "Exhibit B"); Title V of the City of Edinburg Code of Ordinances, Chapter 54 (attached hereto as "Exhibit C"); Insurance Certificate (attached hereto as "Exhibit D"); Airworthiness Certificate (attached hereto as "Exhibit E"); Registration of Aircraft (attached hereto as "Exhibit F"); and Background Check Authorization and any other documents the City deems necessary for this Lease (attached hereto as "Exhibit G") ("documents") are made a part of this Lease. Any updates to the above mentioned documents shall automatically supersede the documents previously provided to the Lessee. Lessee hereby agrees to comply with these documents through the duration of this Lease. The Lessee shall receive a thirty (30) day written notice regarding any changes to the South Texas International Airport Rules and Regulations and/or Title V of the City of Edinburg Code of Ordinances from the City. The Lessee shall notify the City within thirty (30) days if there are any changes to the airworthiness certificate, insurance certificate, and/or registration of aircraft.

EXECUTED thisday of	, 20, in Edinburg, Texas.
	CITY OF EDINBURG:
	BY: Richard M. Hinojosa, City Manager City of Edinburg 415 W. University Drive Edinburg, Texas 78540 Phone: (956) 388-8207 Fax: (956) 383-7111
ATTEST:	
BY:City Secretary	
APPROVED AS TO FORM: Oxford and Gonzalez	
BY:	
	LESSEE:
	BY:

Exhibit A

(Airport Hangar Lease Application)

Exhibit B

(South Texas International Airport Rules and Regulations)

Exhibit C

(Title V City of Edinburg Code of Ordinances, Chapter 54)

Exhibit D

(Insurance Certificate)

<u>Exhibit E</u>
(Airworthiness Certificate)

Exhibit F
(Aircraft Registration)

<u>Exhibit G</u>
(Background Check Authorization & Other City Documents Pertaining To Lease)