

STATE OF TEXAS

COUNTY OF BELL

LEASE AGREEMENT

This lease is made and entered into by and between the City of Killeen, a Municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and CSI Aviation, Inc., a New Mexico Corporation, hereinafter referred to as "Tenant".

ARTICLE I

Description of Leased Premises

The Airport, in consideration of the rents and covenants herein to be performed by the Tenant, does hereby lease, and let unto Tenant the following described property, hereinafter referred to as "Leased Premises", located at 6006 Reese Creek Road, Killeen, Texas 76549:

1. A new construction air transportation operations facility, comprising of an aircraft hangar with maintenance and office space, finished with fittings and fixtures mutually agreeable to the Parties.
2. The Leased Premises is depicted in Exhibit "A", attached hereto and made a part of this Lease Agreement.

ARTICLE II

Description of Concession Granted

The Airport grants Tenant the right to conduct air transportation and related general aviation operations, including but not limited to passenger, charter, air cargo, medical flight services, aircraft maintenance and fixed base operations services at the Killeen Regional Airport. This concession does not grant exclusive rights for any aviation services at the Airport.

ARTICLE III

Obligations of the Airport

1. The Airport shall maintain and repair the non-leased portion of the areas surrounding the Leased Premises depicted in Exhibit "A".
2. The Airport shall provide adequate access to the Leased Premises so long as Airport, Transportation Security Administration, Federal Aviation Administration, U.S. Army, and other pertinent regulations are not violated. This access includes Facility and Ramp ingress/egress routes twenty-four hours per day.

3. Parking will be provided for Tenant's employees either directly adjacent to the Leased Premises or in an area designated by the airport. Parking will be at no additional cost to the employee or the tenant while the employee is on business of the tenant as long as the employee possesses current airport identification credentials.

4. If the Leased Premises are destroyed or damaged by any means which are not fully the fault of the Tenant, to the extent that the Tenant will be unable to conduct any substantial portion/s of the business contemplated by this lease, either party may cancel this Lease Agreement and the Tenant will stand charged only with the rent specified in ARTICLE VI up to the time of such damage or destruction.

If the repair of the damage can be reasonably accomplished by the Airport in less than ninety (90) days, the Airport shall make such repairs with the rental to be abated in proportion to the space usable to the Tenant during the repair period. All repair work shall be done in a good and workmanlike manner, which is in concert with the City of Killeen requirements.

5. The Airport will provide, at no additional charge to the Tenant, airside ramp space adjacent to the Leased Premises for the storage of up to four (4) aircraft owned, operated, or otherwise controlled by the Tenant (see Exhibit "B"). The exact location will be made by mutual agreement of the Airport's Executive Director of Aviation or his/her designated representative and Tenant's designated representative prior to the effective date of this lease agreement. Tenant shall be allowed to erect expeditionary style temporary aircraft and equipment shelters on the airside ramp space, following coordination of timelines and other details with the Airport. Subject to the provisions of the Airport's TSA approved Airport Security Program, Tenant shall have the ability to use a vehicle gate adjacent to the airside ramp to allow ground ambulance vehicles to transfer patients to or from Tenant aircraft in support of medical flight services. It is acknowledged and understood that it may be required for the Airport to change these locations from time to time during the term of this Lease to accommodate pavement maintenance, construction, or other airport operational requirements. If reasonably feasible, Airport agrees to provide at least five business days' notice of such changes.

6. The Airport will provide, at no additional charge to the Tenant, airside space adjacent to the Leased Premises not to exceed 800 square feet for storage of aircraft ground support equipment necessary for the safe and efficient operation of the air transportation services as previously described. Such storage must be maintained in a neat and orderly manner, so as not to detract from the appearance and safety of the airport. The exact location of this space will be mutually agreed to between the Airport's Executive Director of Aviation or his/her designated representative and the Tenant designated representative. The location of such space may change from time to time during the term of this Lease to accommodate pavement maintenance, construction, or other airport operational requirements.

7. The Airport shall provide heating and air conditioning in the Leased Premises. Airport shall maintain and repair the ramp and parking area, electrical system, HVAC system, roof, and structural components of the Premises Light/sign fixtures used solely for premise enhancement/ advertisement shall be maintained by the Tenant.

8. The Airport will furnish keys, at no initial cost to Tenant, to the Tenant's designated Station Manager who shall be responsible for safekeeping of such keys. These include access to the Leased Premises.

Lost key and card replacement will be charged to Tenant in accordance with the City of Killeen's Rents and Fees Schedule.

9. The Airport shall be responsible to coordinate with the U.S. Army for the maintenance and repair of the landing area and other airfield facilities. The Airport reserves the right to direct and control all activities of the Tenant in this regard.

10. After reasonable notice to Tenant (when practical), the Airport reserves the right to temporarily close the airport or any other facilities thereon for maintenance, improvements, or for the safety of the public only for the period reasonably necessary.

11. The Airport will provide a sewage dump facility for the draining of aircraft lavatory waste dump carts at a designated location within the airside of the airport. The Airport will establish procedures and rules for its use by the Tenant in accordance with applicable state law and local ordinances.

12. The Airport will issue airport credentials to each employee of the tenant upon authorization by the designated local manager of the tenant and successful completion of a security threat assessment (STA). These credentials will include picture identification, security area access, and other uses that may be required.

13. The Airport will, at no cost to the Airport, allow Tenant to install appropriate building and way-finding signage. Any Tenant information or signage will require prior approval of the Executive Director of Aviation .

ARTICLE IV
Obligations of the Tenant

1. Tenant agrees that it will not assign this lease or sublet the Leased Premises or any part thereof, without prior written consent of the Killeen City Manager.
2. Tenant agrees to keep the Leased Premises clean and shall provide its own janitorial services.
3. Tenant shall be responsible for acquiring a dumpster. Tenant also agrees to participate in the City of Killeen's recycling program.
4. During the term of this Agreement, it shall be Tenant's obligation, without cost to Airport, to maintain the Premises and ordinary upkeep of the Premises. In addition, Tenant shall, at Tenant's sole discretion, maintain, and when necessary, replace all personal property, trade fixtures, equipment, and other Tenant Improvements placed or installed on the Premises by Tenant.
5. Tenant agrees that it shall not engage in any business or activity within the confines of the Killeen Regional Airport other than those permitted herein, or such other activities as may be expressly authorized in writing by the Airport.
6. Tenant shall operate and maintain the Leased Premises without cost to the Airport and will maintain all the included equipment, appliances, and furnishings. Should Tenant elect to install any landscaping, Tenant shall be responsible for all maintenance of such landscaping.
7. Tenant agrees that its employees, while performing the duties associated with the concession granted in ARTICLE 11, (1) will be neatly groomed and attired in a designated company uniform, (2) will have the appropriate Airport credentials displayed, and (3) will conduct themselves in a courteous, professional, and businesslike manner while providing service to the public.
8. Upon vacating, Tenant shall leave the Leased Premises in as good condition and substantially as they were before removal, ordinary wear and tear excepted. Tenant shall make no structural changes, additions, or improvements to the Leased Premises without prior written consent of the Executive Director of Aviation, and appropriate building permits obtained from the City of Killeen Building and Developments Services Department. Any such structural changes/improvements become property of the Airport, unless otherwise agreed upon in writing before such work begins. The foregoing notwithstanding, Tenant shall not be liable for damage caused by other lessees and other users, or their employees, representatives, or invitees, and shall be liable only for its proportionate share of wear and tear in the leased premises.

9. With the advanced approval of the Fort Cavazos Frequency Manager, Tenant may install appropriate aviation frequency aircraft dispatching transceiver equipment, assuring that interference to existing microwave systems, telephone systems, computers, and public address systems does not occur.

10. Tenant shall, not later than seven (7) days after the end of each month, provide the Airport with a statement reflecting the following information concerning the previous month's flights:

- a. Number of landings for each day by type aircraft and type of operation (air medical mission landings identified separately).
- b. Other reports as may be determined necessary by Airport.

11. Tenant shall provide the Airport the following information on the effective date of this lease and as changes in the Tenant's operations occur:

- a. Appropriate documentation indicating FAA approved maximum landing weight for each model aircraft which will use the airport.
- b. Aircraft model and FAA registration numbers of aircraft based at Killeen Regional Airport.

12. Tenant shall possess on site the appropriate towing bars to provide for the towing of all aircraft models to be operated on the airport.

13. Tenant, through its designated station manager, is responsible to ensure that every employee that has regular duty at the airport is submitted for airport credentials appropriate for that employee and that all employee data remains current. The tenant will notify the Airport's Operations Center by telephone or other appropriate means as soon as possible following the termination or suspension of any employee but will do so in writing no later than 24 hours after the effective time of the termination. The Tenant is further responsible for returning the employee's credentials to the Operations Center no later than the next calendar day after the employee's last day of employment. Any lost credentials must be reported in writing to the Airport Operations Center as soon as possible, but no later than 24 hours after the loss is discovered. Tenant is responsible for any charges or damages incurred by the use of credentials issued to its employees unless more than one business day has passed from the time the Tenant provides written notification to the Airport's Operations Center to cancel any access these credentials allow. A monthly fee will be charged for active employee credentials and for lost cards.

14. In the event that Tenant hires a third-party contractor to construct, alter, or repair an improvement to the Leased Premises, as authorized by this Agreement, tenant hereby agrees to:

- A. Include a condition in the contract that requires the contractor to execute (i) a payment bond that conforms to Subchapter I, Chapter 53 of the Texas Property Code; and (ii) a performance bond in an amount equal to the contract; and

B. Provide the Airport at least ninety (90) days' advance notice before the commencement of the construction, alteration, or repair, that conforms with Section 2252.909(c) of the Texas Government Code.

ARTICLE V
Terms of Agreement

1. The Airport hereby grants unto the said Tenant, for a period of six and a half (6.5) years, beginning February 6, 2025 and ending July 31, 2031, the concession described in Article II above, at the Killeen Regional Airport.

2. At any time during the Initial Term, with no less than 180 days advance notice to Airport, Tenant shall have the option of leasing another premise (existing facility, partially developed or undeveloped land) at the Airport from the City and terminating this agreement upon payment of all accrued rents and fees.

3. Following the expiration of the Initial Term, Tenant shall have the option to renew this Agreement for two (2) additional five (5) year periods ("Renewal Periods"). Tenant must notify the Airport in writing of its intent to exercise its option to renew at least 90 days before the end of the Initial Term and 90 days before the end of the first Renewal Period. Such renewals shall be granted if Tenant is current in its payments to Airport, and follows all conditions, covenants, and agreements set forth in this Agreement at the start of each Renewal Period.

4. If Tenant is not in default of the terms hereunder, Tenant will also have the option to extend the lease agreement on a month-to-month basis, providing it gives written notice of its option at least thirty (30) days prior to the termination date hereof. The Tenant shall submit a written request to the Executive Director of Aviation to remain in the Leased Premises on a month-to-month basis beyond that expiration date. If the Executive Director provides written approval of such a request, the Tenant will be in a "hold over status". Any such holding over by the Tenant on the expiration of the term of this lease shall not constitute a renewal thereof but shall constitute only a tenancy on a month-to-month basis. All provisions of this Lease Agreement will remain in full force and effect for the duration of the period that the Tenant remains in hold over status except that rental rates will be increased in accordance with ARTICLE VI, Par 6.

The month-to-month extension may continue until either party notifies the other in writing at least thirty (30) days in advance of termination.

5. At the expiration of the term of this lease, the Tenant will immediately vacate the Leased Premises unless the Tenant has executed a subsequent lease renewal agreement for the Leased Premises prior to its expiration.

6. As consideration for this Lease, Tenant promises to pay to the Airport, at the office of the Airport Administrative Office in Killeen, Bell County, Texas, the sum/s prescribed in ARTICLE VI, Par 1. Variable charges will be due and payable as prescribed in ARTICLE VI, Par 2. Said sum/s payable without demand in monthly installments in advance on or before the first day of each month and every month during the term of this Lease. During the term of the lease agreement, the Airport's Executive Director of Aviation, or his/her

designated representative may notify Tenant in writing of other methods of payment and other locations to which required payments may be made.

ARTICLE VI
Rentals, Fees, and Accounting Records

1. Beginning on the effective date of this Lease Agreement, Tenant shall pay to the Airport the Basic Rents and Fees as described in Exhibit "C". Beginning October 1 of the second year of the agreement, and at each successive one (1) year period thereafter during the Initial Term, the Rent payable to City will be adjusted by an amount equal to the average of the increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 as published by the U.S. Bureau of Labor Statistics Division of Consumer Prices for the immediately preceding one (1) year period. City shall notify Tenant, in writing, of the adjustment to the Rent at least thirty (30) days prior to the commencement of the adjusted Rent for that one (1) year period. In no event shall the Rent for any subsequent one (1) year period increase more than 3% of the current Rent value, and in no event shall the Rent any subsequent one (1) year period be less than the Rent for the immediately preceding one (1) year period of the Term.

2. Beginning on the effective date of this Lease Agreement, Tenant shall pay airport usage fees in the form of landing fees for aircraft operated by the Tenant as described in Exhibit "C". Documented air medical mission landings shall be exempt from the payment of landing fees. Such usage fees shall be paid no later than thirty days after the invoice for that period is provided to the Tenant. Landing fee rates are subject to review and adjustment for all Airport Tenants on an annual basis. Airport will provide at least a sixty (60) day written notice before the effective date of any changes to landing fees. Tenant is not subject to the payment of airport usage fees in the form of a fuel flow fee.

3. Tenant shall pay the sundry charges and other variable fees based upon number of employees and levels of activity or services used to the Airport as described in the City of Killeen's Rents and Fees Schedule.

4. A late fee of five percent (5%) of the total amount due shall apply if payment is not received by the fifth business day after the due date. Late fee will be assessed to the Tenant if payments prescribed in Paragraphs 1, 2, or 3 above are not received in the administrative offices of the Executive Director of Aviation by the dates prescribed therein. An additional five percent (5%) of the outstanding amount will be assessed each month that all or a portion of the Tenant's obligations remain unpaid. Obligations unpaid more than sixty days after the prescribed due dates will be cause for considering the payment(s) in default of the lease agreement.

5. If Tenant defaults in the payment of rent, fees, or any part thereof, and such default shall continue for thirty (30) days after written notice by the Airport to the Tenant to pay, the Airport shall, without further notice, have the right to re-enter the Leased Premises to

remove the Tenant and all persons holding over it and to terminate this lease and repossess the premises. Such repossession shall not constitute a waiver by the Airport for any other rights it may have to enforce collection of rents for the balance of the term or to recover damages from the Tenant for default in payment of rents.

6. If the tenant holds over beyond the initial term of the lease on a month-to-month basis, all basic rents, and fees, as listed in Exhibit "C" will continue at the same rate unless the Airport has established different rates and fees for that period, by appropriate City ordinance, the hold over increase will be computed based upon the new approved rates. Landing fees and other sundry charges will be at the current rates in effect for the month the applicable activity occurs.

ARTICLE VII
Rights of Inspection

The Airport reserves the right to inspect the Leased Premises, equipment, and services at any reasonable time and with reasonable notice for the purpose of assuring compliance with this lease, public safety or welfare, or the Airport's general rights and duties as lessor. The Airport also reserves the right to inspect and audit any records necessary to verify the correct reporting of data used to compute fees described in Exhibit "C."

ARTICLE VIII
Non-Discrimination Covenants

1. The Tenant for itself, its personal and legal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agrees as a covenant running with the land that:

a. No persons on the grounds of race, color, religion, sex, age, disability, or national origin shall be unlawfully excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities and the privileges provided herein.

b. 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, religion, sex, age, disability, or national origin shall be unlawfully excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

c. That the Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Department of Transportation, Subtitle A, Office of the Secretary, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

d. That the Tenant will enter into a separate written agreement with the Airport to allocate responsibility for meeting the boarding assistance requirements of Section 504

of the Rehabilitation Act of 1973, as amended by 49 CFR Part 27, and published in the Federal Register, Vol. 61, No. 213, pp. 56409 through 56424.

2. Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, disability, or sex be unlawfully excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be unlawfully excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. The Tenant assures that it will require that its covered suborganizations provide assurances to the Airport that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required, by 14 CFR Part 152, Subpart E, to the same effect.

3. That in the event of breach of any of the preceding nondiscrimination covenants, the Airport shall have the right to terminate this lease and the privileges herein and hold the same as if said lease had never been made or issued.

ARTICLE IX
Indemnification and Insurance

1. Without limiting Tenant's obligation to indemnify the Airport, Tenant shall provide, pay for, and maintain in full force at all times during the term of the agreement insurance coverage from an insurance carrier admitted to do business in the State of Texas that has at least an "A" rating with AM Best Company or its equivalent in the types and amounts as listed below.

<u>TYPE</u>	<u>MINIMUM LIMITS</u>
Workers Compensation	Statutory
Premises Liability	
Bodily Injury	\$ 300,000 per occurrence \$1,000,000 aggregate
Property Damage	\$ 300,000 per occurrence \$1,000,000 aggregate
Products & Completed Operations Liability	
Bodily Injury	\$ 500,000 per occurrence \$1,000,000 aggregate
Property Damage	\$ 500,000 per occurrence \$1,000,000 aggregate
Hangar Keepers Liability	\$ 100,000 per aircraft \$ 300,000 per occurrence

Aircraft Liability
Bodily Injury

\$ 500,000 per occurrence

To the extent of the risks, liabilities and indemnities assumed by Tenant under this Lease, The "City of Killeen" (a) shall be included as additional insured; (b) shall be furnished with Certificate of Insurance coverage in the above minimum amounts with this signed Lease and at any time during the lease period that the Tenant may change or extend coverage; and (c) Tenant's insurers shall waive all rights of subrogation in respect to the City on the General Liability and Workers Compensation policies. Current period proof of coverage for all other types of insurance must be always on file with the Airport.

The Airport reserves the right to increase the minimum required insurance in an amount and type not to exceed coverage required at comparable airports to be effective thirty (30) days after notice is sent to the address provided herein.

2. The Airport and the Tenant shall be liable for their own acts of negligence, and each agrees to indemnify the other for any losses, damages, costs, or expenses, including attorney fees and litigation expenses, paid or sustained by reason of the sole negligence of the indemnifying party.

3. The Tenant shall hold the Executive Director of Aviation and all other Department of Aviation personnel, and the officers, elected officials and employees of the City of Killeen harmless from and against all suits, claims, demands, damages, actions, and/or causes of action of any kind or nature in any way arising out of, or resulting from its negligence during its tenancy and activities, and shall pay all reasonable expenses in defending any claims against the city. Similarly, Airport shall hold Tenant harmless from and against all suits, claims, demands, damages, actions, and/or causes of action of any kind or nature in any way arising out of Airport's negligence related to the Airport's activities under this Lease and shall pay all expenses in defending any such claims against the Tenant.

4. The Tenant shall be solely liable and responsible for civil penalties imposed upon the Airport because of the Tenant's negligent acts and/or violations of Federal, State, or Local Regulations or laws by the Tenant, especially when the Airport has made good faith efforts to establish rules and procedures for compliance with such regulations. Similarly, the Airport shall be solely liable and responsible for civil penalties imposed upon the Tenant because of negligent acts and/or violations of Federal, State or Local Regulations or laws by Airport which do not result from any violation of said regulations by the Tenant.

5. Special Environmental Indemnity:

a. Definitions. The term "Environmental Laws" means any one or all the following as the same are amended from time to time: (i) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C., Section 9601, et seq.; (ii) the

Toxic Substance Control Act, 15 U.S.C., Section 2601, et seq.; (iii) the Safe Drinking Water Act, 42 U.S.C., Section 300h, et seq.; (iv) the Clean Water Act, 33 U.S.C., Section 1251, et seq.; (v) the Clean Air Act, 42 U.S.C., Section 7401, et seq.; and (vi) the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted in connection with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land.

The term "Hazardous Material" includes: (i) those substances included within the definitions of hazardous substance, hazardous material, toxic substance, or solid waste in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C., Section 9601, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C., Section 6901, et seq.; and the Hazardous Materials Transportation Act, 49 U.S.C., Section 1801, et seq. And the regulations promulgated thereto: (ii) these substances listed in the United States Department of Transportation Table (49 C.F.R., Section 172.101 and amendments thereto) or by the Environmental Agency as hazardous substances (40 C.F.R., part 302, and amendments thereto; and, (iii) all substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any local, state or federal environmental law.

The term "release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

b. Compliance.

(1) Tenant shall not cause or permit any Hazardous Material to be used, generated, manufactured, produced, stored, brought upon, or released on, under or about the Leased Premises, or transported to and from the Leased Premises, by Tenant, its agents, employees, contractors or invitees that enters the Leased Premises in violation of any Environmental Laws.

(2) Tenant shall indemnify, defend and hold harmless Airport, its successors and assigns, its employees, agents and attorneys from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs (collectively, "Liability"), arising from or related to any claim or action for injury, liability, breach of warranty of representation, or damage to persons or property and any and all claims or actions brought by any person, entity or government body alleging or arising on connection with contamination of, or rule, regulation, judgment or order of any government or judicial entity, to the extent incurred or assessed as a result of any activity or operation on or discharge by, through or under Tenant from the Leased Premises during the term of this lease agreement. Notwithstanding the foregoing, Tenant shall not be responsible for, or indemnify Airport or any other person or entity for, any liability arising from (i) the presence, generation, use, manufacture or release of Hazardous Materials, or (ii) violation of any Environmental Laws, occurring or existing prior to the Effective Date or after this Lease agreement has terminated, provided Tenant's activities and operations were not the cause or source of the release of any Hazardous Materials or any contamination or violation of Environmental Laws. Airport shall indemnify, defend and hold harmless Tenant, its successors and assigns, its employees, agents and attorneys from and against any and all Liability arising from or related to any claim or action for injury, liability, breach of warranty of representation, or damage to persons or

property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any Environmental Laws or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity, to the extent incurred or assessed as a result of any activity or operation on or discharge from the Leased Premises occurring or existing prior to the Effective Date or after this Lease has terminated, provided Tenant's activities and operations were not the cause or source of the release of any Hazardous Material or any contamination or violation of Environmental laws.

ARTICLE X
Storm Water Compliance

1. Acknowledgments:

a. Notwithstanding any other provisions or terms of this Lease, Tenant acknowledges that the Airport is subject to federal storm water regulations, 40 CFR Part 122 and state storm water regulations (TPDES MSGP Permit number TXR050000), for vehicle maintenance, and equipment cleaning operations and/or deicing operations that occur at the Airport as defined in these regulations. Tenant further acknowledges that it is familiar with these storm water regulations; that it conducts vehicle maintenance, equipment cleaning operations and/or deicing activities as defined in the federal storm water regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.

b. Notwithstanding any other provisions or terms of this Lease, Airport acknowledges that it has obtained a storm water discharge permit as required by the applicable regulations for the Airport, including the property occupied or operated by the Tenant.

c. Notwithstanding any other provisions or terms of this Lease, including the Tenant's right to quiet enjoyment, Airport and Tenant both acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. Tenant acknowledges that, as discussed more fully below, it may have to undertake to minimize the exposure of storm water (and snow melt) to "significant materials" generated, stored, handled, or otherwise used by the Tenant, as defined in applicable storm water regulations, by implementing and maintaining "Best Management Practices."

d. The Airport's storm water discharge permit is incorporated by reference into this Lease and any subsequent renewals .

2. Permit Compliance:

a. Airport will provide Tenant with written notice of those storm water discharge permit requirements, that are in the Airport's storm water permit, that Tenant will be obligated to perform from time to time, including, but not limited to: certification of non-storm water

discharges, preparation of storm water pollution prevention or similar plans, implementation of "good housekeeping" measures or Best Management Practices, and, maintenance of necessary records. Such written notice shall include applicable deadlines. Tenant, within fourteen (14) days of receipt of such written notice, shall notify Airport in writing if it disputes any of the storm water discharge permit requirements it is being directed to undertake. If Tenant does not provide such timely notice, it is deemed to assent to undertake such requirements. If Tenant provides Airport with timely written notice that it disputes such storm water discharge permit requirements, Airport and Tenant agree to negotiate a prompt resolution of their differences. Tenant warrants that it will not object to written notice from the Airport for purposes of delay or avoiding compliance.

b. Unless otherwise agreed to in writing between Airport and Tenant or unless Tenant timely notifies Airport of its dispute as detailed above, Tenant agrees to undertake at its sole expense, those storm water discharge permit requirements for which it has received written notice from the Airport. Tenant warrants that it shall meet all deadlines that may be imposed on or agreed to by Airport and Tenant. Tenant acknowledges that time is of the essence.

c. Airport agrees to provide Tenant, at its request, with any non-privileged information collected and submitted to any governmental entity(ies) pursuant to applicable storm water regulations.

d. Tenant agrees that the terms and conditions of the Airport's storm water discharge permit may change from time to time and hereby appoints Airport as its agent to negotiate with the appropriate governmental entity(ies) any such permit modifications.

e. Airport will give Tenant written notice of any breach by Tenant of the Airport's storm water discharge permit or the provisions of this section. Tenant agrees to cure promptly any breach. If such a breach is material, and, if of a continuing nature, Airport may seek to terminate this Lease pursuant to the terms of this Lease.

f. Tenant agrees to participate in any Airport-organized task force or other work group established to coordinate storm water activities at the airport.

3. Indemnification:

a. Notwithstanding any other provisions of this Lease, Airport agrees to indemnify and hold Tenant harmless from any and all claims, demands, costs (including attorney's fees), fees, fines, penalties, charges and demands by and liability directly or indirectly arising from Airport's actions or omissions, for failure to comply with Airport's obligations under the applicable storm water regulations and storm water discharge permit, unless the result of Tenant's sole negligence, acts, or omissions. This indemnification shall survive any termination or non-renewal of this Lease.

b. Notwithstanding any other provisions of this Lease, Tenant agrees to indemnify and hold harmless Airport and other tenants from any and all claims, demands, costs (including attorney's fees), fees, fines, penalties, charges and demands by and liability directly or indirectly arising from Tenant's actions or omissions, for failure to comply with Tenant's obligations under this Article, the applicable storm water regulations, and storm water discharge permit, unless the result of Airport's sole negligence, acts, or omissions. This indemnification shall survive any termination or non-renewal of this lease.

ARTICLE XI
Events of Default and Remedies upon Default

1. "Event of Default" means the occurrence of any one or more of the following events as they may relate to this Lease: (a) Tenant fails to make any Rent payment (or any other payment) as it becomes due in accordance with the terms of this agreement, and any such failure continues for thirty (30) days after written notice by the Airport to the Tenant to pay; (b) Tenant or Airport fails to perform or observe any of its obligations under this Lease, and such failure is not cured within thirty (30) days after receipt of written notice by the other Party; (c) any statement, representation or warranty made by Tenant or Airport in this Lease or in any writing delivered by one Party to another pursuant thereto or in connection therewith proves at any time to be false, misleading or erroneous in any material respect as of the time when made; (d) Tenant applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Tenant or of all or a substantial part of its assets, or a petition for relief is filed by Tenant under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter.

2. If any Event of Default occurs, then Airport or Tenant may, at its option, exercise any one or more of the following remedies:

a. Terminate, cancel, or rescind this Lease.

b. Exercise any other right, remedy or privilege which may be available to the Parties under applicable law or, by appropriate court action at law or in equity, a Party may enforce any of the other Party's obligations under this Lease.

c. The non-defaulting Party may require the defaulting Party to pay (and the defaulting Party agrees that it shall pay) all out-of-pocket costs and expenses incurred by the non-defaulting Party as a result (directly or indirectly) of the Event of Default and/or of the defaulting Party's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, repair, reconditioning or disposition of the Leased Premises and any equipment associated with such agreement;

d. Airport may re-enter the Leased Premises to remove the Tenant and all persons holding over it and to terminate this Lease and repossess the Leased Premises. Such repossession shall not constitute a waiver by the Airport for any other rights it may have

to enforce collection of rents for the balance of the term or to recover damages from the Tenant for default in payment of rents. If Airport re-enters the Leased Premises, Airport shall allow Tenant to recover any and all perishable or time-sensitive items (including logbooks) within a reasonable time period as to not allow any item to perish, expire or hinder Tenant's ability to perform necessary functions related to its aircraft of business.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to the Parties. A Party's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of a Party to exercise any remedy under any agreement shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

ARTICLE XII

General Provisions

1. Neither the failure of either Party, including failure of the Airport to strictly enforce all of the terms of this lease nor the acceptance of rent by the Airport after any breach by the Tenant, nor any delay on the part of either Party to strictly enforce the provisions hereof shall operate or be deemed a waiver of any rights or remedies accruing to the non-breaching Party by reason of any subsequent breach. In any legal proceedings under this lease, the successful party shall be reimbursed by the other party for costs, expenses and reasonable attorney's fees, which shall be incurred in such proceedings.

2. Notices to the Airport shall be sufficient if sent by registered mail, postage paid, addressed to the Executive Director of Aviation, Killeen Regional Airport, 8101 Clear Creek Rd, Killeen, Texas 76549, and notices to the Tenant shall be sufficient if sent by registered mail, postage paid, addressed to CSI Aviation, Inc., 3700 Rio Grande Blvd. NW, Ste. 1, Albuquerque, NM 87107. The parties may designate other addresses from time to time in writing. Tenant must provide a valid new address for notices to Tenant within ten (10) days if the above address becomes invalid.

3. This Lease Agreement is made upon the express condition that if Tenant fails to keep and perform any of the material covenants or agreements contained in this indenture, then this Lease Agreement shall become void at the option of the Airport, provided the Airport shall first give the Tenant at least thirty (30) days written notice of intention to forfeit this Lease Agreement, and shall set forth therein the specific breach of lease and of Airport's intention to re-enter the Leased Premises and declare this Lease Agreement forfeited, if such breach be continued. Such notice shall be served in the manner heretofore provided and after the expiration of said thirty (30) days' notice this lease shall be void, provided the Tenant is then in default and the Airport shall then be entitled to the possession of the Leased Premises.

4. In the event of the appointment of a Trustee due to a voluntary or involuntary bankruptcy on the part of Tenant, or the appointment of a receiver for the Tenant, or a voluntary assignment for creditors by the Tenant, or if this lease shall, by operation of law or otherwise, devolve upon or pass to a person or corporation other than the Tenant, then

in no case shall the Leased Premises be used for any purpose other than those contained in ARTICLE II, herein.

5. The Airport reserves the right to further develop or improve the airport as it sees fit, regardless of the desires or views of Tenant and without interference or hindrance by Tenant; however, all developments and improvements of the airport will be coordinated with Tenant.

6. This Lease Agreement shall be subordinate to the current or future Airport rules, regulations and minimum standards, and City Ordinances, as well as all applicable State and Federal regulations and laws, as amended. It is herein agreed between the Airport and the Tenant that the Airport Rules and Regulations now in effect and hereafter adopted or amended by the City shall not be altered or impaired in any respect by this Lease Agreement but said rules and regulations shall remain in effect and be applicable to the Tenant during the term of this Lease Agreement.

It is expressly understood and agreed that this Lease is subject to and subordinate to and controlled by provisions, stipulations, covenants, and agreements contained in those certain contracts, agreements, resolutions, and actions of the City of Killeen, Texas, constituting agreements between the City and the United States of America and its agents including, but not limited to, the Federal Aviation Administration (FAA), the Transportation Security Administration (TSA) and all regulations now and hereafter imposed upon the City and that the Airport shall not be liable to Tenant on account of any of the foregoing matters and all of such contracts, agreements, resolutions, laws, and regulations are incorporated herein by reference, and if any provision of this Lease is determined to be at variance with same, such contracts, agreements, resolutions, laws, and regulations control.

7. The Tenant, its successors, and assigns will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. This includes such items as electrical or electronic equipment, creation of smoke or dust, or glaring or misleading lights.

8. The Airport covenants and agrees not to enter any lease, contract, or agreement with any other air transport operator providing the same services described in Article II with respect to the Airport, containing more favorable terms than this lease or to grant to any other air transport operator rights, privileges, or concessions with respect to the lease hereunder unless the same terms, rights, privileges, and concessions are concurrently made available to Tenant.

9. Airport warrants and represents that it has the right to Lease the Premises and covenants and agrees that while performing its obligations hereunder, Tenant shall enjoy, and Airport will defend and uphold its right to quiet and peaceful possession of the Premises, and all rights and privileges granted herein.

10. Tenant may establish and utilize other d/b/a (doing business as) names as appropriate if those names are provided in writing to the Executive Director of Aviation

prior to the use of such names in signage or advertising applicable to this business location.

11. In addition to any rights of termination provided elsewhere, Tenant shall have the right to terminate this Lease Agreement upon the giving of one hundred twenty (120) days advanced written notice to the Airport.

12. Tenant hereby verifies that it does not boycott Israel and will not boycott Israel during the term of this lease agreement. Boycotting Israel is defined in Texas Government Code section 808.001 to mean refusing to deal with, terminating business activities with, or taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

13. Airport, via its subsidiary Corporate Aviation Section, agrees to provide contract fuel service through AvFuel Corporation to Tenant owned/operated aircraft at an up-lift fee of \$0.40 per gallon between the hours of 6:00 AM and 7:00 PM daily. Fuel servicing for documented air medical missions is exempt from the payment of up-lift fees. After hours fuel deliveries will be subject to an additional charge of \$40.00 per delivery.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this ____ day of _____, 2025.

ATTEST:

CITY OF KILLEEN:

Laura Calcote
City Secretary

Kent Cagle
City Manager

ATTEST:

CSI AVIATION, INC.

Name
Title



David Orehek
Vice President - Administration

Exhibit A – Lease Premises



Hangar Space Total: 9,200 sq.ft

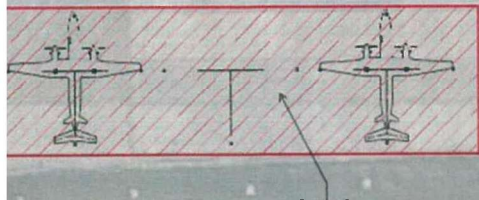
Office Space Total: 4,000 sq.ft

Exhibit B

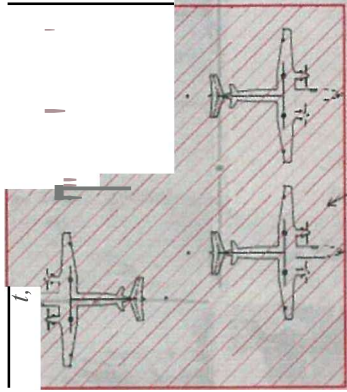
AIRPORT OPERATIONS
AREA DELINEATOR



0' 10' 20' 30' 40' 50' 60' 70' 80' 90' 100'



AIRSIDE RAMP SPACE LEASE AREAS
WITH AIRCRAFT TIE-DOWNS



AIRSIDE RAMP SPACE LEASE AREAS
WITH AIRCRAFT TIE-DOWNS

GROUND SERVICE EQUIPMENT (GSE) AREA:
3,200 SQUARE FEET (SF)
NOTE: EXACT CONFIGURATION AND
LOCATIONS WILL BE MUTUALLY AGREED
UPON BETWEEN THE TENANT AND THE CITY

CORPORATE HANGAR II
HANGAR BAY - 10,200 SF
OFFICE 1ST FLOOR - 1,000 SF
OFFICE 2ND FLOOR - 1,000 SF
- 39 PARKING SPACES

CORPORATE HANGAR I
HANGAR BAY - 16,000 SF
OFFICE SPACE - 3,500 SF
CREW & STORAGE SPACE - 3,146 SF
36 PARKING SPACES (10E,1D)

FIRE LANE

GROUND SERVICE EQUIPMENT (GSE) AREA:
800 SQUARE FEET (SF)
NOTE: EXACT CONFIGURATION AND
LOCATIONS WILL BE MUTUALLY AGREED
UPON BETWEEN THE TENANT AND THE CITY

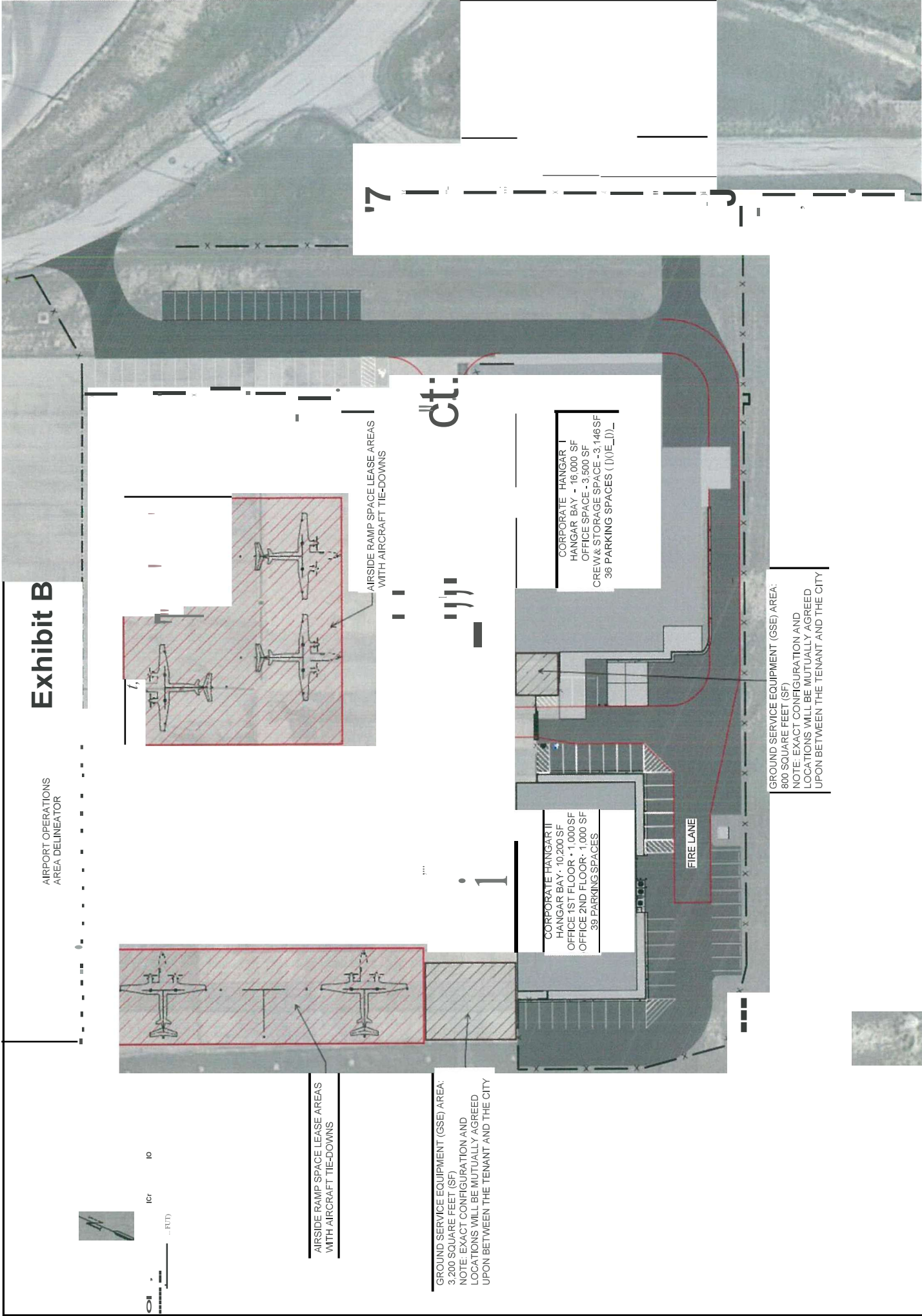


Exhibit C

City of Killeen and CSI Aviation, Inc.

Rents and Fees Schedule

BASIC RENT

Effective on January 1, 2025

Facility located at 6006 Reese Creek, Killeen, TX 76549

Aircraft Hangar Space: 9200 sq. ft. @ \$4.80 per sq. ft./ year= \$3,680.00 per month

Aviation Operations Office Space: 4000 sq. ft.@ \$15.50 per sq. ft. / year=\$ 5,166.67 per month

TOTAL MONTHLY RENT AND FEES

\$8,846.67 per month

AIRPORT USE FEES *

Landing Fees:

\$.84 per 1,000 lbs.

(FAA maximum certified landing weight)

Documented air medical mission and contracted Department of Defense landings are exempt.

SUNDRY CHARGES * (see City of Killeen Rates and Fees Schedule) *

* Subject to annual review and adjustment