

STATE OF TEXAS

COUNTY OF BELL

LEASE AGREEMENT

This lease agreement ("Lease") is made and entered into by and between the City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and David Gosnell, d/b/a Diamond Star Aviation, hereinafter referred to as "Tenant".

ARTICLE I

Description of Leased Premises

The Airport, in consideration of the rents and covenants herein to be performed by the Tenant, does hereby lease and let unto Tenant the following described property, hereinafter referred to as "Leased Premises", located on Skylark Field at 1505 Stonetree Drive, Killeen, Texas, 76543: A 6,400 sq. ft. hangar complete with internal office space, break room and related work areas as shown on Exhibit "A" attached hereto and incorporated herein.

ARTICLE II

Description of Concession Granted

1. The Airport grants Tenant the right to engage in the activities of a Limited Fixed Base Operator, providing customer aircraft storage. These activities are defined by the *Minimum Standards for Commercial Aeronautical Activities at Killeen Municipal Airport (Resolution #91-37)*. (Exhibit "B")
2. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right for any aeronautical activities that is forbidden by Section 308 (A) of the Federal Aviation Act of 1958, as amended.

ARTICLE III

Obligations of the Airport

1. The Airport shall maintain and repair the non-leased portion of the areas surrounding the Leased Premises depicted on Exhibit "A".
2. The Airport shall provide adequate access to the Leased Premises so long as Airport, Transportation Security Administration, and pertinent Federal Aviation Regulation security practices are not violated.

3. Parking will be provided for Tenant's employees and customers in a designated parking lot or lots adjacent to or nearby the Leased Premises as depicted on Exhibit "A". Tenant understands and agrees that such parking is provided for the direct support of the aviation business activities authorized in Article II, Par. 1. herein and will not be utilized for the long term storages of vehicles or other items owned by employees or customers of the Tenant.
4. If the Leased Premises are destroyed or damaged by any means which are not fully the fault of the Tenant, to the extent that the Tenant will be unable to conduct any substantial portion/s of the business contemplated by this Lease, either party may cancel this Lease in writing and the Tenant will stand charged only with the rent specified in ARTICLE VI up to the time of such damage or destruction.
5. The Airport shall furnish keys, at no initial cost to Tenant, to the Tenant's designated Manager who shall be responsible for safekeeping of such keys. Lost key replacement will be charged to Tenant in accordance with the Rents and Fees Schedule depicted on Exhibit "C".
6. The Airport shall maintain and keep in repair the landing area of the airport. The Airport retains the right to reasonably direct and reasonably control all activities of the Tenant in this regard. The Airport shall make all reasonable efforts not to hinder the Tenant's efforts in the performance of Tenant's business functions or services.
7. After reasonable notice to Tenant (when practical), the Airport reserves the right to temporarily close the airport or any other facilities thereon for maintenance, improvements, or for the safety of the public. The Airport will abate rent for affected tenant areas for periods in which closure for these reasons prevents the tenant from operating its facilities, if reasonable temporary facilities and/or arrangements cannot be made by the airport.
8. The Airport will provide, at no additional charge to the Tenant, the use of two (2) aircraft parking spots near the building specified in Article I for storage of aircraft owned, consigned, operated, or otherwise controlled by the Tenant (see Exhibit "A"). The exact location will be made by mutual agreement of the Airport's Executive Director of Aviation or his/her designated representative and Tenant's designated local manager prior to the effective date of this lease agreement. It is acknowledged and understood that it may be required for the Airport to change these locations from time to time during the term of this Lease to accommodate pavement maintenance, construction, or other airport operational requirements. If reasonably feasible, Airport agrees to provide at least five business days' notice of such changes. If a proposed change in location is unacceptable to the Tenant, in its reasonable discretion, then Airport and Tenant agree to find a suitable and mutually acceptable location within five business days of the Tenant's notice to the Airport that the proposed relocation is unacceptable.

9. Except as indicated in Article IV, Par 1, the Airport is responsible for the maintenance and repair of the exterior of the Leased Premises, the steel frame structure of the building, and all plumbing located underground or under the floor of the building. The Tenant is responsible for sewer clean outs that are not the result of a damaged sewer line.

ARTICLE IV **Obligations of the Tenant**

1. Tenant accepts the Leased Premises identified in Article I of this Lease in "as is" condition, and assumes all responsibility and expense of maintaining the interior of the building in a safe, neat, attractive, and good physical condition. Tenant is responsible for the maintenance of exterior signage and any other item the Executive Director of Aviation may have authorized the Tenant to install on the exterior of the building. Tenant will promptly repair all damages at the Tenant's expense. Any damage caused by the Tenant's failure to repair the building or notify Airport in a timely manner is the sole responsibility of the Tenant. Appropriate representatives of the Airport and the Tenant will perform and document a joint facility inventory and condition inspection before Tenant occupies the Leased Premises. A record of this inspection will be maintained by both parties for the duration of the Tenant's occupancy of the facility.
2. Except as may be otherwise authorized herein, Tenant agrees it will not assign this Lease or sublet the Leased Premises or any part thereof, without the prior written consent of the Killeen City Manager. It is further agreed consent will not be unreasonably withheld.
3. Tenant agrees to keep the Leased Premises clean and shall provide its own janitorial services and will be responsible for the removal of any exposed litter or unsafe materials which may accumulate in or about the building or properties.
4. Tenant shall be responsible for disposal of its own trash accumulations at its own expense.
5. Tenant agrees that it shall not engage in any business or activity within the confines of Skylark Field other than those expressly authorized by this Lease agreement.
6. Tenant shall operate the Leased Premises without cost to the Airport, and will maintain all equipment, appliances and furnishings therein.
7. Tenant agrees that its employees, while performing the duties associated with the concession granted in ARTICLE II, will be neatly groomed and attired and conduct themselves in a courteous, professional, and businesslike manner.

8. Tenant and its staff shall conduct activities on the Leased Premises in accordance with all applicable laws and regulations.
9. Upon vacating, Tenant shall leave the Leased Premises in as good condition and substantially as they were before removal, ordinary wear and tear excepted.
10. Tenant shall make no structural changes, additions or improvements to the Leased Premises without prior written consent of the Executive Director of Aviation, and appropriate building permits obtained from the City of Killeen Building and Inspections Department. Airport agrees to allow Capital Improvement Credits for improvements that Tenant intends to make to the Leased Premises under the conditions outlined in Article VI, Paragraph 2. Any such structural changes, additions or improvements must be performed in a professional manner and become property of the Airport, unless otherwise agreed upon in writing before such work begins
11. Tenant shall, no later than ten (10) days after the beginning of the term of this Lease, provide the Airport with a report listing all aircraft operated or consigned by the tenant by aircraft model and FAA registration number that are based at Skylark Field. Tenant shall provide subsequent reports updating this information within thirty (30) days of any change of based aircraft.
12. Tenant shall be responsible for procuring its own utility services and shall be responsible for all utility charges.
13. Tenant agrees it will not store any equipment or supplies on the ramp area or any other area outside of the Leased Premises. Properly escorted vehicles and equipment may access the ramp area when necessary for maintenance support of customer aircraft within the Leased Premises.
14. Tenant must, under a separate agreement with the Airport, rent an appropriate number of additional aircraft tie-down spaces for any aircraft owned, leased, operated, or otherwise consigned to the Tenant, that are not being stored within the leased premises, or the two aircraft parking spaces that are provided as part of this lease agreement as specified in Article III, Section 8.
15. Tenant shall provide the service described in Article II for its subscribed customers each and every day during the term of this lease agreement. Normal hours of occupancy and information concerning after hours points of contact and phone numbers to obtain services will be posted on or near the land side entrance door of the leased premises.
16. Tenant will provide appropriate signage on at least the east side of the Leased Premises that clearly identifies the nature and availability of Tenant's commercial business. Such signage, to include the method of attachment to the hangar must be approved by the Airport's Executive Director of Aviation before installation.

17. Tenant alone is responsible for any loss or damage to, or damage caused by, Tenant-owned or operated property stored on the grounds of the Airport and agrees to indemnify and hold Airport and all of its officers, agents, servants, and employees harmless to the extent allowed by law from any loss, damage, liability or expense, including costs of court, reasonable attorneys' fees, expert witnesses' and consultants' fees, on account of damage to or loss of property and injuries, including death, to all persons, defend Airport in any suits or other proceedings brought against Airport and its officers, agents, servants and employees, or any of them on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them, or any of them in connection herewithin.

ARTICLE V

Terms of Agreement

1. The Airport hereby grants unto the said Tenant, for a period of three (3) years beginning October 1, 2017 and ending September 30, 2020, the right to operate commercial aeronautical activities of a Limited Fixed Base Operator, as previously described, at Skylark Field.
2. Any holding over by the Tenant on the expiration of the initial or any successive term of this Lease shall not constitute a renewal thereof but shall constitute only a tenancy on a month-to-month basis. Any such holding over may be allowed by the Executive Director of Aviation, if such holding over is in the best interest of the Airport and if the Tenant is otherwise in good standing with the Airport. The Tenant must request holding over in writing at least sixty (60) days prior to the expiration of the initial or any successive term of this Lease, as applicable, and must have received written authorization to hold over from the Executive Director of Aviation, prior to the expiration of the initial or any successive term of this Lease, as applicable. Hold over monthly lease rates will be as specified Article VI, Par 4. All other terms of this Lease shall continue to be binding upon the Tenant in holdover status.
3. As consideration for this Lease, Tenant promises to pay to the Airport, at the office of the City of Killeen Finance Department in Killeen, Bell County, Texas, the sum/s prescribed in ARTICLE VI, said sum/s payable without demand in monthly installments in advance on or before the first day of each month and every month during the term of this Lease. During the term of the lease agreement, the Airport's Executive Director of Aviation or his/her designated representative may notify Tenant in writing of other methods of payment and other locations to which required payments may be made.
4. If Tenant is not in default of the terms hereunder, Tenant will have the option to extend the term of the lease agreement for up to two (2) years under the terms and fees as set by Airport, providing Tenant gives notice of its option at least ninety (90) days prior to the termination date hereof.

ARTICLE VI
Rentals, Fees, and Accounting Records

1. Beginning, October 1, 2017, Tenant shall pay to the Airport, \$850.00 per month for the Leased Premises in accordance with the fee schedule described in Exhibit "C" each and every month for the duration of the term of the lease agreement.
2. In consideration of capital improvements to be made to the office/administrative space and to the hangar door by Tenant per Article IV, paragraph 10, Airport will allow up to \$4,800.00 in capital improvement credits over the full initial term of the lease agreement. Tenant must provide Airport with receipts verifying the value of materials and labor (to include related professional services) of \$4,800.00 or more for the specific improvements approved by the Executive Director of Aviation to receive the maximum \$4,800.00 credit. Assuming the qualification requirements are satisfied, Tenant may reduce the monthly lease payment by \$200.00 per month to a total of \$650.00 per month. The \$200.00 per month reduction will commence the month following Tenant's submission of the first qualified expenditure of \$200.00 or more and will end after receipt of the January 2020 rental payment or after the amount actually spent is reached, if less than \$4,800.00.
3. A late fee of five percent (5%) of the total amount due will be assessed to the Tenant if payments prescribed in Paragraph 1 above are not received in the administrative offices of the Executive Director of Aviation, or the Skylark Field office, by the first day of each month. An additional five percent (5%) of the outstanding amount will be assessed each month that all or a portion of the Tenant's obligations remain unpaid. Obligations unpaid more than sixty days after the prescribed due dates will be cause of considering the payment(s) in default of this Lease.
4. If the Tenant holds over beyond the term of this Lease on a month-to-month basis, all basic rents, as listed in Exhibit "C", as modified by paragraph 1 above in respect to subsequent terms, if applicable, will increase by 15%. Beginning with the fourth month in a hold over status, basic rents will increase by 20%. Beginning with the seventh month in a hold over status, basic rents will increase by 25%. Sundry charges will be at the current rates in effect for that month.
5. Tenant shall maintain a security bond, deposit, or other financial assurance acceptable to the Airport in the amount of \$1,700.00 for the term of this Lease. Tenant shall forfeit said assurance if it is determined to be in default as described in Article X of this Lease; provided that Airport shall provide a written report to Tenant of the events giving rise to such default and the costs incurred or to be incurred by Airport to remedy such default.

6. Airport will review the base rental rates prior to the approval of each subsequent term extension and reserves the right to adjust the base rental rate for each subsequent term up to the percentage of change in the Consumer Price Index (CPI) for All Urban Consumers as published by the United States Department of Labor, Bureau of Labor Statistics (Non Seasonally Adjusted, All Items, Base Period 1982-84 = 100) for the most recently published three year period, as applicable. The reference month for this purpose is June 2017 with an index number of 244.955. (Example: If the CPI index number for June 2020 is 252.427, beginning September 1, 2020, the basic rent may be adjusted from the initial \$850.00 per month to \$875.93 per month. $(252.427 - 244.955 = 7.472 \div 244.524 = .0305 \times \$850.00 = \$25.93 + \$850.00 = \$875.93)$). In the event that the Federal Government ends the calculation and publication of the Consumer Price Index, a replacement federally recognized index for the purpose of tracking inflation will be used.

ARTICLE VII

Rights of Inspection

The Airport reserves the right to inspect the Leased Premises, equipment, and services at any reasonable time for the purpose of assuring compliance with this Lease, public safety or welfare, or the Airport's general rights and duties as lessor.

ARTICLE VIII

Non-Discrimination Covenants

1. The Tenant for itself, its personal and legal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agrees as a covenant running with the land that:
 - a. No persons on the grounds of race, color, religion, sex, age, disability, or national origin shall be unlawfully excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities and the privileges provided herein.
 - b. That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, age, disability, or national origin shall be unlawfully excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
 - c. That the Tenant shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Department of Transportation, Subtitle A, Office of the Secretary, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

2. Tenant assures that if applicable by the provisions of the regulation, it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, disability, or sex be unlawfully excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be unlawfully excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. The Tenant assures that if applicable by the provisions of the regulation, it will require that its covered sub organizations provide assurances to the Airport that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required, by 14 CFR Part 152, Subpart E, to the same effect.
3. In the event of breach of any of the preceding nondiscrimination covenants, the Airport shall have the right to terminate this Lease and the privileges herein, and hold the same as if said Lease had never been made or issued.

ARTICLE IX

Indemnification and Insurance

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

TYPE	MINIMUM LIMITS
Workers Compensation	Statutory
Premises Liability	
Bodily Injury	\$ 300,000 per occurrence \$1,000,000 aggregate
Property Damage	\$ 300,000 per occurrence \$1,000,000 aggregate
Hangar Keepers Liability	\$ 100,000 per aircraft \$ 300,000 per occurrence

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

The Airport reserves the right to increase the minimum required insurance in an amount and type not to exceed coverage required at comparable airports to be

effective thirty (30) days after notice is sent to the address provided herein.

2. The Airport and the Tenant shall be liable for their own acts of negligence, and each agrees to indemnify the other for any losses, damages, costs or expenses, including attorney fees and litigation expenses, paid or sustained by reason of the sole negligence of the indemnifying party.
3. The Tenant shall hold the Executive Director of Aviation and all other Department of Aviation personnel, and the officers, elected officials and employees of the City of Killeen harmless from and against all suits, claims, demands, damages, actions, and/or causes of action of any kind or nature in any way arising out of, or resulting from its negligence during its tenancy and activities, and shall pay all reasonable expenses in defending any claims against the city. Similarly, Airport shall hold Tenant harmless from and against all suits, claims, demands, damages, actions, and/or causes of action of any kind or nature in any way arising out of Airport's negligence related to the Airport's activities under this Lease, and shall pay all expenses in defending any such claims against the Tenant.
4. The Tenant shall be solely liable and responsible for civil penalties imposed upon the Airport as a result of the Tenant's negligent acts and/or violations of Federal, State, or Local Regulations or laws by the Tenant, especially when the Airport has made good faith efforts to establish rules and procedures for compliance with such regulations. Similarly, the Airport shall be solely liable and responsible for civil penalties imposed upon the Tenant as a result of negligent acts and/or violations of Federal, State or Local Regulations or laws by Airport which do not result from any violation of said regulations by the Tenant.
5. Special Environmental Indemnity:
 - a. Definitions. The term "Environmental Laws" means any one or all the following as the same are amended from time to time: (i) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C., Section 9601, et seq.; (ii) the Toxic Substance Control Act, 15 U.S.C., Section 2601, et seq.; (iii) the Safe Drinking Water Act, 42 U.S.C., Section 300h, et seq.; (iv) the Clean Water Act, 33 U.S.C., Section 1251, et seq.; (v) the Clean Air Act, 42 U.S.C., Section 7401, et seq.; and (vi) the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted in connection with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including substrata land.

The term "Hazardous Material" includes: (i) those substances included within the definitions of hazardous substance, hazardous material, toxic substance, or solid waste in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C., Section 9601, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C., Section 6901, et seq.; and the Hazardous Materials Transportation Act, 49 U.S.C., Section

1801, et seq. And the regulations promulgated thereto: (ii) these substances listed in the United States Department of Transportation Table (49 C.F.R., Section 172.101 and amendments thereto) or by the Environmental Agency as hazardous substances (40 C.F.R., part 302, and amendments thereto; and, (iii) all substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any local, state or federal environmental law.

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

b. Compliance.

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

government or judicial entity, to the extent incurred or assessed as a result of any activity or operation on or discharge from the Leased Premises occurring or existing prior to the Effective Date or after this Lease has terminated, provided Tenant's activities and operations were not the cause or source of the release of any Hazardous Material or any contamination or violation of Environmental Laws.

ARTICLE X

Events of Default and Remedies Upon Default

1. "Event of Default" means the occurrence of any one or more of the following events as they may relate to this Lease: (a) Tenant fails to make any Rent payment (or any other payment) as it becomes due in accordance with the terms of this agreement, and any such failure continues for thirty (30) days after written notice by the Airport to the Tenant to pay; (b) Tenant or Airport fails to perform or observe any of its obligations under this Lease, and such failure is not cured within thirty (30) days after receipt of written notice by Tenant or Airport; (c) any statement, representation or warranty made by Tenant in this Lease or in any writing delivered by Tenant pursuant thereto or in connection therewith proves at any time to be false, misleading or erroneous in any material respect as of the time when made; (d) Tenant applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Tenant or of all or a substantial part of its assets, or a petition for relief is filed by Tenant under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter.
2. If any Event of Default occurs, then Airport or Tenant may, at its option, exercise any one or more of the following remedies:
 - a. Terminate, cancel or rescind this Lease;
 - b. Exercise any other right, remedy or privilege which may be available to Airport under applicable law or, by appropriate court action at law or in equity, Airport or Tenant may enforce any of Tenant's obligations under this Lease;
 - c. Airport may require Tenant to pay (and Tenant agrees that it shall pay) all out-of-pocket costs and expenses incurred by Airport as a result (directly or indirectly) of the Event of Default and/or of Tenant's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, repair, reconditioning or disposition of the Leased Premises and any equipment associated with such agreement;
 - d. Airport may re-enter the Leased Premises to remove the Tenant and all persons holding over it and to terminate this Lease and repossess the Leased Premises. Such repossession shall not constitute a waiver by the

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

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

ARTICLE XI

General Provisions

1. Neither the failure of the Airport to strictly enforce all of the terms of this Lease nor the acceptance of rent by the Airport after any breach by the Tenant nor any delay on the part of the Airport to strictly enforce the provisions hereof shall operate or be deemed a waiver of any rights or remedies accruing to the Airport by reasons of any subsequent breach. In any legal proceedings under this Lease, the successful party shall be reimbursed by the other party for costs, expenses and reasonable attorney's fees which shall be incurred in such proceedings.
2. Notices to the Airport shall be sufficient if sent by registered mail, postage paid, addressed to the Executive Director of Aviation, Killeen-Fort Hood Regional Airport, 8101 South Clear Creek Dr, Box C, Killeen, Texas 76549, and notices to the Tenant shall be sufficient if sent by registered mail, postage paid, addressed to David Gosnell, 678 Whispering Ave, Copperas Cove, TX 76522. The parties may designate other addresses from time-to-time in writing. Tenant must provide a valid new address for notices to Tenant within ten (10) days if the above address becomes invalid.
3. In the event of the appointment of a Trustee due to a voluntary or involuntary bankruptcy on the part of Tenant, or the appointment of a receiver for the Tenant, or a voluntary assignment for creditors by the Tenant (or if this Lease shall, by operation of law or otherwise, devolve upon or pass to a person or corporation other than the Tenant), then in no case shall the Leased Premises be used for any purpose other than those contained in ARTICLE II, herein.
4. The Airport reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or views of Tenant and without interference or hindrance by Tenant; however, all developments and improvements affecting the Tenant will be coordinated with Tenant.

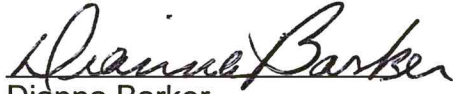
5. Airport reserves the right to take action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent Tenant from erecting or permitting to be erected any building or other structure, or the conduct of any activity, on the airport which, in the opinion of the Airport, would interfere with the operations of the airport or constitute a hazard to aircraft.
6. This Lease shall be subordinate to the current or future Airport rules, regulations and minimum standards, and City Ordinances, as well as all applicable State and Federal regulations and laws, as amended. It is herein agreed between the Airport and the Tenant that the Airport Rules and Regulations now in effect and hereafter adopted or amended by the City shall not be altered or impaired in any respect by this Lease, but said rules and regulations shall remain in effect and be applicable to the Tenant during the term of this Lease.

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

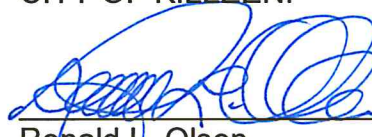
7. The Tenant, its successors, and assigns will not make or permit any use of the property which would interfere with landing or taking off of aircraft at the airport, or otherwise constitute an airport hazard. This includes such items as electrical or electronic equipment, creation of smoke or dust, or glaring or misleading lights.
8. Tenant may establish and utilize other d/b/a (doing business as) names as appropriate as long as those names are provided in writing to the Executive Director of Aviation prior to the use of such names in signage or advertising applicable to this business location.
9. Tenant hereby verifies that it does not boycott Israel and will not boycott Israel during the term of this lease agreement. Boycotting Israel is defined in Texas Government Code section 808.001 to mean refusing to deal with, terminating business activities with, or taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

IN WITNESS WHEREOF, the parties have executed this Lease on this 26 day
of September, 2017.

ATTEST:



Dianna Barker
City Secretary

CITY OF KILLEEN:


Ronald L. Olson
City Manager

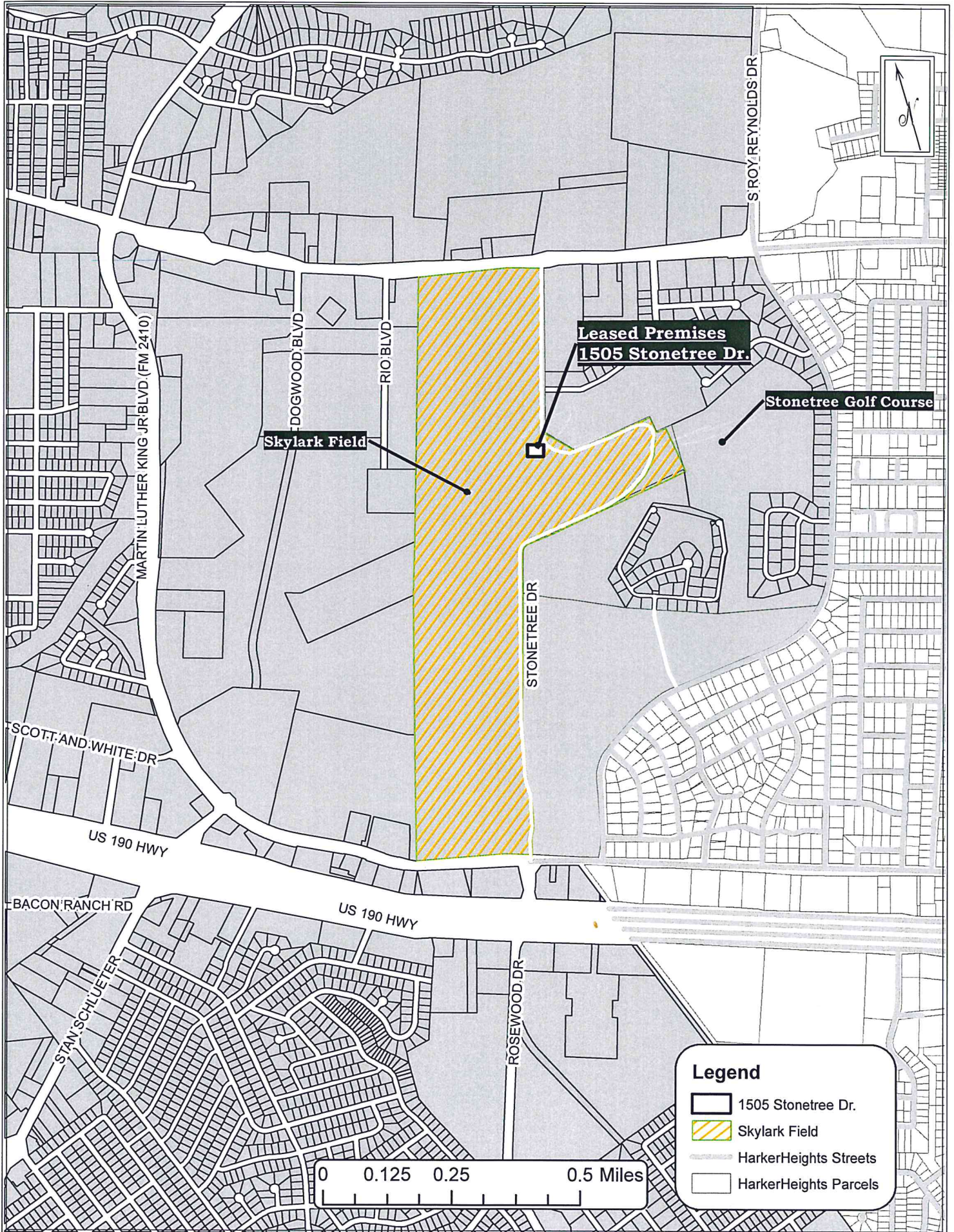
ATTEST:

DAVID GOSNELL
d/b/a Diamond Star Aviation


David Gosnell
Owner

Gosnell1505f

SITE PLAN



SITE PLAN



