

**SAN MARCOS REGIONAL AIRPORT
AIRPORT FACILITY LEASE AGREEMENT
FOR NON-COMMERCIAL USE**

THIS SAN MARCOS REGIONAL AIRPORT FACILITY LEASE AGREEMENT FOR NON-COMMERCIAL USE (“Agreement”) is made and entered into by and between the City of San Marcos, a municipal corporation of the State of Texas (“Lessor” OR “City”), acting by and through its Airport Management company Texas Aviation Partners, LLC, a Texas Limited Liability Corporation (“Airport Management”) and _____ (“Lessee”). The form of this Agreement was approved by the San Marcos City Council on May 16, 2017.

1. **LEASE OF HANGAR SPACE.** Lessor hereby leases to Lessee a Hangar (“Hangar”) located at _____ at the San Marcos Regional Airport (the “Airport”).
2. **TERM.** This Agreement shall commence on _____, (“Commencement Date”) and will continue in effect until _____, (“Expiration Date”).
3. **RENT.** For the use of the Hangar Space, Lessee agrees to pay Lessor \$_____ per month, payable in advance on the first day of each month. If this Agreement commences or terminates on a day other than the first (1st) day of the month, rent shall be prorated accordingly.

A payment shall be considered past due if, after the fifth (5th) day of the month in which the payment is due, Lessor has not received full payment.

In the event Lessee holds over after the expiration of this lease, such holdover status will create a month-to-month tenancy. In this event, Lessee agrees to pay the rental at the date of expiration of this Lease plus fifty (50%) percent. Said holdover tenancy will be subject to all other terms and conditions of this Lease.

4. **METHOD OF PAYMENT.** Rent is payable to Airport Management by check or credit card.
5. **LATE CHARGES.** If Airport Management does not receive payment in the full amount on the 5th day of the month in which it is due, Lessee will pay Airport Management for each late payment an initial late charge equal to \$25.00 and additional late charges of \$10.00 per day thereafter until the amount due including late charges is paid in full. Additional late charges may not exceed more than 15 days in any one month.

6. **RETURNED CHECKS.** In addition to any late charges, Lessee shall reimburse Lessor or Airport Management for each check Lessee tenders to Airport Management that is returned or not honored for any reason. Lessee must make any returned check good by paying such amount(s) plus any associated charges in certified funds.
7. **SERVICES PROVIDED.** Lessor through Airport Management shall provide one (1) key to Lessee during the term of this Agreement. Lessee shall not copy key without written permission from Airport Management. Lessee shall return the key to Airport Management upon move-out. Lessee shall be solely responsible for the towing or repositioning of its Aircraft into and out of the Hangar. Lessee shall be solely responsible for the securing of its Aircraft while positioned in the Hangar Space. Lessee shall ensure the Aircraft is secured in such a manner that enables other Hangar Space Lessees to tow or reposition their Aircraft at any time for the purposes of ingress and egress to their portion of the Hangar. Lessor has the right to reposition Lessee's aircraft within the hangar at any time. Lessor will maintain the structural components of the Hangar, including doors and door mechanisms, and Lessor will provide normal building maintenance without additional cost to Lessee.
8. **USE OF HANGAR.** The Hangar shall be used only for aviation-related activities. No commercial activity of any kind shall be conducted by Lessee. Lessee and its invitees shall not engage in any unlawful use of the Premises. Lessee agrees to comply with all federal, state, and local laws, and the Minimum Standards and Rules and Regulations of San Marcos Regional Airport as may be amended. On the termination of this Agreement, by expiration or otherwise, Lessee shall immediately surrender possession of the Hangar and shall remove, at its sole expense, the Aircraft and all other property, leaving the Hangar in the same condition as when received, ordinary wear and tear expected. Lessee shall be liable for any damage to the Hangar caused by Lessee's use.
9. **LESSEE'S RESPONSIBILITIES.** Lessee shall keep the Hangar, including ramps and loading areas adjacent to the Hangar, neat, clean, and free from trash at all times. Lessee shall provide containers for all trash and arrange for the regular removal of the trash at the Lessee's expense. Outside storage is specifically prohibited without the advance written consent of Airport Management. Lessee is responsible for obtaining all items necessary or desirable for the use and operation of the Hangar including such items as light bulbs and bathroom supplies, if applicable. Lessee agrees to provide Lessee's own lock and shall provide Lessor with a currently operative key or any combination to locks placed on the Hangar.
10. **LESSOR'S RESPONSIBILITIES.** Lessor agrees that Lessee shall have access to the runways, taxiways, and ramps at the Airport to the same extent as other Airport users. At its discretion, Lessor will make any necessary repairs or improvements to maintain the functionality and safety of the hangar.
11. **LESSOR'S ACCESS TO LEASED PREMISES.** Lessor or Airport Management has the right of entry at reasonable times for repairs, maintenance, modification or inspection of all rooms, areas, and buildings on the airport including the Hangar which is the subject of this

Agreement. Lessor shall provide Lessee with advance notice of any inspection as is reasonable under the circumstance.

12. **AIRCRAFT MAINTENANCE.** No maintenance on the Aircraft shall be performed in the Hangar without advance written approval of Airport Management, except such minor preventative maintenance as allowed in Part 43, Appendix A, Paragraph C of the Federal Aviation Regulations (FARs). Lessee shall take steps to ensure that the performance of such maintenance work shall not damage the Hangar or other area where the work is performed.
13. **UTILITIES AND TAXES.** Lessee shall promptly pay all charges for electricity, water, telephone services, and other utilities furnished to the Hangar. Lessee will be solely responsible for the payment of taxes, if any, that are assessed against all or any portion of equipment, inventory, personal property, including but not limited to aircraft. Lessor shall be responsible for the payment of property taxes on the Hangar.
14. **SUBLEASE/ASSIGNMENT.** Lessee shall have no right to sublease the Hangar or to assign this Agreement, without prior written consent of Airport Management.
15. **CONDITION OF PREMISES.** Lessee shall accept the Hangar in its present condition without any liability or obligation on the part of Lessor to make any alterations, improvements, or repairs of any kind to the Hangar and surrounding area.
16. **ALTERATIONS.** Lessee agrees not to install any fixtures or make any alterations, additions or improvements, including exterior signs, awnings, or lighting, to the Hangar without the prior written approval of Airport Management.
17. **INSURANCE.** Lessee shall procure and maintain at all times, in full force and effect, a policy or policies of insurance as set forth in the Minimum Standards. All insurance required under this paragraph shall be primary over any other insurance coverage the Lessee may have, and shall be written with the City of San Marcos and Texas Aviation Partners, LLC. as an additional insured.
18. **CASUALTY.** In the event the Hangar, or the means of access thereto, shall be damaged by fire or any other cause, the rent payable hereunder shall not abate provided that the Hangar is not rendered untenable by such damage. If the Hangar is rendered untenable and Lessor elects to repair the Hangar, the rent shall abate for the period during which such repairs are being made, provided the damage was not caused by the acts or omissions of Lessee, in which case the rent shall not abate. If the Hangar is rendered untenable and Lessor elects not to repair the Hangar, this Agreement shall terminate.
19. **INDEMNITY AND HOLD HARMLESS**
 - a. **LESSEE AGREES TO HOLD HARMLESS, INDEMNIFY, AND DEFEND THE LESSOR AND AIRPORT MANAGEMENT AND THEIR OFFICERS,**

AGENTS, OWNERS, AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, SUITS, AND ACTIONS BY THIRD PARTIES FOR LOSS OF LIFE, PERSONAL INJURY, OR PROPERTY DAMAGE ARISING IN CONNECTION WITH THE USE OF LESSEE'S PREMISES OR ANY AREAS OF THE AIRPORT BY LESSEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, SERVANTS, INVITEES, OR LICENSEES.

- b. LESSEE SHALL USE THE AIRPORT AND USE, OCCUPY, AND STORE PROPERTY ON ITS PREMISES AND ON ANY AREAS OF THE AIRPORT AT ITS OWN RISK, AND LESSEE AGREES TO HOLD HARMLESS AND RELEASE LESSOR AND AIRPORT MANAGEMENT AND THEIR OFFICERS, AGENTS, OWNERS, AND EMPLOYEES FROM ALL CLAIMS, SUITS, AND ACTIONS BY LESSEE OR ITS OFFICERS, AGENTS, OWNERS, EMPLOYEES, SERVANTS, INVITEES, OR LICENSEES FOR LOSS OF LIFE, PERSONAL INJURY, OR PROPERTY DAMAGE ARISING FROM ANY CONDITION OF THE PREMISES OF THE AIRPORT OR FROM ACTS OR OMISSIONS OF THIRD PERSONS.**
- c. LESSEE SHALL GIVE PROMPT NOTICE TO LESSOR AND AIRPORT MANAGEMENT OF ANY ACCIDENT ON ITS PREMISES OR ANY AREAS OF THE AIRPORT, AND OF ANY DEFECTS IN THE RUNWAYS, TAXIWAYS, LIGHTING SYSTEMS, OR OTHER FACILITIES AT THE AIRPORT OF WHICH THE LESSEE IS AWARE.**
- d. IN CASE LESSOR OR AIRPORT MANAGEMENT, OR ANY OF THEIR OFFICERS, AGENTS, OWNERS, OR EMPLOYEES ARE MADE A PARTY TO ANY LITIGATION COMMENCED BY OR AGAINST LESSEE THAT IS COVERED BY THIS SECTION, THEN LESSEE SHALL HOLD OPERATOR AND AIRPORT MANAGEMENT, AND THEIR OFFICERS, AGENTS, OWNERS, AND EMPLOYEES HARMLESS FROM, AND LESSEE SHALL PAY, ALL COSTS AND EXPENSES RELATED TO THE LITIGATION, INCLUDING THE FEES OF ATTORNEYS AND EXPERT WITNESSES.**
- e. LESSEE ASSUMES ALL RESPONSIBILITY AND AGREES TO PAY LESSOR AND AIRPORT MANAGEMENT FOR ANY AND ALL INJURY OR DAMAGE TO LESSOR'S OR AIRPORT MANAGEMENT'S PROPERTY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSIONS OF LESSEE, ITS OFFICERS, OWNERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, OR INVITEES.**
- f. NEITHER LESSOR NOR AIRPORT MANAGEMENT GUARANTEES POLICE PROTECTION OR SECURITY TO LESSEE OR ITS PROPERTY, AND LESSOR AND AIRPORT MANAGEMENT SHALL NOT BE RESPONSIBLE FOR INJURY TO ANY PERSON ON THE LESSEE'S**

PREMISES OR FOR HARM TO ANY PROPERTY WHICH BELONGS TO LESSEE, ITS OFFICERS, OWNERS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, INVITEES OR PATRONS, OR WHICH MAY BE STOLEN, DESTROYED OR IN ANY WAY DAMAGED; AND LESSEE HEREBY INDEMNIFIES AND HOLDS HARMLESS LESSOR AND AIRPORT MANAGEMENT, THEIR OFFICERS, OWNERS, AGENTS, SERVANTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL SUCH CLAIMS.

20. **DEFAULT.** The following events shall be events of default by Lessee under this Agreement:

- a. The Lessee fails to pay when due any rental or any other sums or charges due under this Agreement, and such failure continues for seven (7) days following written notice thereof (provided, however, that Lessor shall be obligated to give only two such notices in any calendar year, and after such two notices, Lessor will no longer be obligated to give any other notice under this Section within such calendar year).
- b. The Lessee fails to comply with any other term, provision, or covenant of this Agreement, and does not cure the failure within thirty (30) days after written notice to the Lessee. However, if Lessee's failure to comply cannot reasonably be cured within thirty (30) days, Lessee shall be allowed additional time (not to exceed sixty (60) days) as is reasonably necessary to cure the failure so long as Lessee commences to cure the failure within fifteen (15) days and Lessee diligently pursues a course of action that will cure the failure. For any subsequent default by the Lessee for the same or any other reason, the Lessor may terminate the Agreement if that subsequent default continues for more than three (3) days after notice of the subsequent default.
- c. The Lessee becomes insolvent, makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors.
- d. The Lessee commences, or another party commences against the Lessee, proceedings in bankruptcy, for reorganization, or for the readjustment or arrangement of its debts under the bankruptcy laws of the United States or under any other law.
- e. A receiver or trustee is appointed for all or substantially all of the assets of the Lessee.
- f. The Lessee abandons or vacates all or any substantial portion of Lessee's Premises for 120 consecutive days.

The acceptance by the Lessor of the Lessee's monthly payments after the occurrence of any event of default shall in no way constitute a waiver by the Lessor of its right to exercise any remedy provided for any event of default.

21. **TERMINATION.** Any breach, default or failure by Lessee to keep and/or perform faithfully any of the terms of this Agreement shall be cause for Lessor to terminate this Agreement immediately. In this event, Lessor or Airport Management shall deliver to Lessee a written notice of termination which will include a reasonable description of the breach or default justifying the termination.

If it becomes necessary for the Lessor or Airport Management to employ an attorney to enforce or defend any of the Lessor’s or Airport Management’s rights or remedies because of any breach or default by the Lessee under this Agreement, the Lessee agrees to pay all reasonable attorney’s fees incurred by the Lessor and Airport Management, within thirty (30) days of the Lessor’s issuance of a statement for the fees to the Lessee.

22. **GOVERNING LAW.** The laws of the State of Texas shall govern this Agreement. Venue for any action brought to interpret or enforce, or arising out of or incident to, the terms of this Agreement shall be in Hays County, Texas.

23. **RELATIONSHIP OF PARTIES.** This Agreement shall not be construed as creating the relationship of principal and agent or of partnership or of joint venture between the parties. The only relationship between the parties is that of Lessor and Lessee.

24. **NOTICES.** Notices required of either party pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, servants or representatives, or (2) mailed in the United States Mail, postage prepaid, certified, with return receipt requested, and addressed to the parties hereto at the address specified hereunder. The parties may change their address by giving notice. Should any party fail or refuse delivery of certified mail, notice is deemed received three (3) days after being sent by regular mail:

LESSOR:
City of San Marcos
630 E. Hopkins
San Marcos, Texas 78666

MANAGER:
Texas Aviation Partners
1807 Airport Drive, Suite 200
San Marcos, Texas 78666

LESSEE:

EXECUTED BY THE CITY OF SAN MARCOS ON _____

Signature: _____

Printed Name and Title: _____

EXECUTED BY LESSEE ON _____

Signature: _____

Printed Name and Title: _____