

## BUILD-TO-SUIT LEASE AGREEMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF BELL      §

**THIS BUILD-TO-SUIT LEASE AGREEMENT**, regarding the construction and lease of an office building upon City-owned land ("Lease"), is entered into by and between the CITY OF KILLEEN ("City" or "Landlord") and CSI AVIATION, INC. ("Tenant"); each individually a "Party" and collectively, the "Parties."

**WHEREAS**, the City of Killeen owns approximately 3 acres of undeveloped land located immediately south to the Killeen Regional Airport;

**WHEREAS**, Tenant currently leases two corporate aircraft hangars located at Killeen Regional Airport and has expressed interest in relocating its headquarters to the City of Killeen contingent on the construction and availability of adequate office space near Killeen Regional Airport;

**WHEREAS**, Tenant anticipates that the relocation of its headquarters to the City of Killeen will support the employment of at least 35 full-time positions with an average salary of \$95,000 two years from the Commencement Date;

**WHEREAS**, the City Council for the City of Killeen finds that Tenant is a vital asset to the City of Killeen by providing essential aviation solutions and creating over seventy high to median salary jobs;

**WHEREAS**, the City has encumbered funds to construct a building on the above-described tract of land for use by Landlord; and

**WHEREAS**, the Parties now find it is in each of its respective best interest to enter into an agreement to identify those expectations and obligations of each Party in reaching said goals.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises, representation, and agreements set forth herein, the Parties agree as follows:

#### ARTICLE I BASIC TERMS

- 1.1 The following list sets out certain defined terms and other information pertaining to this Lease:
- (a) **"Landlord"**: City of Killeen, a Texas home-rule municipality.
  - (b) Landlord's notice address:  
City of Killeen  
Attn: Executive Director of Aviation  
P.O. Box 1329  
Killeen, TX 76540

- (c) **"Tenant"**: CSI Aviation, Inc., a Texas corporation.
- (d) Tenant's notice address:  
CSI Aviation, Inc.  
6006 Reese Creek Rd.  
Killeen, TX 76549
- (e) Tenant's trade name: CSI Aviation
- (f) **"Land"**: An approximate 3-acre tract of real property owned by Landlord generally located at the northwest corner of Reese Road and Clear Creek Road in Killeen, Texas and as depicted in Exhibit A.
- (g) **"Premises"**: An office building containing approximately 9,000 square feet to be constructed on the Land measured by calculating lengths and widths to immediately inside the exterior of outside walls (e.g., not including the exterior surface of outside walls) and to the middle of interior walls.
- (h) **"Commencement Date"**: Except as modified by the Work Letter, the earlier of:
  - (i) the date on which Tenant occupies and opens for business at the Premises, or
  - (ii) sixty days after the Delivery Date.

When the Commencement Date has been ascertained, the parties shall promptly complete and execute a Confirmation of Lease Term, attached to this Lease as Exhibit B. However, the failure of the parties to execute the Confirmation of Lease Term shall not defer the Commencement Date or otherwise alter or invalidate this Lease.
- (i) **"Term"**: Commencing on the Commencement Date continuing for 120 months (**"Initial Term"**). In accordance with Article X, following the expiration of the Initial Term, unless terminated as provided herein, the Lease shall automatically renew for an additional 120 months (**"Renewal Term"**). The Initial Term and Renewal Term are each a **"Term"**.
- (j) **"Minimum Guaranteed Rent"**: Beginning on the Commencement Date, the Minimum Guaranteed Rent will be \$22,500 per month. Beginning on the first anniversary, and on every anniversary thereafter for the duration of the Initial Term, the amount will increase by 3% (e.g., \$23,175/month for year 2, \$23,870/month for year 3, \$24,586/month for year 4, etc.).  
  
If Tenant exercises its option to renew the lease at the expiration of the Initial Term, the Minimum Guaranteed Rent for the Renewal Term shall be calculated at the time of election in accordance with Article X.
- (k) **"Permitted Use"**: The Premises may be used solely for those uses that are typical and common of an office building used in connection with an aviation business.
- (l) **"Affiliate"**: Any person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the party in question.
- (m) **"Delivery Date"**: The date upon which Landlord completes Landlord's Work, if any, as defined in the Work Letter, and delivers the Premises to Tenant.
- (n) **"Estimated Delivery Date"**: June 1, 2026

- 1.2 The following exhibits are attached and incorporated into this Lease:

<u>Exhibit A</u>	Description of Land
<u>Exhibit B</u>	Confirmation of Lease Term
<u>Exhibit C</u>	Work Letter
<u>Exhibit C-1</u>	Construction Plans

## ARTICLE II GRANTING CLAUSE

- 2.1 Grant of Lease; Quiet Enjoyment. Landlord hereby agrees to lease the Premises to Tenant for the Term and on the terms and conditions set forth in this Lease. Conditioned on the observance by Tenant of all covenants and conditions set forth in this Lease, and subject to the terms of this Lease, Landlord covenants and agrees that Tenant shall have quiet enjoyment of the Premises for the Term.

## ARTICLE III PREMISES

- 3.1 Premises. Landlord and Tenant stipulate that the number of rentable square feet in the Premises, as set forth above, is conclusive and binding on them. Landlord disclaims any representation or warranty, express or implied, related to the stipulated rentable square footage of the Premises. The parties agree that all aspects of this Lease that are based in whole or in part on the area of the Premises shall be deemed to be liquidated and not subject to adjustment based on inaccuracies and/or errors, if any, in the estimated area of the Premises.
- 3.2 Delivery of Premises – Landlord’s Work. Landlord shall not be deemed in default under this Lease if it fails to deliver the Premises to Tenant by the Estimated Delivery Date. Tenant agrees to accept possession of the Premises at the time that Landlord delivers the Premises at any time within ninety days of the Estimated Delivery Date (the “**Outside Delivery Date**”). If Landlord fails to deliver the Premises to Tenant by the Outside Delivery Date, then Tenant, as its sole and exclusive remedy, may elect to terminate this Lease by providing Landlord notice of such election at any time prior to the Delivery Date. If Tenant terminates this Lease pursuant to this Section, then neither party shall have any further liability or obligations under this Lease, except for those obligations that survive expiration or other termination of this Lease pursuant to the express terms of this Lease. The terms of this Section are expressly made subject to, and may be modified by, the terms of the Work Letter, if any.

## ARTICLE IV RENT

- 4.1 Minimum Guaranteed Rent. Tenant shall pay to Landlord the Minimum Guaranteed Rent in monthly installments. The first monthly installment of Minimum Guaranteed Rent shall be due and payable on or before the Commencement Date, and subsequent installments shall be due and payable on or before the first day of each calendar month during the Term.

If the Commencement Date is a date other than the first calendar day of a month, then on the date of execution of this Lease, Tenant shall pay the amount specified in Section 1.1(i), and on the first day of the calendar month that immediately follows the month in which the Commencement Date of this Lease occurs, a prorated portion of the monthly Minimum Guaranteed Rent, based on the number of days remaining in the calendar month during which

the Commencement Date occurs (e.g., the number of days in the calendar month on and after the Commencement Date). For clarity, if the Commencement Date is February 14, the full Minimum Guaranteed Rent is due February 14. The Rent for March would then be prorated for those days in which Tenant occupied the Premises in February (i.e., fourteen days) and would be due March 1.

- 4.2 Rent. For purposes of this Lease, the term “**Rent**” includes Minimum Guaranteed Rent and any rent adjustments and other charges required by this Lease. Landlord and Tenant agree that each provision of this Lease for determining charges and amounts payable by Tenant is commercially reasonable, and adequate and sufficiently describes to Tenant the method by which each charge or amount is to be computed and constitutes a “method by which the charge is to be computed” for purposes of Section 93.012 of the Texas Property Code (“**TPC**”) (as amended).
- 4.3 Rent Accrual. Rent shall accrue from the Commencement Date. Each subsequent monthly installment of Minimum Guaranteed Rent shall be due and payable in advance on the first day of each calendar month during the Term. All Rent shall be paid to Landlord without prior demand or notice, without any deduction or offset, and in lawful money of the United States of America, at Landlord’s address specified in Section 1.1(b), or to any other person or at any other address that Landlord may subsequently designate in a written notice to Tenant.
- 4.4 Delinquent Rent Issues. If any Rent that is payable pursuant to this Lease is not actually received by Landlord within five days after its due date for any reason whatsoever, or if any Rent payment by check is returned for insufficient funds, then, in addition to the past-due amount, Tenant shall pay to Landlord a late charge equal to the greater of (as permitted by applicable law): (i) a late charge in an amount equal to five percent (5%) of the Rent then due, to compensate Landlord for its administrative expenses; or (ii) interest on the Rent then due at the maximum contractual rate that could legally be charged (but in no event to exceed eighteen percent per annum), which shall accrue continuously (“**Interest**”) on any unpaid balance due to Landlord by Tenant. The parties agree that the late charge described above represents a fair and reasonable estimate of the extra costs incurred by Landlord as a result of a late payment and is not a penalty. Any late charge or Interest payment shall be payable as additional Rent under this Lease and shall be payable immediately on demand.
- 4.5 Returned Payment. If any Rent paid by check is returned for insufficient funds, Tenant shall immediately make the required payment to Landlord in the form of a cashier’s check or money order, and Tenant also shall pay Landlord the amounts specified in this Section 4.4, plus an additional fee of one hundred dollars to compensate Landlord for its expense and effort in connection with the dishonored check. No payment made by Tenant or received by Landlord in an amount less than the amount due from Tenant shall be deemed to be other than a partial payment, nor shall the acceptance of the late charge or Interest described in this Section 4.4 be deemed a consent by Landlord to any late payment, or a waiver of any of Landlord’s rights or remedies to which Landlord is entitled under this Lease, at law, or in equity. If Tenant twice fails to pay any installment of Rent within five days after that installment is due, then Landlord shall be entitled to (i) require all future Rent payments to be made on or before the due date by ACH, cashier’s check, or money order and (ii) stipulate that the delivery of Tenant’s personal or corporate check shall no longer constitute a payment of Rent as provided in this Lease.

## ARTICLE V PROPERTY TAXES

- 5.1 Tenant’s Taxes. Tenant shall be liable for, and shall pay, at least ten days before delinquency, all taxes directly or indirectly imposed or assessed on:

- (a) any furniture, fittings, installations, fixtures, trade fixtures, equipment, cables, and any other personal property (collectively, "**Personal Property**") placed by Tenant in or about the Premises; and
- (b) the Land or Premises as real property during any Term ("**Real Property**").

5.2 If any taxes are levied on the Real Property or Personal Property, and Landlord pays the taxes or obligations, which Landlord may do, after ten days' notice to Tenant, regardless of the taxes' or obligations' validity, then Tenant shall, within five days after Tenant receives written demand from Landlord, repay to Landlord the taxes or obligations levied against Landlord or Landlord's property plus Interest.

## ARTICLE VI USE AND CARE OF PREMISES

- 6.1 Commencement Date. Tenant shall commence business operations in the Premises on or immediately after the Commencement Date and shall operate its business continuously in an efficient, first-class, and reputable manner. Tenant shall not at any time leave the Premises vacant but shall in good faith continuously throughout the Term conduct and carry on in the entire Premises the type of business for which the Premises are leased.
- 6.2 Use of Premises. The Premises may be used only for the Permitted Use, and only under the Trade Name specified in Section 1.1(d), and, absent Landlords' prior written consent, for no other purpose and under no other trade name.
- 6.3 Operations and Permits. Tenant shall procure at its sole expense any permits, certificates, and licenses reasonably required for the transaction of business in, or occupancy of, the Premises.
- 6.4 Compliance with Environmental Laws. All operations in the Premises — as well as all property, substances, and other materials kept, stored, allowed to be brought within, or disposed from the Premises — shall comply in all respects with all federal, state, county, and municipal laws, ordinances, codes, regulations, standards, and guidelines in any way relating to or regulating human health or safety or industrial hygiene or environmental conditions or pollution or contamination in force now or in the future (as amended, supplemented, modified, recodified, and/or replaced on one or more occasions, the "**Environmental Laws**"), including, without limitation, the following: (i) the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 and any subsequent amendments, (ii) the federal Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act Amendments of 1980, and the Hazardous and Solid Waste Amendments of 1984, and any subsequent amendments, (iii) the federal Water Pollution Control Act of 1972 (the "Clean Water Act"), as it may be amended, and (iv) the federal Spill Compensation and Control Act of 1976, as it may be amended.
- 6.5 Hazardous Substances. No Tenant Party shall generate, use, manufacture, keep, store, refine, release, discharge, or dispose of any substance or material that is described as a toxic or hazardous substance, waste, or material or a pollutant or contaminant by any Environmental Law, including, without limitation, PCBs, petroleum products, asbestos, and asbestos-containing materials, crude oil, natural gas liquids, liquefied natural gas, or synthetic gas usable as fuel, and "source," "special nuclear," and "byproduct" material as defined in the Atomic Energy Act of 1985, 42 U.S.C. § 3011 et seq. (collectively, "**Hazardous Substances**"), on, under, or near the Premises, except that a Tenant Party may use Hazardous Substances on the Premises that are incidental to general retail use, such as cleaning fluids and solvents, if the quantities of these substances do not pose a threat to public health or to the environment. Tenant agrees to

indemnify, defend and hold harmless Landlord from and against all losses, costs, liabilities, claims, damages (including actual, direct, incidental, consequential, punitive, and exemplary damages, interest, and attorneys' fees, court costs, alternative dispute resolution expenses, and other legal fees and expenses) (collectively, "**Damages**"), including, without limitation, cleanup costs, response costs, remediation costs, causes of action, claims for relief, professional fees, penalties, fines, assessments, and charges incurred in connection with or arising from the generation, use, manufacture, storage, disposal, or release of any Hazardous Substance by any Tenant Party, or any person claiming through or under any Tenant Party, on or about the Premises or Land throughout the Term. Further, no Tenant Party shall, without Landlord's prior written consent, use or permit the Premises to be used in any manner or do any act that would increase the existing rate of insurance on the Premises or cause the cancellation of any insurance policy covering the Premises, and no Tenant Party shall permit to be kept, used, or sold, in or about the Premises, any article that may be prohibited by the standard form of fire insurance policy, unless Tenant obtains an endorsement to the applicable policy allowing the act or article.

## **ARTICLE VII UTILITIES**

- 7.1 Provision of Utilities. Landlord agrees to cause to be provided the necessary mains, conduits, and other facilities necessary to supply water, gas (if deemed appropriate by Landlord), electricity, telecommunications, and sewage (the "**Utilities**") to the Premises. Tenant will be responsible for obtaining and paying for all utility services for the Premises.
- 7.2 Utility Interruption. Landlord shall not be liable to Tenant for any loss or damage caused by or resulting from any variation, interruption, or failure of any utility service due to any cause whatsoever. No temporary interruption or failure of any utility service incident to the making of repairs, Premises Alterations, or improvements due to accident or strike or conditions or events not under Landlord's control shall (i) be deemed an eviction of Tenant, (ii) relieve Tenant from any of Tenant's obligations under this Lease, or (iii) entitle Tenant to any set-off, abatement, recoupment, or other reduction in any component of Rent.

## **ARTICLE VIII MAINTENANCE AND REPAIR OF PREMISES**

- 8.1 Landlord's Obligations. With respect to the Premises, Landlord shall maintain and keep in good repair the foundation; exterior walls; structural portions of the roof; heating, ventilation, and air conditioning systems ("**HVAC**"); and other structural portions of the Premises. If the Premises needs repairs that this Lease requires Landlord to make, Tenant shall give immediate written notice to Landlord, and Landlord shall have thirty days after receipt by Landlord of the written notice in which to commence the repair process. If agreed by the Parties in writing, Tenant may undertake the necessary repairs and offset the reasonable cost against Rent.
- 8.2 Tenant's Obligations. Tenant shall be required to maintain or keep in good repair the following elements of the Premises: landscaping, signs, placards, decorations, advertising media of any type; and interior painting or treatment of interior walls. Further, Landlord shall not be required to make any repairs to the Premises occasioned by the act or negligence of Tenant or any shareholder, member, manager, partner, Affiliate, subsidiary, director, officer, employee, agent, representative, licensee, contractor, invitee, or visitor of Tenant or of any assignee or subtenant of Tenant (each a "**Tenant Party**"). Notwithstanding the foregoing, Landlord shall remain responsible for repairs arising from latent defects, pre-existing conditions, or issues not directly caused by Tenant or its associated parties.

8.3 Tenant Direct Expenses. All maintenance, repairs, and replacements by Tenant shall be made promptly, in a good and workmanlike manner, pursuant to all applicable laws, ordinances, regulations, and directives of governmental entities having jurisdiction over the Premises, and the equipment manufacturers' suggested service programs, with materials and work of a quality at least equal to the original materials and work and with contractors approved in writing by Landlord. Further, Tenant shall replace at Tenant's sole expense any glass that may be broken in the Premises if done through any act, neglect, misuse, or omission of any duty by any Tenant Party, with glass of the same size, specifications, and quality, and, if required, with signs. If Tenant fails to make a repair or replacement within thirty days after the occurrence of the cause of the damage (or sooner, if reasonably required by the nature of the situation), then Landlord may make the repair or replacement at Tenant's cost, along with either (to be chosen in Landlord's sole discretion) (i) an additional administrative charge equal to five percent of the costs of the repair or maintenance, to be paid within thirty days after receipt of an invoice, or (ii) interest at the maximum contractual rate that could legally be charged on a loan to Tenant in the amount of the cost of the repair or replacement (but not to exceed eight percent per annum), to accrue continuously from the date of payment by Landlord for the repair or replacement until repayment by Tenant; provided, however, that Landlord shall charge Tenant only for the reasonable and necessary costs of such repair or replacement. Landlord shall not be liable to Tenant for any loss or damage that may result to Tenant's stock or business due to any repair or replacement made by Landlord pursuant to this Section, except to the extent such loss or damage arises from Landlord's gross negligence or willful misconduct.

8.4 Condition on Termination.

- (a) On the expiration or earlier termination of this Lease, Tenant shall immediately (i) quit and surrender the Premises to Landlord; (ii) remove from the Premises all of Tenant's Personal Property and signage and repair any damage caused by that removal; (iii) remove all cable and communications wires (collectively, "**Cables**," as that term is defined in the 2002 National Electric Code, Section 800.52) that Tenant installed or caused to be installed; (iv) restore the Premises to their original condition (including, if requested by Landlord, demolition and removal of the Premises Alterations), exclusive of ordinary wear and tear; (v) clean the Premises, including, but not limited to, all walls, floors, suspended ceilings, and carpeting in the Premises; (vi) remove or cause to be removed all debris and rubbish from the Premises; (vii) remove all Hazardous Substances from the Premises (except for any Hazardous Substances existing on the Premises before the date of this Lease); (viii) execute any requested bills of sale for Premises Alterations permitted by Landlord to remain in the Premises, free of all liens and encumbrances; (ix) surrender any keys, electronic ID cards, and other access control devices to Landlord at the place then fixed for the payment of Rent; and (x) perform all other obligations required of Tenant under the terms of this Lease.
- (b) If Tenant fails to remove any of its Personal Property on the expiration or earlier termination of this Lease, then all remaining Personal Property located in the Premises shall conclusively be deemed abandoned, and Landlord may, at its option, remove that Personal Property in any manner that Landlord shall choose, and store the Personal Property, without liability to Tenant. Tenant agrees to pay Landlord on demand all expenses incurred in this removal and storage of abandoned Personal Property, including, without limitation, court costs, attorneys' fees, and storage charges. If Tenant does not both (i) claim and take delivery of any of its Personal Property that remains in the Premises or in storage within ten days after the expiration or earlier termination of this Lease and (ii) pay Landlord all amounts due under this Lease and all costs of removal and storage of that Personal Property, then Landlord may, at its option, without notice, sell the Personal Property at public auction and without legal process, for any price that Landlord may

obtain, and apply the proceeds of the sale to any amounts due under this Lease from Tenant to Landlord and to the expenses incident to the removal and sale of the Personal Property.

## ARTICLE IX ALTERATIONS

- 9.1 Alterations. Tenant will not make any alterations, additions, improvements, or betterments, make changes to locks on doors, or add, disturb, or in any way change any plumbing or wiring in or to the Premises (collectively, "**Premises Alterations**") without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. On any request by Tenant to make any Premises Alterations, Landlord reserves the right to require Tenant to submit to Landlord plans and specifications for the Premises Alterations, together with an identification of the contractor(s) whom Tenant plans to employ for the Premises Alterations, for Landlord's approval based on reasonable requirements that shall not be arbitrarily imposed. Notwithstanding anything to the contrary in this Lease, all contractors performing work in the Premises must be licensed, insured, and bonded at levels approved by Landlord.
- 9.2 Required Bonds. Before proceeding with any Premises Alterations, Tenant must:
- (a) include in any contract, with a contractor performing the work, a provision that requires the contractor to execute:
    - (i) a payment bond that conforms to Subchapter I, Chapter 53, Texas Property Code; and
    - (ii) a performance bond in an amount equal to the contract.
  - (b) provide Landlord at least ninety days' advance notice, that complies with Texas Government Code Section 2252.909(c), before the commencement of the Premises Alterations.
- 9.3 Premises Alterations. All Premises Alterations shall be made at Tenant's sole expense and strictly pursuant to this Lease and all laws, regulations, and ordinances relating to Premises Alterations. Tenant agrees to indemnify, defend, and hold Landlord harmless against any Damages resulting from Premises Alterations or the performance of Premises Alterations work. If Texas Government Code Chapter 469 ("**Chapter 469**") requires that plans and/or specifications be submitted to the Texas Department of Licensing and Regulation or any other governing authority (collectively, "**TDLR**") for review and approval, then Tenant shall (i) submit the plans and/or specifications to TDLR and provide to Landlord proof of this submission before applications for any building permits are submitted or construction has commenced and (ii) promptly on completion of any Premises Alterations work, if any, request an inspection pursuant to Chapter 469 and provide Landlord with a certificate that the Premises are in compliance with Chapter 469. Tenant's obligations contained in this Section shall survive the expiration or earlier termination of this Lease.
- 9.4 Signage. Tenant shall not, without Landlord's prior written consent, make any exterior or interior changes to the Premises, including, without limitation, ones that will alter the aesthetics or character of the facade. All signs, lettering, placards, decorations, and advertising media ("**Signs**") approved by Landlord shall conform in all respects to applicable laws. Landlord's approval of any Signs shall not be construed as any agreement, representation, or warranty by Landlord that the Signs comply with applicable laws. All Signs approved by Landlord shall be professionally designed and constructed in a first-class manner and installed and maintained by Tenant in a first-class workmanlike manner, including the electrical hookup, all at Tenant's sole expense. At the expiration or earlier termination of this Lease, all Signs attached to or painted by Tenant on



the Premises, whether on the exterior or interior of the Premises, shall be removed by Tenant at its own expense, and Tenant shall repair any damage or injury to the Premises, and correct any unsightly condition, caused by the maintenance and removal of the Signs.

- 9.5 Removal of Premises Alterations. Unless required by Landlord, all Premises Alterations shall remain in, and be surrendered with, the Premises at the termination of this Lease, without disturbance, molestation, or injury. If Landlord requires this removal, Tenant shall receive written notice of such removal requirement at least 60 days prior to Lease termination and shall have the option to remove such Premises Alterations at its sole expense. In such event, any restoration expenses shall be limited to amounts that are reasonable and mutually agreed upon, and Tenant shall only be responsible for repair costs that exceed normal wear and tear, subject to an independent estimate.
- 9.6 ADA Compliance. Tenant, at its sole cost and expense, shall ensure that any Premises Alteration complies with all federal, state, county, and municipal laws, statutes, ordinances, and governmental rules, regulations, and requirements now in force or that may be in force in the future, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq. (as amended, the “**ADA**”) and the Texas Architectural Barriers Act (Texas Gov. Code §§ 469.001–.208) (as amended, “**Chapter 469**”) (collectively, the “**Disabilities Acts**”). Tenant shall forward to Landlord within five days of Tenant’s receipt copies of any notices received from any governmental authorities with respect to Tenant’s compliance or noncompliance with the Disabilities Acts.

## ARTICLE X RENEWAL OPTION

- 10.1 Renewal Term. Tenant (but not any Transferee) is granted the option to extend the Lease Term for one additional term of ten years (the “**Renewal Term**”), if:
- (a) Tenant is not in default either at the time of exercise of the respective option or on the commencement date of the Extension Term, provided that if any default is curable, Tenant shall have a reasonable opportunity to cure following thirty days notice before forfeiting its renewal right; and
  - (b) Tenant gives written notice of its exercise of the respective option at least one hundred twenty days before the expiration of the then-existing Lease Term.
- 10.2 Conditions. Each Renewal Term shall be on the same terms, and conditions, except:
- (a) Tenant shall have no further right of renewal after the last Extension Term prescribed above.
  - (b) The monthly Base Rent for the Renewal Term shall be adjusted based on changes in the Consumer Price Index. (“**Adjusted Rate**”).
  - (c) The Adjusted Rate shall be calculated by multiplying the current Rent by the same net percentage as the Consumer Price Index (Dallas/Fort Worth regions for All Urban Consumers, less energy) as published by the U.S. Department of Labor, Bureau of Labor Statistics, during the preceding twelve months. The Adjusted Rate shall become effective on the Effective Date of the Renewal Term.

## ARTICLE XI

### LANDLORD'S RIGHT OF ACCESS

- 11.1 Landlord's Right of Access. After reasonable notice (except in emergencies, where no notice is required), Landlord, any of its respective directors, officers, employees, agents, representatives, licensees, and contractors (the "**Landlord Parties**") shall have the right to enter the Premises to inspect, test, and examine the Premises, to supply any service to be provided by Landlord to Tenant under this Lease, to post notices, to alter, improve, or repair the Premises, or for any other reasonable purpose. Landlord may, in order to carry out these activities, take all materials and supplies into the Premises that may be required for the purpose of performing the activities, and may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed. Tenant also shall permit Landlord to place and maintain "For Rent" or "For Lease" signs on the Premises during the last one hundred eighty days of the Term. Tenant shall not be due any abatement of Rent or any waiver of any of Tenant's obligations under this Lease as a result of any entry to
- 11.2 Emergency Access. Landlord may use all means that Landlord may deem proper to open any doors in the Premises in an emergency in order to obtain entry to the Premises. Any entry to the Premises obtained by Landlord pursuant to Section 11.1 shall not be deemed to be a forcible or unlawful entry into the Premises, or an eviction of Tenant from the Premises or any portion of the Premises, and Tenant waives any claim for Damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss in, on, or about the Premises, except to the extent caused by Landlord's gross negligence or willful misconduct.

## ARTICLE XII

### TENANT'S INSURANCE

- 12.1 Tenant's Insurance. Tenant, at its sole cost and expense, shall procure and maintain throughout the Term and any other period of occupancy, the following policies of insurance:
- (a) *Property Insurance.* Property insurance insuring against the perils of fire, vandalism, malicious mischief, cause of loss – special form, sprinkler leakage, mold coverage, and terrorism coverage, with no exclusions except the standard printed exclusions. The policy shall be for one hundred percent of the replacement cost, without deduction for depreciation, of (i) all Personal Property owned, leased, held, or possessed by Tenant or any contractor of Tenant and located in the Premises; (ii) all Premises Alterations, regardless of who paid for them; and (iii) all materials, equipment, supplies, and temporary structures on or within one hundred feet of the Premises used for making any Premises Alterations. If there is a dispute as to the amount that comprises full replacement cost, the decision of the Landlord shall be conclusive. Each policy shall have the following unmodified endorsements: (i) the Landlord Parties shown as "insured as their interests may appear" and (ii) ordinance or law coverage.
  - (b) *Commercial General Liability.* Commercial general liability insurance insuring Tenant against any liability arising out of the lease, use, occupancy, or maintenance of the Premises and all areas appurtenant to the Premises. This insurance must have the General Aggregate Liability Insurance Limit of \$2,000,000 per occurrence for each of the following: (i) injury to or death of one or more persons in an occurrence and (ii) damage to tangible property (including loss of use) in an occurrence, with the liability amount to be adjusted from year to year as reasonably required by Landlord. The policy shall insure the hazards of premises and operations, independent contractors, and contractual liability and

shall (i) name the Landlord as additional insured, (ii) contain a cross-liability provision, and (iii) include fire legal liability coverage. If the use and occupancy of the Premises include any activity or matter that is or may be excluded from coverage under a commercial general liability policy (e.g., the sale, service, or consumption of alcoholic beverages), then Tenant shall obtain endorsements to the commercial general liability policy or otherwise obtain insurance to insure all liability arising from the activity or matter in amounts as Landlord may reasonably require.

- (c) *Workers' Compensation Insurance.* Workers' Compensation insurance for at least the applicable statutory limit; and employer's liability (or equivalent coverage under commercial umbrella) with at least \$1,000,000 limit for each accident, for bodily injury by accident, and at least \$1,000,000 limit for each of Tenant's employees for bodily injury by disease.

- 12.2 Tenant Insurance Policy Requirements. All of the insurance policies required by this Lease, shall be written in a form satisfactory to Landlord and shall be taken out with insurance companies qualified to issue insurance in the State of Texas and holding an A.M. Best's Rating of "A+". Each policy shall provide that it is primary insurance, and not excess over or contributory with any other insurance in force for or on behalf of Landlord, with all policies of Landlord being excess, secondary, and noncontributing. Further, none of these policies shall contain any endorsement or provision that states the limits of the policy shall not stack, pyramid, or be in addition to any other limits provided, nor shall any of these policies have any cross-suits exclusion or any similar exclusion that excludes coverage for claims brought by an additional insured under the policy against another insured under the policy. Additionally, none of these policies shall have a deductible exceeding \$10,000.00. Tenant must reinstate the full aggregate limit of any policy reduced below 75% of any aggregate limit required by this Lease. Within ten days after the execution of this Lease, Tenant shall deliver to Landlord copies of policies or certificates and endorsements evidencing the existence of the amounts and forms of coverage satisfactory to Landlord. No policy shall be cancelled or reduced in coverage except after thirty days' prior written notice to Landlord. Tenant shall, at least thirty days before the expiration of the policies, furnish Landlord with renewals or "binders" of the policies.
- 12.3 Waiver of Subrogation. To the fullest extent permitted by law, Tenant waives and releases Landlord from any rights of recovery, claims, actions, or causes of action against Landlord to the extent covered by any of the above insurance policies. Each insurance policy must be endorsed to reflect the insurer's acceptance of this waiver of subrogation. The above waiver of subrogation applies regardless if there are any deductibles or self-insured retentions and in the absence of any insurance policy.
- 12.4 No Representation. Tenant acknowledges that Landlord makes no representation that the limits or forms of coverage of insurance specified in this Lease are adequate to cover Tenant's property, business operations, or obligations under this Lease.
- 12.5 Other Insurance Coverages. In addition to any other remedy available to Landlord pursuant to this Lease or otherwise, Landlord may, but is not obligated to, obtain any insurance that is the responsibility of Tenant under this Article, and Tenant shall pay to Landlord on demand the premium costs of the insurance, plus an administrative fee of 5% of those costs. Tenant further acknowledges and agrees that the reimbursement provided in this Section is cumulative with, and does not supersede or reduce in any way, Landlord's rights as specified in this Lease provided, however, that Landlord shall use commercially reasonable efforts to notify Tenant and give Tenant thirty days to cure any failure to procure insurance before Landlord obtains insurance on Tenant's behalf.

**ARTICLE XIII  
INDEMNITIES AND WAIVERS**

- 13.1 Tenant Indemnities. Tenant shall indemnify, defend, and hold harmless all Landlord Parties from and against all Damages arising, in whole or in part, from (i) any causes in, on, or about the Premises directly attributable to the gross negligence or willful misconduct of Tenant; (ii) any Tenant Party's use of the Premises or the conduct of its business or any activity, work, or thing done, permitted, or suffered by any Tenant Party in or about the Premises (including, without limitation, any activity that results in an increase in the premium of any insurance policy or coverage carried by Landlord; (iii) any breach, violation, or nonperformance by any Tenant Party of any term, covenant, or provision of this Lease; (iv) any Tenant Party's actual violation of, or failure to comply with, any applicable law; (v) any injury or damage to the person, property, or business of any Tenant Party; (vi) the negligence of any Landlord Party (but not the gross negligence or willful misconduct of a Landlord Party); or (vii) any action or proceeding brought on any of the items listed in this sentence. Notwithstanding the foregoing, Tenant's indemnity obligations shall be limited to direct damages only, and Tenant shall not be liable for any consequential, incidental, punitive, or special damages. In case any action or proceeding is brought against any Landlord Party by reason of any of the items in the previous sentence, Tenant, on written notice from Landlord, shall defend the Landlord Party at Tenant's expense.
- 13.2 Tenant Waivers. TENANT WAIVES ALL CLAIMS AGAINST LANDLORD PARTIES ACTUALLY OR ALLEGEDLY ARISING FROM DAMAGE TO OR LOSS OF ANY TENANT PARTY'S TANGIBLE PROPERTY, EXCEPT FOR CLAIMS RESULTING SOLELY FROM LANDLORD'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. AS A MATERIAL PART OF THE CONSIDERATION TO LANDLORD, TENANT, TO THE FULLEST EXTENT PERMITTED BY LAW AND THIS LEASE, ASSUMES ALL RISK OF, WAIVES ITS ENTIRE CLAIM OF RECOVERY FOR, AND RELEASES AND RELIEVES ALL LANDLORD PARTIES FROM RESPONSIBILITY FOR ANY CLAIMS ACTUALLY OR ALLEGEDLY ARISING FROM: (i) TENANT'S INSURABLE INJURIES (AS DEFINED BELOW) NOT CAUSED BY A LANDLORD PARTY; (ii) ANY INSURABLE INJURY TO ANY TENANT PARTY NOT CAUSED BY A LANDLORD PARTY; (iii) ANY BUSINESS INTERRUPTION OR TENANT'S LOSS OF USE OF THE PREMISES NOT CAUSED BY A LANDLORD PARTY; OR (iv) ANY LOSS OR DAMAGE TO OR WITHIN THE PREMISES, WHETHER THE LOSS OR DAMAGE IS DUE TO THE NEGLIGENCE OF EITHER OF THE PARTIES TO THIS LEASE, ANY TENANT PARTY OR LANDLORD PARTY, OR ANY OTHER CAUSE. NOTWITHSTANDING THE FOREGOING, THIS WAIVER SHALL NOT APPLY TO ANY CLAIMS ARISING SOLELY FROM LANDLORD'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

**"Insurable Injury"** means (i) any loss or damage to the real or personal property of any Landlord Party or Tenant Party located anywhere in the Premises, arising out of or incident to the occurrence of any of the perils that are covered by the property insurance required to be carried under this Lease or by the fire insurance policy, with extended coverage endorsement, in common use in the city in which the Premises are located; (ii) any "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain under this Lease; or (iii) any loss or injury to persons that is covered by Workers' Compensation and employer's liability insurance required to be carried by this Lease or by state law. Each Party waives claims against the other to the extent covered by an Insurable Injury.

TENANT ACKNOWLEDGES AND AGREES THAT IT IS SOLELY RESPONSIBLE FOR PROVIDING ADEQUATE SECURITY FOR THE PREMISES. LANDLORD HAS NO RESPONSIBILITY TO PREVENT AND SHALL NOT BE LIABLE TO ANY TENANT PARTY FOR, LOSSES DUE TO THEFT, BURGLARY, OR OTHER CRIMINAL ACTIVITY, OR FOR DAMAGES OR INJURIES TO PERSONS OR PROPERTY RESULTING FROM PERSONS GAINING

ACCESS TO THE PREMISES, AND TENANT RELEASES ALL LANDLORD PARTIES FROM ALL LIABILITIES FOR THESE LOSSES, DAMAGES, OR INJURIES, NOT CAUSED BY A LANDLORD PARTY.

- 13.3 Releases, Waivers, Indemnities Cumulative. The releases, waivers, and indemnities specified in this Article are cumulative with any releases, waivers, indemnities, or exculpations that may be contained in other provisions of this Lease. The provisions of this Article shall survive the expiration or earlier termination of this Lease. Notwithstanding the cumulative nature of these provisions, nothing in this Article shall relieve either party from liability for claims arising from its own gross negligence or willful misconduct.

#### ARTICLE XIV DAMAGES BY CASUALTY

- 14.1 Damage by Peril. If the Premises are damaged by fire or any other peril (collectively, a "**Peril**"), then Tenant shall give prompt written notice to Landlord (a "**Peril Notice**"). In the event of a Peril affecting the Premises, Landlord shall have the following rights and obligations, provided, however, that Landlord shall have no obligations to repair or restore the Premises unless and until Landlord receives a Peril Notice:
- (a) *Major Damage.* If the Premises is materially or substantially damaged or destroyed by any Peril that is covered by collectible insurance carried by Landlord at the time of the damage or destruction (a "**Covered Peril**") to the extent that, in Landlord's sole discretion, the cost to repair, reconstruct, or restore the Premises exceeds twenty-five percent of the then-full replacement value of the Premises or the damage to the Premises is such that the Premises cannot reasonably be repaired, reconstructed, and restored within six months from the date of the damage or destruction, then Landlord shall either: (i) upon receipt of all insurance proceeds and subject to delays beyond Landlord's reasonable control, use reasonable diligence to commence, or cause the commencement of, and complete, or cause the completion of, the work of restoring the Premises, to substantially the same condition as they were in immediately before the Covered Peril, in which event this Lease shall remain in full force and effect, or (ii) within sixty days after the date of the damage or destruction, as extended by the number of days from that date until Landlord receives the Peril Notice, elect not to repair, reconstruct, or restore the Premises, in which event this Lease shall terminate as of the date of the damage or destruction by the Covered Peril. Landlord shall give Tenant written notice of its intention to elect either option (i) or option (ii), within sixty days following the Covered Peril.
  - (b) *Other than Major Damage.* If the Premises is partially damaged or destroyed by any Covered Peril to the extent that (i) in Landlord's sole discretion, the cost to repair, reconstruct, or restore the Premises would be twenty-five percent or less of the then-full replacement value of the Premises, and (ii) if the damage to the Premises may be reasonably repaired, reconstructed, or restored within a period of six months from the date of the damage or destruction; then, upon receipt of all insurance proceeds and subject to delays beyond Landlord's reasonable control, Landlord shall commence, or cause the commencement of, and diligently complete, or cause the completion of, the work of restoring the Premises, to substantially the same condition as they were in immediately before the Covered Peril, and this Lease shall continue in full force and effect.
  - (c) *Extenuating Circumstances.* If the Premises is damaged or destroyed by a Peril, then Landlord may elect to be relieved of its obligation to repair, reconstruct, and restore the Premises and may terminate this Lease upon written notice to Tenant within sixty days

after the date of damage or destruction caused by the Peril if any of the following conditions apply:

- (i) damage or destruction of the Premises is due to any Peril that is not a Covered Peril;
- (ii) Landlord does not actually receive sufficient insurance proceeds to pay for all repairs, reconstruction, and restoration of damage or destruction caused by the Peril despite making reasonable efforts to obtain such proceeds, and after consulting with Tenant to explore alternative solutions or contributions to address the shortfall; or
- (iii) the repair, reconstruction, or restoration of the damage caused by the Peril is delayed or prevented for longer than six months after the occurrence of the damage or destruction due to circumstances beyond Landlord's reasonable control, including, but not limited to, acts of God, strikes, embargoes, pandemic, epidemic, governmental restrictions, war, terrorism, or other strife, inability to procure the necessary labor or materials, or any other cause beyond the reasonable control of Landlord.

14.2 Termination & Release. On any termination of this Lease under any of the provisions of this Article, each Party shall each be released without further obligation to the other from the date possession of the Premises is surrendered to Landlord, or any other date as is mutually agreed on by the Parties, except with regard to payments or other obligations that have accrued as of that date and are then unpaid or unperformed. If this Lease is terminated under this Article, then Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all Premises Alterations and, if Tenant has failed to maintain insurance on Premises Alterations as required by this Lease, then Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on those items as required by this Lease

14.3 Restoration. In the event of repair, reconstruction, or restoration by or through Landlord pursuant to this Article, the Minimum Guaranteed Rent shall be abated proportionately to the degree to which the Premises are unfit for occupancy during the period of the repair, but only if the damage did not result from the negligence or misconduct of any Tenant Party and only to the extent that the Premises are not actually used by Tenant. Tenant agrees that during any period of reconstruction or repair of the Premises pursuant to this Article, it shall continue the operation of its business within the Premises to the extent practicable.

- (a) *Premises Repair.* If Landlord is obligated to or elects to repair, reconstruct, or restore pursuant to this Article, then Landlord shall be obligated to repair, reconstruct, or restore only those portions of the Premises that were originally provided at Landlord's expense, and only to the extent of the insurance proceeds actually received by Landlord for the damage or destruction caused by the Peril in question.
- (b) *Alterations Repair.* Any repair, reconstruction, or restoration of Premises Alterations that were damaged or destroyed by the Peril, if any, shall be the obligation of Tenant or, at mutual election, Landlord shall carry out the repair, reconstruction, or restoration, and Tenant shall pay all costs of the repair, reconstruction, or restoration, along with an additional administrative charge in an amount not to exceed 10% of such costs. Tenant must give Landlord satisfactory evidence of Tenant's ability to carry out the repair, reconstruction, or restoration of the Premises Alterations, if any, or to pay the costs of the repair, reconstruction, or restoration and the additional administrative charge before the restoration of the Premises begins.
- (c) *Personal Property.* Further, Landlord has no obligation to repair, reconstruct, or restore any Personal Property of any Tenant Party.

**ARTICLE XV**  
**ASSIGNMENT AND SUBLETTING**

15.1 No Transfers. Absent the express prior written consent of Landlord, which Landlord may withhold in its sole discretion, Tenant shall not:

- (a) directly or indirectly (including by the transfer of the ownership interests in Tenant or any Tenant Affiliate), voluntarily or by operation of law, sell, assign, encumber, pledge, or otherwise transfer all or part of its interest in or rights with respect to the Premises or this Lease (collectively, enter an “**Assignment**”);
- (b) sublet all or any portion of the Premises (enter a “**Sublease**”); or
- (c) grant any license, concession, or other right of occupancy (collectively, a “**License**”) of all or any portion of the Premises.

Each of the events listed in Section 15.1 is a “**Transfer**”.

15.2 Transfer Requests. If Tenant desires to make a Transfer, then Tenant shall give a written request to Landlord of its intention to do so (the “**Transfer Request**”), containing the name of the proposed assignee, subtenant, or licensee (each a “**Transferee**”) together with the financial and other terms of the proposed Transfer (collectively, the “**Transfer Rent**”), a description of the portion of the Premises proposed to be transferred (the “**Transfer Space**”), and any other information reasonably requested by Landlord. Within thirty days after Landlord’s receipt of the Transfer Request, Landlord shall, in its sole discretion and by written notice to Tenant:

- (a) consent to the Transfer; or
- (b) disapprove the Transfer; or

Landlord’s failure to make this election within thirty days after Landlord’s receipt of the Transfer Request shall be deemed to be Landlord’s disapproval of the proposed Transfer.

15.3 Approved Transfer. If Landlord consents to any Transfer as set forth in Section 15.2, then Tenant may, within thirty days after Landlord’s consent, enter into the Transfer, but only with the Transferee and on the same terms as set forth in the Transfer Request, and Tenant shall promptly send to Landlord a copy of the fully executed documents effectuating the Transfer. Tenant shall pay to Landlord monthly (as Rent) fifty percent of any Transfer Rent that exceeds the Minimum Guaranteed Rent. Landlord’s consent to any Transfer shall not be construed as a consent to any terms of the Transfer.

No Transferee shall have the right to exercise any right or option under this Lease, if any, to lease additional space, extend the Term, or terminate this Lease. Landlord’s consent to any Transfer shall not waive its rights, and it shall not estop Landlord from exercising its rights, with respect to any other actual or proposed Transfer, and Landlord’s consent to any Transfer shall not relieve Tenant or any it’s obligations under this Lease of any liability to Landlord under this Lease or otherwise. Tenant shall pay the costs of any demising walls or other improvements necessitated by a Transfer.

15.4 Rights of Transferees. Each Transferee under an Assignment shall have all the obligations of Tenant under this Lease and shall be and be jointly and severally liable with Tenant under this Lease. Each Transfer by Tenant shall be subject and subordinate to this Lease, and each Transferee shall be subject to this Lease. Each Transferee shall be deemed, automatically on and as a condition of it accepting an Assignment or occupying or using the Premises or any part of the Premises, to have agreed to be bound by the terms and conditions set forth in this Section.



The provisions of this Section are self-operative, and no further instrument is required to give them effect.

- 15.5 Void Transfer. Any Transfer in violation of this Article is void and, at the option of Landlord, shall constitute an Event of Default under this Lease. The acceptance of any Transfer Rent by Landlord from a purported Transferee shall not constitute a waiver by Landlord of the provisions of this Article.
- 15.6 Event of Default During Transfer. If an Event of Default occurs while the Premises or any part of the Premises is subject to a Transfer, then Landlord, in addition to its other remedies, may collect directly from the Transferee all Transfer Rent becoming due to Tenant and apply the Transfer Rent against the Rent. Tenant authorizes its Transferees to make payments of Transfer Rent directly to Landlord on receipt of notice from Landlord to do so following the occurrence of an Event of Default.
- 15.7 Open Market Transactions. Any sale or other transfer, including, without limitation, (i) by consolidation, merger, or reorganization, of a majority of the voting stock of Tenant, if Tenant is a corporation; (ii) any sale or other transfer of a majority of or a controlling interest in the partnership interests in Tenant, if Tenant is a partnership; (iii) any sale or other transfer of a majority of or a controlling interest in the membership interests in Tenant, if Tenant is a limited liability company; or (iv) any sale or other transfer of a majority of the beneficial interests in Tenant or of any controlling interest in Tenant, if Tenant is a trust or other type of entity, is an Assignment for purposes of this Article, except that, if Tenant is a publicly traded company, then a sale of the majority of the beneficial interests in Tenant or of any controlling interest in Tenant in normal open market transactions is not an Assignment for purposes of this Article. As used in this Article, the term "Tenant" also means any Guarantor that has guaranteed Tenant's obligations under this Lease or any entity that directly or indirectly owns a majority of the voting stock of or partnership, limited liability company, or other beneficial interests in Tenant, and the Transfer provisions in this Article are applicable to any sales or transfers of the stock or partnership, limited liability company, or other beneficial interests of that Guarantor or majority owner.

## ARTICLE XVI TENANT LIENS AND ENCUMBRANCES

- 16.1 Liens Created by Tenant. Tenant shall keep the Land and Premises free from any liens or encumbrances of any kind or nature arising out of any work performed, materials ordered, or obligations incurred by or on behalf of Tenant. If Tenant fails to cause any lien, encumbrance, or charge to be discharged within ten days following its filing, then Landlord may, at Landlord's sole discretion, either (a) cause it to be discharged and may make any payment if Landlord considers it necessary, desirable, or proper to do so or (b) declare Tenant's failure to discharge to be an Event of Default (as defined in this Lease). If Landlord makes any payment under option (a), then all amounts paid by Landlord are payable by Tenant to Landlord on demand, with Interest.

## ARTICLE XVII DEFAULT AND REMEDIES

- 17.1 Events of Default. The occurrence of any of the following events, following a 30-day cure period (or 5 days in the case of 17.1(a)), shall be a default under this Lease by Tenant (each an "**Event of Default**"):
- (a) Tenant fails to make any payment of Rent within five days following the payment's due date.



- (b) Any of the following: (i) the making by Tenant or any Guarantor of any general assignment for the benefit of creditors; (ii) the filing by or against Tenant or any Guarantor of a petition (a) to have Tenant adjudged bankrupt, (b) for reorganization or arrangement under any present or future law or regulation relating to bankruptcy, or (c) in any proceeding for an assignment for the benefit of creditors, unless the petition is dismissed, discharged, or denied within thirty days; (iii) Tenant becoming insolvent; or (iv) the written admission by Tenant of its inability to pay its debts as they become due.
- (c) Either: (i) the appointment of a trustee, receiver, or liquidator to take possession of (a) substantially all of Tenant's assets located at the Premises, (b) substantially all of Tenant's assets, (c) Tenant's interest in this Lease, or (d) substantially all of any Tenant's assets, where the trustee, receiver, or liquidator is not discharged within thirty days of appointment; or (ii) the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where the seizure is not discharged within thirty days.
- (d) A transfer by Tenant made in fraud of creditors.
- (e) Tenant, its bankruptcy trustee, or any entity authorized by court order to act on behalf of Tenant rejects this Lease under 11 U.S.C. § 365(a) or any other provision of Title 11 of the United States Code, or this Lease is deemed rejected by operation of law under 11 U.S.C. § 365(d)(4). Any such rejection of this Lease shall terminate this Lease, without notice of any kind to Tenant, effective on the later of: (i) the date Tenant vacates the Premises following the rejection; (ii) the date the bankruptcy court with jurisdiction over Tenant's bankruptcy case enters an order on its docket authorizing Tenant to reject this Lease; or (iii) the date this Lease is deemed rejected under 11 U.S.C. § 365(d)(4).
- (f) The liquidation, termination, dissolution, forfeiture of right to do business, or death of Tenant.
- (g) Tenant's abandonment (either voluntarily or involuntarily) of all or a substantial portion of the Premises or removes or prepares for removal (other than in the normal course of business) all or substantially all of Tenant's Personal Property from the Premises without Landlord's prior written consent. "**Abandonment**" is defined to include, but is not limited to: (i) any absence by Tenant from the Premises for thirty days or longer or (ii) any failure to continuously operate Tenant's business in the Premises for thirty days or longer.
- (h) Tenant fails to procure and maintain, and to deliver to Landlord evidence of, the insurance policies and coverages as required by this Lease.
- (i) Tenant does or permits to be done anything that creates a lien on the Premises and if the lien is not removed or discharged within ten days after it is filed.
- (j) Any Tenant Party fails to cease any conduct on or about the Premises or Tenant fails to eliminate any condition in the Premises caused in whole or in part by a Tenant Party that poses a danger to person or property within twelve hours following receipt of written notice from Landlord requesting cessation or elimination.
- (k) The occurrence of any other event that is designated by this Lease as an "Event of Default."
- (l) Any Tenant Party fails to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified to the Contrary, where this failure continues for more than thirty days after Landlord delivers written notice of the failure.

- (m) Tenant fails to comply with any term of this Lease more than twice during any consecutive twelve-month period, which shall constitute an independent Event of Default.

17.2 Remedies. If an Event of Default exists, then Landlord may exercise any or all of the following rights and remedies (and use by Landlord of one or more of the following remedies shall not preclude Landlord from simultaneously or later utilizing any one or more of these remedies), using lawful force if necessary or appropriate, and without notice or demand beyond any notice or demand required by this Lease or applicable law:

- (a) *Termination of Lease.* Landlord shall have the right, on or at any time after the occurrence of the Event of Default, to terminate this Lease and Tenant's right to possession of the Premises, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to do so, then Landlord may, without prejudice to any other remedy that it may have for possession or arrearages in Rent, enter on and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part of the Premises.
- (b) *Collection of Rent.* Landlord shall have the right to continue this Lease in effect and to enforce all of its rights and remedies under this Lease, including the right to recover Rent as it becomes due. Notwithstanding termination, Tenant's liability for future Rent shall be mitigated by Landlord's reasonable efforts to re-let the Premises in accordance with applicable law. Acts of maintenance or preservation, efforts to re-let the Premises, or the appointment of a receiver on Landlord's initiative to protect its interest under this Lease shall not constitute a termination.
- (c) *Collection of Partial Rent.* If Landlord does terminate this Lease, then, until Landlord is able, through good-faith efforts, to re-let the Premises, Tenant must pay to Landlord, on or before the first (1st) day of each calendar month, in advance, the monthly Rent as provided in this Lease. At such time, if any, as Landlord re-lets the Premises, Tenant must pay to Landlord on the twentieth day of each calendar month the difference between the monthly Rent for that calendar month and the amount actually collected by Landlord for that month from the occupant to whom Landlord has re-let the Premises.
- (d) *Accrual of Deficiencies.* If it is necessary for Landlord to bring suit in order to collect any deficiencies, Landlord has the right to allow those deficiencies to accumulate and to bring an action on several or all of the accrued deficiencies at one time. Any such suit cannot prejudice in any way the right of Landlord to bring a similar action for any subsequent deficiency or deficiencies.
- (e) *Interest.* Landlord may charge Interest on any amount not paid when due from the due date through the date of its payment, subject to a maximum interest rate of 10% per annum.
- (f) *Appointment of Receiver.* Landlord shall have the right to take steps necessary or appropriate to have a receiver appointed for Tenant in order to take possession of the Premises and apply any Rent collected and exercise all other rights and remedies granted to Landlord.
- (g) *Application of Security Deposit.* Landlord may apply the Security Deposit in any manner permitted by this Lease
- (h) *Other Available Remedies.* In addition to the other remedies provided in this Lease, Landlord is entitled, to the extent permitted by law, to (i) injunctive relief, including, without limitation, eviction, in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions, or provisions of this Lease; (ii) a decree compelling specific performance of this Lease; (iii) Damages arising from the Event of

Default, including, but not limited to, the costs of (a) collecting Rent and any other money owed by Tenant or a substitute tenant, (b) repairing any damage caused by any Tenant Party, (c) performing any obligation of Tenant under the Lease, (d) any other loss or cost actually and reasonably incurred by Landlord as a result of, or arising from, Tenant's breach of the Lease or Landlord's exercise of its rights and remedies for any breach of the Lease by Tenant, (e) any contractual or liquidated types or measures of Damages specified in this Lease, and (f) any other type or measure of Damages recoverable for any particular breach under applicable law; and (iv) any other remedy allowed to Landlord at law or in equity provided that none of such remedies shall be excessive or punitive and shall be subject to independent determination or judicial review.

- 17.3 Re-Entry into the Premises. If an Event of Default exists, then Landlord shall also have the right and is authorized, with or without terminating this Lease, and with or without notice, to the extent permitted by law, to re-enter the Premises, change the locks, access codes, or other access control devices to the Premises, and to take any self-help measures or judicial action to remove and exclude Tenant and other occupants from the Premises, without liability for any resulting Damages. Landlord also is entitled to remove all property from the Premises, which then may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant.

If Landlord re-enters the Premises or terminates this Lease, then Tenant waives all claims for Damages that may be caused by that re-entry or termination except for any claims arising from Landlord's gross negligence or willful misconduct. Neither the re-entry or taking possession of the Premises by Landlord, nor the service by Landlord of any notice pursuant to the forcible entry and detainer statutes of the State of Texas and the surrender of the Premises pursuant to that notice, shall be construed as an election to terminate this Lease unless a written notice of Landlord's intention to terminate the Lease is given to Tenant or unless the termination of the Lease is decreed by a court of competent jurisdiction, and Tenant's obligations shall remain in effect for the remainder of the Term subject to applicable law.

To the extent of any inconsistency or conflict between this Lease and the provisions of Section 93.002 of the TPC, it is the agreement of the parties that this Lease shall supersede Section 93.002. Landlord may take these actions without being deemed in any manner guilty of trespass, eviction, forcible entry, or detainer and without incurring any liability for damage resulting from these actions, including, without limitation, any liability arising under Chapter 93 of the TPC, and without relinquishing Landlord's right to collect Rent, or any other right given to Landlord under this Lease or by operation of law. Tenant waives all rights to claim Damages for Landlord's re-entry and expulsion pursuant to this Lease, including any rights granted to Tenant by Chapter 93 of the TPC.

- 17.4 Bankruptcy-Related Events of Default. In the event of any default specified in Section 17.1(b), any assumption and assignment must strictly conform with the requirements of the Bankruptcy Code. In order to provide Landlord with the assurances contemplated by the Bankruptcy Code, Tenant must fulfill the following obligations, in addition to any other reasonable obligations that Landlord may require, before any assumption of this Lease is effective: (i) cure all defaults under Section 17.1(a) within thirty days following the date of assumption; (ii) cure all other defaults under Section 17.1 other than under Section 17.1(b) within thirty days after the date of assumption; (iii) pay to Landlord all actual monetary losses incurred by Landlord (including, but not limited to, reasonable attorneys' fees) within thirty days after the date of assumption; and (iv) Landlord must receive within thirty days after the date of assumption a security deposit in the amount of three months' Minimum Guaranteed Rent and an advance prepayment of Minimum Guaranteed Rent in the amount of one months' Minimum Guaranteed Rent, with both sums to be held by Landlord, but deemed to be Rent under this Lease for the purposes of the Bankruptcy Code. If this Lease is assumed pursuant to the requirements of the Bankruptcy Code and this Lease, and is

subsequently assigned, then, in addition to any other reasonable obligations that Landlord may, Landlord shall be provided with (i) a financial statement of the proposed assignee prepared pursuant to generally accepted accounting principles consistently applied, though on a cash basis, that reveals a net worth in an amount sufficient, in Landlord's reasonable judgment, to assure the future performance by the proposed assignee of Tenant's obligations under this Lease; or (ii) a written guaranty by one or more guarantors with financial ability sufficient to assure the future performance of Tenant's obligations under this Lease, and the guaranty shall be satisfactory to Landlord in form and content, and it shall cover the performance of all of Tenant's obligations under this Lease.

- 17.5 Landlord's Election to Cure. Landlord may, but is not obligated to, cure any default in this Lease. Whenever Landlord elects to cure an Event of Default, all costs and expenses actually paid or incurred by Landlord in curing it, including, but not limited to, collection costs and legal expenses, shall be deemed to be additional Rent due on demand with Interest at a rate not to exceed ten percent (10%) per annum. In an emergency, Landlord shall have the immediate right to cure any default by Tenant before the expiration of the applicable notice and cure period if reasonably necessary to protect the Premises or to prevent injury or damage to persons or property. Tenant shall pay to Landlord all amounts reasonably and necessarily incurred by Landlord to cure the default within thirty days of written notice to Tenant of these expected amounts provided that Tenant is given an opportunity to contest or negotiate such amounts in good faith.
- 17.6 Remedies Cumulative. All rights, options, and remedies of Landlord contained in this Lease or provided by law or in equity shall be construed and held to be cumulative, and no one of them shall be exclusive of the other. No waiver of any default under this Lease shall be implied from any acceptance by Landlord of any Rent or any omission by Landlord to take any action on account of a default by Tenant, and no express waiver shall affect any default other than as specified in that waiver. The consent or approval of Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent or approval to or of any subsequent similar acts by Tenant. No expiration or termination of this Lease due to an Event of Default, by operation of law or otherwise, and no repossession or re-letting of all or any part of the Premises shall relieve Tenant of its obligations and liabilities under the Lease, all of which shall survive any expiration or termination of this Lease due to an Event of Default and any repossession or re-letting of all or any part of the Premises pursuant to this Article provided that Landlord's exercise of remedies shall be subject to applicable statutory limitations and Tenant's rights under law.
- 17.7 Interest on Amounts Owed. All amounts due from Tenant to Landlord under this Article shall be payable within ten days following Landlord's demand and shall bear Interest until paid in full.
- 17.8 Disclaimer of Landlord Liability. LANDLORD SHALL NOT BE LIABLE FOR ANY CLAIM BY ANY TENANT PARTY ARISING FROM ANY ACT OR OMISSION OF LANDLORD IN THE EXERCISE OF ANY RIGHT OR REMEDY FOR TENANT'S DEFAULT UNDER THIS LEASE, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A LANDLORD'S OWN NEGLIGENCE OR STRICT LIABILITY (BUT NOT INCLUDING CLAIMS ARISING FROM A LANDLORD PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT), AND TENANT HEREBY WAIVES ALL RIGHTS TO CLAIM THE SAME. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION SHALL LIMIT TENANT'S RIGHT TO SEEK RELIEF OR RECOVER DAMAGES WHERE LOSSES RESULT SOLELY FROM LANDLORD'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

**ARTICLE XVIII**  
**LANDLORD'S CONTRACTUAL SECURITY INTEREST**

- 18.1 Landlord's Lien. In addition to the statutory landlord's lien for rent, Landlord has at all times a valid security interest to secure payment of all Rent and other sums of money becoming due from Tenant under this Lease (including Damages), on all Personal Property of Tenant on the Premises and all proceeds from this Personal Property (collectively, the "**Collateral**"). For the purposes of this Article, "Personal Property" shall mean the property of CSI Aviation, Inc., excluding all property used to store information designated by a government entity with a formal classification category, Personally Identifiable Information (PII), or Protected Health Information (PHI), Government Furnished Property, and individual CSI Aviation employee-owned property. Collateral shall not be removed from the Premises without the prior written consent of Landlord until all amounts owed to Landlord under this Lease, have been paid and discharged and all the covenants, agreements, and conditions of this Lease have been fully complied with and performed by Tenant. On the occurrence of an Event of Default by Tenant, Landlord may, in addition to any other remedies provided in this Lease, enter on the Premises without notice and take possession of any and all Personal Property of Tenant situated on the Premises, including by picking locks, without liability for trespass or conversion. Landlord may also, in a commercially reasonable manner, sell that Personal Property at public sale, after giving Tenant reasonable notice of the time and place of any public sale, at which sale Landlord or its assigns may purchase the Collateral unless otherwise prohibited by law. The net proceeds from any disposition pursuant to this Section shall be applied as a credit against the indebtedness secured by the security interest granted in this Section. Any surplus shall be paid to Tenant or as otherwise required by law, and Tenant shall pay any deficiencies forthwith.
- 18.2 Landlord's Subordination. Notwithstanding Section 18.1, Landlord agrees that it shall subordinate its security interest and landlord's lien in the Collateral to the security interest of Tenant's supplier or institutional financial source for as long as no Event of Default has occurred, if all of the following requirements are met: (i) Landlord approves the transaction as being reasonably necessary for Tenant's operations at the Premises, (ii) the subordination is limited to a specified transaction and specified items of Tenant's Personal Property involved in the transaction, and (iii) the subordination is reasonably acceptable to Landlord in form and content.

**ARTICLE XIX**  
**COMPLIANCE WITH REGULATIONS**

- 19.1 Compliance with Regulations. Landlord and Tenant acknowledge that there are in effect federal, state, county, and municipal laws, orders, rules, directives, and regulations (collectively, "**Regulations**"), and that additional Regulations may be enacted or go into effect in the future that relate to or affect the Premises. Subject to the express rights granted to Tenant under the terms of this Lease, Tenant agrees that it shall not cause or permit to be caused any act or practice, by negligence, omission, or otherwise, that would violate any Regulations within the Premises. If this Section conflicts with any other provisions of this Lease, then this Section shall prevail.

**ARTICLE XX**  
**HOLDING OVER**

- 20.1 Holding Over. If Tenant holds over after the expiration or earlier termination of the Term without the express prior written consent of Landlord, then Tenant shall become a tenant at sufferance only, at a rental rate equal to (a) the rental rate as calculated in Article 10.2(c), or (b) the Rent in effect on the date of the expiration or earlier termination (subject to adjustment as provided in this

Lease and prorated on a daily basis), and otherwise subject to the terms, covenants, and conditions of this Lease, so far as applicable.

- 20.2 Acceptance by Landlord of Rent after the expiration or earlier termination shall not result in a renewal of this Lease and shall not waive Landlord's right to bring an unlawful detainer action against Tenant or otherwise remove Tenant from the Premises. If Tenant fails to surrender the Premises on the expiration of this Lease despite demand to do so by Landlord, then Tenant shall indemnify, defend, and hold Landlord harmless from all loss or liability, including, without limitation, any claim made by any succeeding tenant founded on or resulting from Tenant's failure to surrender provided that any such indemnity shall be limited to actual, documented losses incurred by Landlord. Tenant's obligations shall survive the expiration or earlier termination of this Lease. Tenant further agrees that during any period when Tenant's status is as a tenant at sufferance, Landlord may utilize any of the remedies available at law and under this Lease.

## **ARTICLE XXI MISCELLANEOUS**

### **21.1 Miscellaneous Provisions.**

- (a) *No Other Relationship.* Nothing contained in this Lease is intended to constitute the creation of any partnership, joint venture, or principal/agent relationship between the Parties arising out of the existence or exercise by Landlord or Tenant of their respective rights under this Lease. The only relationship between Landlord and Tenant is that of landlord and tenant. No estate shall pass out of Landlord pursuant to this Lease.
- (b) *Landlord Breach.* If Landlord breaches a material obligation or covenant under this Lease, then Landlord shall not be in breach of this Lease if Landlord begins promptly and pursues with reasonable commercial diligence the cure of its failure within thirty days after Landlord receives written notice from Tenant specifying Landlord's failure. Except as otherwise expressly provided in this Lease, Tenant waives any right to withhold Rent due solely to Landlord's breach; however, if Landlord fails to cure a material breach within the thirty-day period, Tenant may pursue termination or rescission of this Lease and seek damages for its direct, out-of-pocket losses. Nothing in this Section shall limit Tenant's right to seek equitable relief in such cases.
- (c) *Limitation of Landlord Liability.* The Landlord's total obligations and liability to any Tenant Party under this Lease are limited solely to Landlord's equity interest in the Premises, but such limitation shall not apply to claims arising out of or resulting from Landlord's gross negligence or willful misconduct. In no event shall this liability amount include any sales or insurance proceeds received by Landlord in connection with the Premises. Further, no Landlord Party, nor any officer, director, shareholder, or partner of or in any Landlord Party, shall have or incur any personal liability whatsoever with respect to this Lease. The limitations of liability provided in this Subsection are in addition to, and not in limitation of, any limitation on liability applicable to Landlord provided by law or in any other contract, agreement, or instrument or in any other term or provision of this Lease.
- (d) *Landlord Consent.* Wherever in this Lease Landlord's consent or approval is required, if Landlord refuses to grant consent or approval, then Tenant shall not make, and Tenant waives, any claim for money Damages (including any claim by way of setoff, counterclaim, or defense) based on Tenant's claim or assertion that Landlord unreasonably withheld, delayed, or conditioned its consent or approval. A delay of more than 30 business days from Tenant's request may be deemed unreasonable.

- (e) *Attorneys' Fees.* If either party places the enforcement of this Lease or any part of this Lease, or the collection of any Rent, or recovery of the possession of the Premises, in the hands of an attorney, or files suit on the enforcement of this Lease or any part of this Lease, or the collection of any Rent, or recovery of the possession of the Premises, then the non-prevailing party shall pay the other party's reasonable attorneys' fees and court costs, including, without limitation, paralegal fees and any attorneys' fees and court costs in connection with any appeals and any bankruptcy or insolvency proceedings involving Tenant or this Lease.
- (f) *Notices.* All notices to the parties under this Lease shall be sent in writing to the addresses of the parties designated in Section 1.1 or any addresses that may be designated by either party in writing. These notices shall be (i) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three business days after timely deposit, postage prepaid, in the U.S. Mail; (ii) sent by a nationally recognized overnight courier, in which case notice shall be deemed delivered one business day after timely deposit with the courier; (iii) personally delivered, in which case notice shall be deemed delivered on receipt; or (iv) by electronic mail with electronic confirmation of receipt.
- (g) *Waivers.* One or more waivers of any covenant, term, or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval by either party to or of any act by the other party requiring that consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.
- (h) *Relinquishment of Keys.* The acceptance of keys to the Premises by Landlord, any Landlord Party, or any other person on Landlord's behalf shall not be deemed or constitute an early termination of this Lease unless an early termination is evidenced in writing and signed by Landlord.
- (i) *Time for Performance.* Except as may be otherwise specifically provided in this Lease, time periods for Landlord's or Tenant's performance under any provisions of this Lease not involving the payment of money shall be extended for periods of time during which the nonperforming party's performance is prevented due to circumstances beyond the party's control, including, without limitation, strikes, embargoes, governmental regulations, acts of God, war, pandemics, epidemics, terrorism, or other strife.
- (j) *Matters of Record – Lease Subordinate.* This Lease is subject to all matters of record in the real property records of the county in which the Land is located. The parties to this Lease shall be bound by all existing easements, agreements, and encumbrances of record relating to the Premises, and Landlord shall not be liable to Tenant for any damages resulting from any action taken by a holder of an interest in the Land pursuant to the rights of that holder under the interest. By executing this Lease, Tenant consents to all plats and replats, if any, of the Land.
- (k) *Partial Invalidity.* Any provision of this Lease that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of the Lease, and the remaining provisions of the Lease shall nevertheless remain in full force and effect.
- (l) *Governing Law.* The Parties agree that this Lease is governed by the laws of the State of Texas and the venue for any dispute arising from this Lease shall be Bell County.
- (m) *Pronouns; Section References.* The words "Landlord" and "Tenant" include the plural as well as the singular, and words used in any gender include all genders. The term "person" in this Lease means any person, corporation, partnership, or other entity. The titles to articles and sections of this Lease are not a part of this Lease and have no effect on the construction or interpretation of any part of the Lease. Unless otherwise specified in this

Lease, references to a "month" in this Lease during the Term shall mean and refer to a full calendar month, beginning on the first day of the calendar month and ending on the last day of the calendar month, and all prorations to be performed under this Lease shall be based on the actual number of days in the relevant calendar month. The exhibits listed in Section 1.2 are attached to this Lease and by this reference made a part of the Lease.

- (n) *Due Authorization.* Each individual executing this Lease represents that it has all requisite power and authority to execute and deliver this Lease on behalf of the entity for which it is signing, and by his or her signature shall bind that Party to the terms of this Lease.
- (o) *Complete Agreement.* This written instrument, including any documents attached hereto or incorporated herein by reference, contains the entire understanding and agreement between the Parties, its assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provisions of this Lease. The terms and conditions of this Lease shall not be amended unless agreed to in writing by both parties. No brochure, rendering, information, or correspondence shall be deemed to be a part of this agreement unless specifically incorporated by reference. In addition, no agreement shall be effective to modify or terminate this Lease in whole or in part unless the agreement is in writing and duly signed by the party against whom enforcement of the modification or termination is sought.
- (p) *No Other Representations.* Tenant represents and warrants to Landlord that: (i) no Landlord Party made, and no Tenant Party relied on, any representation, warranty, or promise, express or implied, with respect to this Lease or the Premises, except for those specifically expressed in this Lease and (ii) Tenant acquired no rights, easements, or licenses (by implication or otherwise), except for those specifically expressed in this Lease.
- (q) *Recordation of Lease.* Tenant shall not record this Lease or a short form memorandum of this Lease without the prior written consent of Landlord, which Landlord may withhold in its sole and absolute discretion, and any recording requested by Tenant shall be at Tenant's sole cost and expense.
- (r) *Survival.* All provisions of this Lease that require the payment of money or the delivery of property after the termination of this Lease or require Tenant to indemnify, defend, or hold Landlord harmless shall survive the termination of this Lease. Time is of the essence in each and every provision regarding Tenant's performance under this Lease.
- (s) *Execution in Multiple Counterparts.* This Lease may be executed in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. In proving this Lease, a party need not produce every counterpart.
- (t) *Lease as Offer.* Landlord has delivered a copy of this Lease to Tenant for Tenant's review only. Submission of this Lease for examination or signature by Tenant does not constitute an offer to Tenant or a reservation of, or option to, lease the Premises. On execution and delivery of this Lease by Tenant, this Lease shall be binding on Tenant as an irrevocable offer to Landlord. If Landlord does not execute and deliver this Lease to Tenant within sixty days from the date of execution and delivery by Tenant, then Tenant may elect not to go forward with this Lease by delivering written notice to Landlord before the date Landlord executes and delivers this Lease to Tenant (in which event Landlord shall have three business days after Tenant's delivery of the notice to execute and deliver this Lease). This Lease is not effective as a lease or otherwise until thirty days following the date the Lease is fully executed and delivered by both Landlord and Tenant.

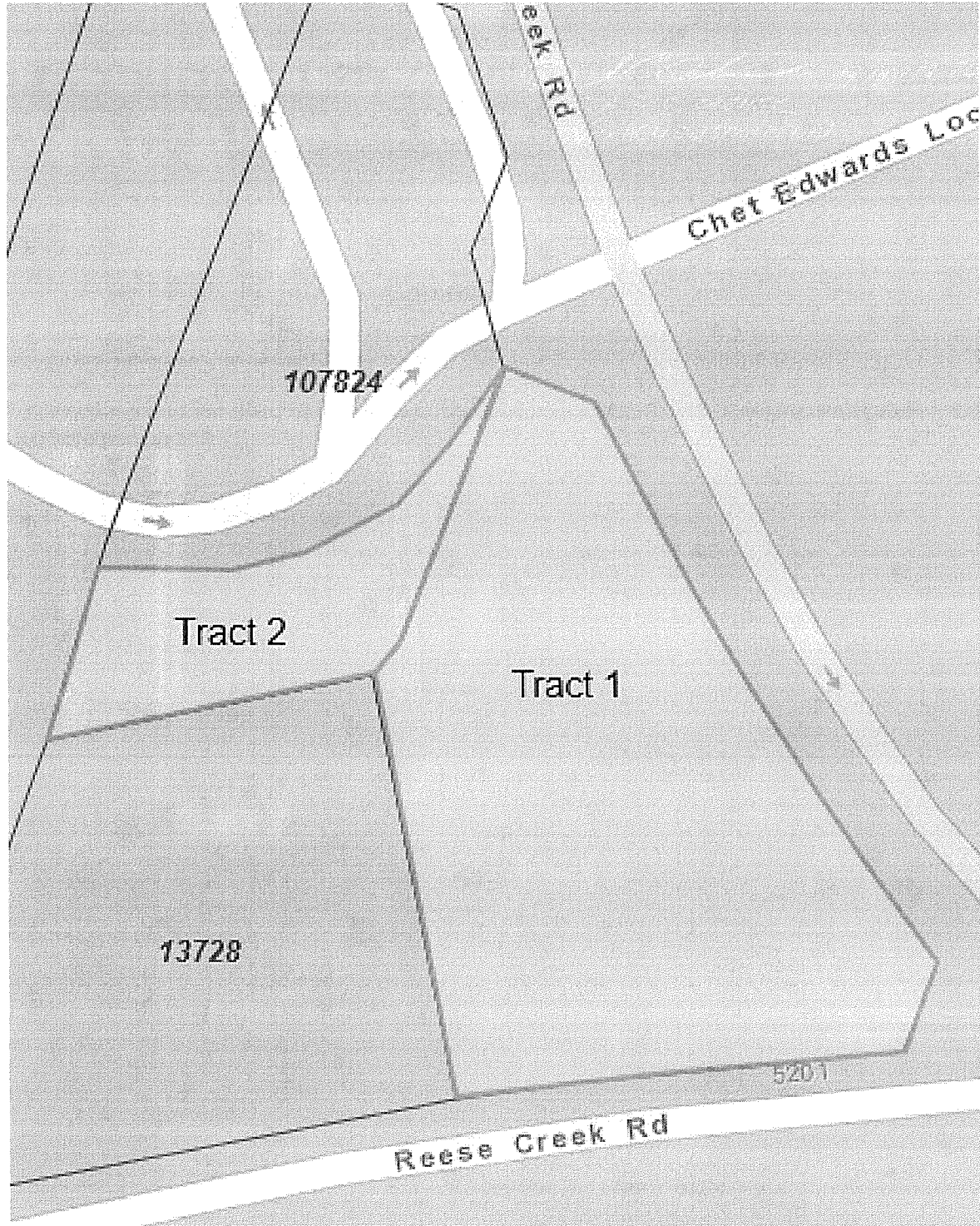




## EXHIBIT A

Tract 1: 2.52 Acres out of the J H Lewis Survey Abstract Number 0536BC, (TERMINAL PARCEL 3).

Tract 2: 2.093 Acres out of the J H Lewis Survey Abstract Number 0536BC, (TERMINAL PARCELS 1 & 2) (southern 0.6-acre portion only).



## EXHIBIT B

## CONFIRMATION OF LEASE TERM

This Confirmation is made as of \_\_\_\_\_, 20\_\_\_\_, between the CITY OF KILLEEN, a Texas home-rule municipality ("**Landlord**"), and CSI AVIATION, INC., a Texas corporation ("**Tenant**").

Landlord and Tenant have entered into that certain *Built-to-Suit Lease* (the “**Lease**”) dated \_\_\_\_\_, 20\_\_\_\_, in which Landlord leased to Tenant the Premises (as that term is defined in the Lease).

Pursuant to Section 1.1(i) of the Lease, Landlord and Tenant confirm the Commencement Date and end of the Term of the Lease as follows:

Commencement Date: \_\_\_\_\_, 20\_\_\_\_\_

Initial Term Termination Date: \_\_\_\_\_, 20\_\_\_\_\_

**CITY OF KILLEEN**

**CSI AVIATION, INC.**

Kent Cagle	Date
City Manager	

Name: \_\_\_\_\_ Date \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**  
**WORK LETTER**

**BASIC WORK LETTER INFORMATION**

1. Tenant's Representative:
2. Landlord's Representative:
3. Construction Drawings Deadline:

This Work Letter shall set forth the terms and conditions relating to the construction of the Premises. This Work Letter is essentially organized chronologically and addresses the issues of the construction of the Premises, in sequence, as such issues will arise during the actual construction of the Premises. All references in this Work Letter to Articles or Sections of the "Lease" shall mean the relevant portions of the Lease to which this Work Letter is attached as Exhibit C, and all references in this Work Letter to Sections of "this Work Letter" shall mean the relevant portions of this Work Letter. All capitalized terms in this Work Letter that are not defined in this Work Letter shall have the meanings given them in the Lease. The term "**Landlord's Work**" means, collectively, the Base Improvements and Premises Improvements.

**I. LANDLORD'S WORK**

- 1.1 Base Improvements. Landlord will construct, at its sole cost and expense, the base, shell, and core of the Premises (the "**Building**") (the base, shell, and core of the Premises and the Building are referred to herein collectively as the "**Base Improvements**").
- 1.2 Premises Improvements. In addition to the Base Improvements, the Landlord shall construct the following items for the Premises (the "**Premises Improvements**"):
  - (a) Adequate means of egress per applicable statutes, ordinances, or other government regulation (collectively, "**Code**");
  - (b) All sewer and water hook-ups, provided, however, that Tenant shall pay for any required deposits;
  - (c) Complete interior wall finishes including drywall, moldings, and paint;
  - (d) Finished ceiling with light fixtures; and
  - (e) A flat concrete floor, with commercially available and mutually acceptable floor covering;
- 1.3 Landlord's Work Plans. Landlord shall construct the Base Improvements and Premises Improvements substantially in conformance with the later added and mutually agreed upon plans, attached to this Work Letter as Exhibit C-1 (the "**Plans**").

**II. COMPLETION OF IMPROVEMENTS**

- 2.1 Ready for Occupancy. The Premises shall be deemed "**Ready for Occupancy**" upon the Substantial Completion of the Premises. For purposes of this Lease, "**Substantial Completion**" of the Premises shall occur upon completion of construction of Landlord's Work pursuant to this Work Letter, with the exception of any punch-list items.

2.2 Delay of Substantial Completion of the Premises. Except as provided in this Article, the Commencement Date shall occur as set forth in the Lease. If there is any delay in the Substantial Completion of the Premises (based upon the Estimated Delivery Date as set forth in the Lease) or in the occurrence of any of the other conditions precedent to the Lease Commencement Date, as set forth in the Lease, as a direct, indirect, partial, or total result of any of the following (collectively, "**Tenant Delays**"):

- (a) Tenant's failure to timely comply with the terms of this Work Letter;
- (b) Tenant's failure to timely approve any matter requiring Tenant's approval;
- (c) A breach by Tenant of the terms of this Work Letter or this Lease;
- (d) Changes in the Tenant Plans or Construction Drawings approved by Landlord requested by Tenant, such changes being approved by Landlord in Landlord's sole and unfettered discretion;
- (e) Tenant's request for changes in the Base Improvement Plans, such changes being approved by Landlord in Landlord's sole and unfettered discretion;
- (f) Tenant's requirement for materials, components, finishes, or improvements that are not available in a reasonable time (based upon the Estimated Delivery Date) or that are different from, or not included in, the Standard Improvement Package; or
- (g) Any other acts or omissions of Tenant or its agents or employees;

then, notwithstanding anything to the contrary set forth in this Lease and regardless of the actual date of the Substantial Completion of the Premises, the date of Substantial Completion (for purposes of determining the Commencement Date) shall be deemed to be the date on which Substantial Completion of the Premises would have occurred if no Tenant Delays, as set forth above, had occurred.

2.3 Disabilities Acts Compliance. Landlord covenants that the Premises shall comply with the Disabilities Acts.

### III. General Terms

3.1 Tenant's Representative. Tenant has designated Tenant's Representative, as set forth in Paragraph 1 of the Basic Work Letter Information, as its sole representative with respect to the matters set forth in this Work Letter, who shall have full authority and responsibility to act on behalf of Tenant as required in this Work Letter.

3.2 Landlord's Representative. Landlord has designated Landlord's Representative, as set forth in Paragraph 2 of the Basic Work Letter Information, as its sole representative with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of Landlord as required in this Work Letter.

3.3 Landlord Approval. Except as expressly provided herein, all consents or approvals of the Landlord in this Work Letter are to be granted in Landlord's discretion. Landlord's approval of any Construction Drawing, plan, or other matter shall in no manner indicate that Landlord believes the same are in compliance with all applicable codes, laws, regulations and life safety requirements.

3.4 Time of the Essence in This Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered

within the stated time period, at Landlord's sole option, at the end of said period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

- 3.5 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in this Lease, if Tenant defaults under the terms of the Lease or this Work Letter at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Improvement Allowance, and/or Landlord may cause the Contractors to cease the construction of the Premises (in which case Tenant shall be responsible for any delay in the Substantial Completion of the Premises caused by such work stoppage as set forth in Section 4.2 of this Work Letter), and (ii) all other obligations of Landlord under the terms of this Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of this Lease.
- 3.6 Indemnification and Waiver. The indemnification and waiver provisions in Section XV of the Lease shall apply to this Work Letter.
- 3.7 Applicability. This Work Letter shall not be deemed applicable to: (i) any additional space added to the original Premises at any time, whether by the exercise of any options under the Lease or otherwise, or (ii) any portion of the original Premises or any additions thereto in the event of a renewal or extension of the original Lease Term, whether by the exercise of any options under the Lease or any amendment or supplement thereto. The construction of any additions or improvements to the Premises not contemplated by this Work Letter will be effected pursuant to a separate work letter agreement, in the form then being used by Landlord and specifically addressed to the allocation of costs relating to such construction.