

PUBLIC NOTICE

DEVELOPMENT CORPORATION OF ABILENE, INC.

A regular meeting of the Development Corporation of Abilene, Inc. will be held on Friday, December 20, 2019, at Develop Abilene conference room, 174 Cypress St., 3rd floor, Abilene, Texas, commencing at 10:00 a.m. to consider the following agenda:

SIGNED:


Misty Mayo, CEO

AGENDA

December 20, 2019
10:00 a.m.

Develop Abilene Conference Room
174 Cypress St., 3rd floor

1. Call the meeting to order.
2. Approval of minutes from the November 22, 2019 board meeting.
3. Preliminary financial reports for October 2019.
4. Executive Session:
The DCOA reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed, as authorized by the Texas Government Code Sections:
 1. 551.071 (Consultation with Attorney)
 - A. Lease negotiations for land and buildings/hangars at the Abilene Regional Airport
 - B. Agreement with Prairie Dog Pet Products (PDPP)
 - C. Abilene Industrial Foundation FY20 contract
 - D. Insurance coverages for DCOA
 - E. Consulting Agreement with JP Solutions
 2. 551.072 (Deliberations about Real Property)
 - A. Acquisition of property in Central Abilene
 - B. Sale/lease of property in South Abilene
 3. 551.074 (Personnel Matters)
 - A. Appointment and employment of public officers and employees of DCOA including but not limited to Chief Operating Officer
 4. 551.087 (Business Prospect/Economic Development)
 - A. Project Mayday
5. Discussion and possible approval of a resolution authorizing a new consolidated lease agreement with Eagle Aviation Services, Inc. for property at the Abilene Regional Airport.
6. Discussion and possible approval of a resolution authorizing an amendment to the Lease Agreement and Land Lease with AbiMar Foods for property on Vine St.

7. Discussion and possible approval of a resolution authorizing a Consulting Agreement with JP Solutions.
8. Discussion regarding the organization of the DCOA.
9. Discussion of the next board meeting date.
10. Adjournment.

CERTIFICATE

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of Abilene, Texas, on the 17th day of December, 2019, at 10:00 a.m.



Assistant City Secretary

NOTICE

Persons with disabilities who would like special assistance or need special accommodations to participate in this meeting should contact the Development Corporation of Abilene, Inc., (325) 676-6390, at least forty-eight (48) hours in advance of this meeting. Telecommunication device for the deaf is (325) 676-6360.

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD MEETING MINUTES
November 22, 2019

MEMBERS PRESENT: John Beckham Jack Rich Vic Corley
 Sam Vinson Seaton Higginbotham

STAFF PRESENT: Misty Mayo Kim Tarrant

GUESTS PRESENT: Mark Zachary McMahon Surovik Suttle, PC
 Chris Shelton McMahon Surovik Suttle, PC
 Justin Jaworski Abilene Industrial Foundation

1. CALL THE MEETING TO ORDER: President John Beckham called the meeting to order at 10:00 a.m. at 174 Cypress St., 3rd floor conference room, Abilene, Texas.

2. APPROVAL OF MINUTES FROM THE OCTOBER 22, 2019 BOARD MEETING: Jack Rich moved to approve the minutes from the October 22, 2019, board meeting. Sam Vinson seconded, and the motion carried.

3. PRELIMINARY FINANCIAL REPORT FOR SEPTEMBER 2019: Kim Tarrant, Chief Operating Officer of the DCOA, presented the preliminary financial report for September 2019. The DCOA's total current assets as of September 30, 2019 were \$38,507,161. The September revenues totaled \$6,335,922 and total expenditures were \$989,596 with \$559,669 being spent on 9 different projects. This report is budget based not audited, the audit should be out sometime in March or April 2020.

4. DISCUSSION AND POSSIBLE APPROVAL OF THE DCOA's FY 2019 ANNUAL REPORT OF ACTIVIES: Misty Mayo, CEO of the DCOA explained that past annual reports did not include the DCOA's partners so this report is the first. The first part of the report is the traditional information with more professional graphics added to show project summaries and expenditures. The middle section is the financial information and the end has the partner reports included.

Sam Vinson made a motion to accept the DCOA FY19 annual report as presented. Seaton Higginbotham seconded and the motion passed. The annual report will be presented to the City Council in December.

5. EXECUTIVE SESSION: I hereby announce we are going into Executive Session pursuant to Texas Government Code Sections 551.071, 072, 074 and 087 to consult with our legal counsel, discuss real property transactions, personnel matters, and discuss economic development negotiations involving a business prospect, as set forth on the agenda. Any vote or action will be taken in open session.

President John Beckham announced the date is November 22, 2019 and the time is 10:14 a.m. Later, President Beckham announced the date is still November 22, 2019 and the time is 11:22 a.m. No vote or action was taken in Executive Session.

2.1

6. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A NEW CONSOLIDATED LEASE AGREEMENT WITH EAGLE AVIATION SERVICES, INC. FOR PROPERTY AT THE ABILENE REGIONAL AIRPORT: No discussion or action was taken in reference to this item.

7. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING A CONSTRUCTION PROCUREMENT POLICY FOR DCOA: Misty Mayo presented resolution DCOA-2020.06 authorizing a construction procurement policy for the DCOA. She reported after several discussions with staff, Mark Zachary and Chris Shelton, DCOA's legal counsel, the DCOA has an opportunity to develop its own construction procurement policy. Having its own policy could speed up the construction and demolition bidding and procurement process by as much as a month and give the DCOA flexibility. With the help of Jacob & Martin, there will be certain criteria used to rank each bidder to include the size and scope of the project and past relationships with the bidders. The minimum proposed amount of a project to which the new policy would apply is \$100,000. Discussion ensued regarding needed changes to the proposed policy as presented and revisions to the resolution.

Jack Rich moved to approve resolution DCOA-2020.06 authorizing a construction procurement policy with the minimum project amount changed from \$100,000 to \$250,000. Vic Corley seconded and the motion passed.

8. DISCUSSION OF NEXT MONTHLY BOARD MEETING: President Beckham announced the next scheduled meeting of the DCOA Board will be on December 20, 2019, at 10:00 a.m.

9. ADJOURNMENT: There being no further business the meeting was adjourned.

John Beckham, President

2.2

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: December 20, 2019

PROJECT: Eagle Aviation Services – New Consolidated Lease Agreement, Abilene Regional Airport

STAFF: Misty Mayo, CEO

BACKGROUND INFORMATION:

Eagle Aviation Services, Inc. (EASI) operates five dock lines and employs over 400 maintenance and support personnel at the Abilene Regional Airport. The DCOA's assistance to EASI has created and/or retained primary jobs and benefited the Abilene community and surrounding region by the addition of regional jet service to and from D/FW Airport.

EASI occupies five hangars for maintenance checks and a separate building for records and parts storage. All are within close proximity of each other and represent EASI's largest maintenance base. The separate leases for Hangars 0, 2, 3, and 4 and the Parts/Records storage building expire on December 31, 2019.

Effective in 2004, the DCOA entered into a Land Lease Agreement (Lease) with the City of Abilene covering three (3) separate tracts of land on the Airport upon which sit structures referred to as 2601 Airport Blvd (Hangar 0), 2809 Airport Blvd (Hangar 2), and 2841 Airport Blvd (Hangar 3), all of which the DCOA subleases to EASI. The tracts of land that previously consisted of Hangar 0 and Parts/Records storage building were divided to create Hangar 4 without the DCOA leasing any additional land from the City of Abilene. The initial Lease term is fifteen (15) years which was October 26, 2019, with two renewal options at ten (10) years each. On April 16, 2019, the DCOA approved Resolution DCOA-2019.19 authorizing the DCOA to exercise its option for another ten (10) years to October 2029 and amend the Lease to include Hangar 1 in the real property the DCOA leases from the City of Abilene.

THE REQUEST:

EASI has agreed to extend and consolidate the structure leases for 36 months and pay increased monthly rental for structures and airport land from \$11,607 to \$19,000 beginning January 1, 2020. The DCOA pays a portion of EASI's monthly rental to the City of Abilene as provided for in the Lease.

The Agreement for Financial Assistance also provides for financial assistance of up to \$800,000.00 for the construction of approximately 8,000 square feet of improvements/addition to Hangar 2 for the purpose of allowing EASI to store equipment in exchange for EASI's retention of 385 authorized full time equivalent positions. At the expiration of EASI's lease, the Hangar 2 improvements will remain the property of the DCOA.

FISCAL IMPACT:

Three years of lease income - \$439,645

Hangar 2 Improvements/Addition - \$800,000

STAFF RECOMMENDATION:

Staff recommends approval of resolution DCOA-2020.09 approving a new Agreement for Financial Assistance and Airport Hangar Lease and Ground Sublease with EASI for 36 months.

ATTACHMENT:

Resolution DCOA-2020.09

Agreement for Financial Assistance

Airport Hangar Lease and Ground Sublease

C:\Users\TarrantK\AppData\Local\Microsoft\Windows\NetCache\Content_Outlook\XRXM51H6\EASI AFFA Hangar Lease 12-20-19 -(Revised 12-18-19).docx

RESOLUTION NO. DCOA-2020.09

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. ("DCOA"), ABILENE, TEXAS AUTHORIZING AN AGREEMENT WITH EAGLE AVIATION SERVICES, INC. ("EASI") FOR THE LEASE OF LAND AND HANGARS AT THE ABILENE REGIONAL AIRPORT.

WHEREAS, EASI operates five dock lines and employs over 400 maintenance and support personnel at the Abilene Regional Airport; and,

WHEREAS, EASI occupies five hangars for maintenance checks and a separate building for records and parts storage (the "Airport Properties"), all of which are leased from the DCOA; and,

WHEREAS, EASI's lease with the DCOA expires on December 31, 2019 and both EASI and the DCOA desire to extend EASI's lease at the Abilene Regional Airport for a term of 36 months; and,

WHEREAS, the DCOA Board of Directors finds that the lease of the Airport Properties to EASI will create or retain primary jobs that are suitable for the development, retention, or expansion of airports, hangars, maintenance and repair facilities, and other industries listed in Section 501.101(2) of the Texas Local Government Code.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. DCOA hereby approves the attached Agreement for Financial Assistance and Airport Hangar Lease and Ground Sublease with EASI and the DCOA's Chief Executive Officer ("CEO") be and hereby is authorized to enter into the attached agreements with EASI.

DCOA further authorizes the CEO to make any changes or amendments to the herein described agreements and take any steps which are consistent with and necessary to effectuate the actions outlined above as determined by the CEO.

PART 2. Funding under this Resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this Resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. This Resolution takes effect immediately upon passage.

ADOPTED this the 20th day of December 2019.

ATTEST:

Vic Corley
Secretary/Treasurer

John Beckham
President

APPROVED AS TO FORM:

Mark Zachary, Attorney at Law

STATE OF TEXAS §
 §
COUNTY OF TAYLOR §

AGREEMENT FOR FINANCIAL ASSISTANCE

This Agreement for Financial Assistance ("Agreement") is effective the 1st day of January, 2020, by and between the Development Corporation of Abilene, Inc. ("DCOA"), a Texas corporation formed pursuant to *Tex. Loc. Gov't Code Section 501.001 et. seq.*, and Eagle Aviation Services, Inc., a Delaware corporation ("EASI").

WITNESSETH:

That for and in consideration of the covenants, promises, and agreements set forth herein, it is mutually agreed as follows:

DCOA has enjoyed a relationship with EASI since 1994, when EASI was established in Abilene for the purpose of providing maintenance support services to the regional aircraft section of EASI. DCOA and EASI currently have an outstanding Agreement for Financial Assistance effective January 1, 2005, with an Addendum A effective July 16, 2007 and Addendum B effective January 1, 2011. The January 1, 2005 Agreement for Financial Assistance and all related Addendums are hereby terminated and superseded by this Agreement.

EASI has leased Hangar 0, Hangar 1, Hangar 2, Hangar 3, Hangar 4, and Parts and Records at the Abilene Regional Airport (collectively, the "Leased Airport Property" or "Facility") from the DCOA and the City of Abilene (the "City") through various lease agreements. The DCOA and EASI now seek to consolidate all of the separate lease agreements for the Leased Airport Property into one lease between EASI and the DCOA containing all of the Leased Airport Property in that certain Airport Hangar Lease and Ground Sublease effective January 1, 2020 (the "Lease").

I. PURPOSE

DCOA is authorized by the *Tex. Loc. Gov't Code Section 501.001 et. seq.*, as amended, to provide financial assistance to private corporations in order to facilitate the expansion and/or retention of primary employment or to attract major investment that would contribute to the economic development of the City. DCOA shall act through its agent, the Chief Executive Officer, or his/her duly authorized representative, unless otherwise stated in this Agreement.

EASI currently operates five (5) regional jet maintenance dock lines in the Abilene Regional Airport (the "Airport"). EASI wishes to expand its maintenance operation at the Airport where it occupies the Leased Airport Property and desires the financial assistance of DCOA in connection therewith. DCOA and EASI shall enter into this Agreement whereby the DCOA will provide financial assistance for the construction of an 8,000 square foot improvements addition to Hangar 2 (the "Hangar 2 Addition") for the purpose of allowing EASI to store equipment currently stored outside and for the use permitted under the Lease. EASI does not currently have the capacity to store such equipment at the Facility without inhibiting its current operations.

DCOA approved resolution no. DCOA-2019. __ on _____, authorizing funding of up to \$800,000 for the construction of the Hangar 2 Addition in exchange for EASI's retention of 385 authorized full time equivalent ("FTE") positions at the Facility.

EASI agrees to make good faith efforts to maintain the authorized maintenance FTE positions described above insofar as economic conditions and work levels allow for a three (3) year period beginning January 1, 2020. As economic conditions and work levels warrant, EASI may add such additional jobs as are feasible (within the sole discretion of EASI), and to do so in accordance with Department of Labor standards.

II. DUTIES

A. DCOA shall:

1. Provide funding of up to Eight Hundred Thousand and no/100's Dollars (\$800,000.00) for the Hangar 2 Addition as a job retention/creation incentive.
2. Lease Hangar 0, Hanger 1, Hanger 2, Hanger 3, Hanger 4, and Parts and Records to EASI as more particularly described in the Lease.
3. Continue that certain Vehicle Lease Agreement dated effective June 27, 2013 for a 2013 Dodge Caravan, VIN 2C4RDGBG2DR695043 through the term of this Agreement, and modify such Vehicle Lease Agreement as required to reflect this extension.
4. Have the right to periodically verify the terms and conditions of this Agreement and the Lease including, but not limited to, the number of positions authorized for employment at the Facility in the Airport by EASI under the maintenance services and records sections, individually, and the cumulative payroll for each section.
5. Have the right to, upon at least twenty-four (24) hours' advance notice, access the Facility during normal business hours for the inspection of the Facility and other relevant data and records for the purpose of confirming EASI's compliance with this Agreement.
6. Execute all necessary agreements including but not limited to this Agreement and the Lease.

B. EASI shall:

1. Dependent upon the size of its fleet and to the extent feasible, economically sound and consistent with its overall strategic planning (all within the sole discretion of EASI), (a) continue its Airport aircraft maintenance and records storage operations through December 31, 2022, and (b) maintain 385 authorized FTE positions. For purposes of this Agreement, one FTE position shall be credited to EASI for each 2080 hours worked in maintenance or maintenance related work in a given calendar year, such to be calculated on an equivalent hour basis to include all overtime.

2. Annually, certify in writing to the best of its knowledge, to DCOA the number of maintenance hours worked (including overtime) during the calendar year or FTE, in maintenance and records maintenance as of December 31st, beginning December 31, 2020. Each list submitted shall contain the number of positions authorized at the Airport for EASI in the maintenance and records maintenance sections, and the cumulative payroll for each section. Upon reasonable written request by DCOA, but in no event more than once in any six (6) month calendar period, EASI shall provide one (1) interim report with the number of authorized employment positions in existence (for statistical use only) at such time of the interim report.
3. Maintain all equipment purchased with DCOA funds in good condition and repair through their respective useful lives, reasonable wear and tear excepted.

SHOULD EASI CEASE OPERATIONS AT THE AIRPORT AT ANY TIME, EASI SHALL SURRENDER POSSESSION UPON TERMINATION OF THE LEASE TO THE DCOA OF ALL EQUIPMENT PURCHASED WITH DCOA FUNDS UNDER ANY PRIOR AGREEMENT OR ADDENDUM FOR FINANCIAL ASSISTANCE WITH THE DCOA, WHETHER NOW TERMINATED, AND ALL SUCH EQUIPMENT SHALL REMAIN DCOA'S SOLE PROPERTY. THIS PARAGRAPH SHALL NOT COVER PROPERTY, IF ANY, THAT MAY HAVE SUBSEQUENTLY BEEN PURCHASED BY EASI OR ANY OTHER PARTY FROM DCOA.

4. To the extent feasible, economically sound and consistent with its overall strategic planning (all within the sole discretion of EASI), promote six regional jet flights between Abilene and Dallas/Fort Worth per day.
5. To the extent feasible, economically sound and consistent with its overall strategic planning (all within the sole discretion of EASI), attempt to make Abilene a "premier site" with first consideration for new business segments such as composite repairs or expansion of other operations such as jet maintenance.
6. So long as it is cost effective to do so (within the sole discretion of EASI), utilize the Abilene maintenance operation as the primary regional jet heavy maintenance operation, and adjust the activity in relation to the number of regional jets in the American Eagle fleet if and as the Embraer 140, 145, and 175 aircrafts are replaced.
7. Comply with all relevant local, state, and federal laws and regulations including, but not limited to, Building, Plumbing, Water, Electrical, Mechanical, and Fire Codes. EASI shall obtain all required permits and licenses necessary to conduct business within all applicable jurisdictions.
8. Take all commercially reasonable efforts to prevent causing or permitting the presence, use, disposal, storage, or release of any hazardous substances on or in the hangars or Facility. EASI shall not, nor knowingly allow its employees or agents to perform operations at the hangars or Facility in violation of applicable

environmental law. The preceding two sentences shall not apply to the presence, use, or storage of hazardous substances at the Facility that are generally recognized to be appropriate to normal commercial and industrial uses in EASI's business and to maintenance of the grounds.

EASI shall promptly give DCOA written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Facility and any hazardous substance or environmental law which alleges violation of environmental laws by EASI in its operations at the Facility. In the event EASI is required by any governmental or regulatory authority to perform a removal or other remediation of any hazardous substances affecting the Facility as a result of EASI's operations, EASI shall take all necessary remedial actions in accordance with applicable environmental law.

As used in this paragraph, "hazardous substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section II.B.(8), "environmental law" means applicable local, state, and/or federal laws and regulations that relate to health, safety or environmental protection.

9. Provide, subject to EASI's and the Federal Aviation Administration's security requirements and at least twenty-four (24) hours' prior notice, reasonable access to and authorize reasonable inspection of the Facility by DCOA or its representatives, to confirm that the specifications and conditions of this Agreement and Lease have been met; provided, however, DCOA shall take commercially reasonable steps to not unreasonably interfere with or disrupt the business operations of EASI.
10. Maintain insurance in accordance with the terms and conditions set forth in the Lease. Maintain workers compensation insurance or such other insurance in lieu thereof as may be acceptable to such extent and against liability as is commonly maintained by other companies similarly situated.
11. Maintain its corporate existence in good standing and comply with all statutes, rules, laws, regulations, and governmental requirements applicable to it or to any of its property, business operations and transactions (including without limitation, all applicable environmental statutes, rules, regulations and ordinances).
12. Promptly advise DCOA in writing of any condition, event or act, or litigation filed against EASI, which comes to EASI's attention that would materially adversely affect EASI's financial condition.
13. Pay and discharge when due, all of its indebtedness and obligations, including without limitation, all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon EASI or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of EASI's properties,

income, or profits; provided, however, EASI will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (i) the legality of the same shall be contested in good faith by appropriate judicial, administrative or other legal proceedings, and (ii) EASI shall have established on its books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance to standards generally accepted in the United States of America as established by the Financial Accounting Standards Board, consistently applied.

14. Maintain all licenses, permits, privileges, franchises, certificates and the like necessary for the operation of its business.
15. Take any commercially reasonable action to comply with any duties or obligations of EASI as provided in Section II.A. above.
16. Allow the City of Abilene to inspect the Premises upon twenty four (24) hours notice.

III. REPRESENTATIONS

1. EASI is a corporation, duly organized and in good standing, under the laws of the State of Delaware authorized to do business in the State of Texas and has the corporate power to own its property and to carry on its business in the jurisdiction in which the Facility is located. EASI, upon written request by DCOA, will furnish to DCOA a copy of its Articles of Incorporation, By Laws, and Certificate of Authority to do business in Texas and a Certificate of Good Standing from the Secretary of State.
2. EASI has full power and authority to enter into this Agreement, which has been duly authorized by all proper and necessary corporate action, with copies of corporate authorization (to the extent required by EASI internally) being provided to DCOA. No consent or approval of stockholders or of any public authority, which has not been obtained prior to the signing of this Agreement and/or Lease, is required as a condition to the validity of this Agreement or the Lease, and EASI is in material compliance with all laws and regulatory requirements to which it is subject.
3. There are no proceedings pending or, to the knowledge of EASI, threatened before any court or administrative agency, which would have a material adverse effect on the financial condition or operations of EASI.
4. There are no charter, bylaw or stock provisions of EASI and no provisions of any existing agreement, mortgage, indenture or contract binding EASI or affecting its property, which would conflict with or in any way prevent the execution, delivery or carrying out of the terms of this Agreement.
5. All undisputed income taxes and other taxes, including, without limitation, state and federal sales, use, excise, ad valorem, unemployment, social security and any withholding taxes due and payable through the date of this Agreement have been paid prior to becoming delinquent.

6. The books and records of EASI properly reflect EASI's financial condition in all material respects and there has been no material adverse change in EASI's financial condition as of the date hereof.
7. EASI's principal place of business is 4401 Regent Blvd., Irving, Texas 75063.

IV. POINT OF CONTACT

On DCOA owned/financed projects, representatives of the DCOA shall be designated as primary contact person(s) between EASI, its representatives, agents or contractors, and the DCOA. The primary contact for DCOA will be the Chief Executive Officer and the secondary contact will be the Chief Operating Officer, or their respective successors. The primary contact for EASI will be John Nicks, Senior Vice President of Corporate Services, and the secondary contacts will be Curtis Coble, Vice President – Maintenance and Engineering, Harley Hall, Managing Director, or their respective successors.

Communications regarding the project, both written and oral, between EASI and the City, and vice versa, shall be conveyed via the contact persons. For example: if EASI or its representatives, agents or contractors require a construction permit for improvements to its building, they should contact the individuals designated above.

The contact person shall act as a liaison between the DCOA, City, and EASI to ensure communication is enhanced and all issues are addressed in a timely manner.

V. DURATION, TERMINATION

1. If a violation of the terms and conditions of this Agreement becomes known, EASI will be notified by DCOA in writing and thereafter shall have one hundred twenty (120) days to correct or initiate the correction of the violation (or such period of time as may be necessary, using due diligence, if such violation cannot be cured within said 120-day period). Upon definitive determination by DCOA that EASI has failed to correct the violation or initiate the correction of the violation and comply with the terms and conditions of this Agreement, the Agreement may be terminated by DCOA at its sole discretion. Said termination may be in whole, or from time to time, in part as the violation warrants. Termination will be effective twenty (20) days after delivery of a written Notice of Termination from DCOA to EASI ("Notice of Termination").
2. Intentionally deleted.
3. If not terminated earlier pursuant to Section V.1. above, this Agreement will expire on December 31, 2022.

VI. EVENTS OF DEFAULT

Subject to the notice and cure provisions of Section V hereof and the notice and cure provisions set forth in the Lease or any related document(s), if any of the following events of default shall occur, the DCOA shall have the right to terminate this Agreement and the DCOA shall have no further obligation to EASI under this Agreement:

1. Failure of EASI to perform any material term, covenant or agreement contained in this Agreement, the Lease¹, or in any related document(s); subject, however, to any specifically stated qualification of "to the extent feasible, economically sound and consistent with its overall strategic planning (all within the sole discretion of EASI)" as set forth in the respective terms, covenants or agreements in this Agreement; or
2. The DCOA determines that any representation or warranty contained herein or in any financial statement, certificate, report or opinion submitted to DCOA in connection with or pursuant to the requirements of this Agreement was incorrect or misleading in any material respect when made and results in a material adverse effect on the DCOA; or
3. Intentionally deleted; or
4. EASI makes an assignment for the benefit of creditors; admits in writing its inability to pay its debts generally as they become due; files a petition in bankruptcy; is adjudicated insolvent or bankrupt; petitions or applies to any tribunal for any receiver or any trustee of EASI or any substantial part of its property, commences any action relating to EASI under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect; or if there is commenced against EASI any such action and such action remains undismissed or unanswered for a period of ninety (90) days from such filing, or EASI by an act indicates its consent to or approval of any trustee of EASI or any substantial part of its property; or suffers any such receivership or trustee to and such appointment remains unvacated for a period of ninety (90) days.

Should DCOA have to file suit for collection and it is determined by a final, non-appealable order that DCOA is entitled to such collection, EASI agrees to pay all of DCOA's reasonable out of pocket expenses in connection with the collection of the outstanding balance. EASI also agrees to pay all reasonable attorney's fees and court costs; or

5. EASI knowingly grants, suffers or permits future liens on or security interests in EASI's assets owned by DCOA and/or the City, other than to DCOA.

VII. VENUE

Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance, attempted performance or non-performance of this Agreement, venue for said action shall be in the City of Abilene, Taylor County, Texas. This Agreement shall be governed by the substantive laws of the State of Texas.

¹ In the event that EASI does not meet the requirements of this Agreement, EASI confirms that it remains obligated under the terms of the Lease.

VIII. ASSIGNMENT

EASI shall not assign all or any part of its rights, privileges, or duties under this Agreement without DCOA's prior written approval, provided no such consent shall be required for an assignment to an entity affiliated with EASI. Any attempted assignment of same without approval shall be void, and shall constitute a breach of this Agreement.

IX. INTENTIONALLY DELETED

X. INDEBTEDNESS

EASI hereby agrees to pay and discharge when due all of its indebtedness and obligations, including without limitation, all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon EASI or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of EASI's properties, income, or profits; provided, however, EASI will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (i) the legality of the same shall be contested in good faith by appropriate judicial, administrative or other legal proceedings, and (ii) EASI shall have established on its books adequate reserves with respect to such contested assessment, tax, charge, levy, lien or claim in accordance with generally accepted accounting principles, consistently applied.

XI. NOTICES

Unless otherwise provided herein, all notices, requests, consents and demands shall be in writing and shall be mailed, certified mail, postage prepaid, or overnight carrier, addressed as follows:

To Lessee:

EAGLE AVIATION SERVICES, INC.
2751 Airport Blvd
Abilene, TX 79602
Attn: Managing Director
(325) 672-0983

To Lessor:

DEVELOPMENT CORPORATION OF
ABILENE, INC.
174 Cypress St., Ste. 301
Abilene, Texas 79601
(325) 676-6338
Fax: (325) 676-6377
ATTN: Kim Tarrant

With a Copy to:

ENVOY AIR INC.
4401 Regent Blvd.
Irving, Texas 75063
Attn: SVP Corporate Services
(972) 374-9160

Notice will be effective upon deposit in the United States mail in the manner provided above. Any party may change its address with written notice to the other party.

XII. AGREEMENT

This Agreement, the Lease, and any related documents shall constitute the sole agreement between EASI and DCOA relating to the object of this Agreement and correctly sets forth the complete rights, duties, and obligations of each party to the other as of its date. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**DEVELOPMENT CORPORATION OF
ABILENE, INC.**

EAGLE AVIATION SERVICES, INC.

Misty Mayo, CEO

By: _____
Name/Title: _____

Date: _____

Date: _____

ATTEST:

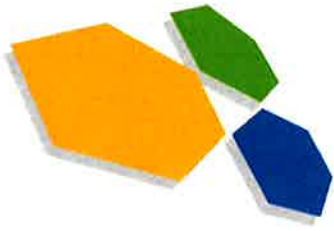
ATTEST:

Kim Tarrant, Chief Operating Officer

Name/Title: _____

APPROVED AS TO FORM:

Mark S. Zachary, Attorney at Law



Develop Abilene

Development Corporation of Abilene

AIRPORT HANGAR LEASE AND GROUND SUBLEASE

between

**Development Corporation
of Abilene, Inc.**

and

Eagle Aviation Services, Inc.

**Various Tracts
Abilene Regional Airport**

LEASE NO. EASI19

THE STATE OF TEXAS X
X KNOW ALL MEN BY THESE PRESENTS
COUNTY OF TAYLOR X

AIRPORT HANGAR LEASE AND GROUND SUBLEASE

This Airport Hangar Lease And Ground Sublease ("**Lease**") is effective on the 1st day of January, 2020 (the "**Effective Date**"), by and between the Development Corporation of Abilene, Inc. ("**DCOA**" or "**Lessor**"), a Texas corporation formed pursuant to *Tex. Loc. Gov't Code Section 501.001 et. seq.*, with headquarters at 174 Cypress St., Ste. 301, Abilene, Texas, 79601, and Eagle Aviation Services, Inc. ("**EASI**" or "**Lessee**"), a Delaware corporation with headquarters at 4401 Regent Blvd., Irving, Texas 75063.

§1. BACKGROUND INFORMATION

Lessor hereby leases to Lessee the hangars and improvements and subleases the ground space underneath the hangars and improvements as depicted on the attached **Exhibit "A"**, incorporated herein for all purposes, as Tracts A, B, C, D, E, and F, and located at the following addresses:

- a. Hangar 0: 2641 Airport Blvd., Abilene, Taylor County, Texas
- b. Hangar 1: 2751 Airport Blvd., Abilene, Taylor County, Texas
- c. Hangar 2: 2809 Airport Blvd., Abilene, Taylor County, Texas
- d. Hangar 3: 2841 Airport Blvd., Abilene, Taylor County, Texas.
- e. Hangar 4: 2725 Lance Dr., Abilene, Taylor County, Texas
- f. Parts and Records: 2742 Lance Dr., Abilene, Taylor County, Texas

This Lease follows the Airport Land Lease Agreement (the "**Ground Lease**") from the City of Abilene ("**City**") to the DCOA dated effective as of October 26, 2004, as amended. Lessee agrees to obey all laws, rules and regulations, and terms of the Ground Lease, as amended, as they apply to these Premises. Said Ground Lease is hereby incorporated by reference, as if set forth herein and is attached hereto as **Exhibit "C"**.

§2. DEFINITION OF CERTAIN TERMS

The following terms shall have the following meanings for purposes of this Lease.

"**Standards**" means the Abilene Regional Airport Minimum Standards for Aeronautical Activities, which are those certain rules and regulations promulgated by City and described in the Minimum Standards for Aeronautical Activities as approved by the Abilene City Council on March 10, 1988 and amended on November 5, 1992 and February 23, 1995. These Standards, which may be amended from time to time, generally govern the operations and other activities that may take place on the Airport. The Standards serve as minimum regulations designed to

5.15

protect and promote the safety of the users of the Airport and the general public. A copy of the most recent Standards is attached as **Exhibit "B"**.

"Airport" means that certain tract of real property located in Taylor County, Texas which is owned by the City and operated as a commercial airport and commonly known as the "Abilene Regional Airport".

"Hangar(s)" means the hangars and improvements located on the Ground Lease Premises.

"Ground Lease" means that certain Ground Lease by and between the City and DCOA for certain real property located in Taylor County, Texas, which includes the Ground Lease Premises, dated effective as of October 26, 2004, as amended.

"Ground Lease Premises" means the tracts of real property located within the Airport and more fully described in **Exhibit "A"** as Tracts A, B, C, D, E, and F.

"Premises" means the Hangars and the Ground Lease Premises collectively.

§3. PERMITTED AND PROHIBITED USES

The Premises shall only be used for the following purposes:

- a. Operation of an aircraft maintenance base as a Federal Aviation Regulation (F.A.R. Part) 145 repair station, performing engineering services, heavy and structural maintenance checks, modifications, repairs, and inspections on regional aircraft, including office and storage activities associated with the above mentioned duties, and including all other activities reasonably necessary for such operation;
- b. Sale of aircraft parts and accessories; and
- c. Assembling and disassembling or parting out aircraft and any storage activities associated with the foregoing.

Lessee shall not use the Premises for any purposes other than those authorized herein without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. No right or privilege has been granted to Lessee which would prevent any person, firm or corporation operating aircraft on the Airport from performing similar services on aircraft.

Lessee covenants that its use of the Premises will be in material compliance with all terms of the Ground Lease. Lessor represents that the permitted uses described in this Section 3 are permitted by the terms of the Ground Lease and the Standards.

Lessee shall not use or permit the use of any part of the Premises except as otherwise provided for in this Section 3. Without limiting the generality of such prohibition, the following uses are specifically prohibited unless prior written consent of the manager of the Airport is secured:

- a. Fixed Base Operator (FBO), aircraft sales (which shall not prohibit the sale of aircraft parts and accessories), aircraft rental, flight training, aircraft fuels and oil dispensing service, aircraft charter and air taxi, specialized commercial flying services;
- b. Self-fueling of aircraft activities;
- c. Aerial photography;
- d. Any use prohibited by law;
- e. Crop dusting; or
- f. Air carrier operations.

§4. TERM

The term of this Lease shall be for thirty six (36) months (the “Term”). The Term will commence on the Effective Date, and shall terminate on the last day of the 36th full month following the Effective Date, unless terminated sooner by either party.

§5. RENT

Lessee shall pay to Lessor, as rent for the Premises, the sum of \$19,000.00 per month through the Term of this Lease.

All payments to be made by Lessee to Lessor under this Lease shall be made by normal business methods and shall be paid in advance by the 25th day of each calendar month during the Term to Lessor at Lessor's address for receiving notices as described in Section 25, Notices and Payments. If the Term of this Lease commences or ends at any time other than the first day of a calendar month, then rent will be prorated for such month according to the number of days of the Term in such month.

Lessor agrees to maintain insurance on the Premises as set forth in Section 7 below and to perform its maintenance obligations set forth in Section 10 below. Otherwise, this Lease is a net lease and the rent payable under this Lease shall be absolutely net to Lessor at all times during the Term of this Lease, so that this Lease shall yield to Lessor the full amount of the rent throughout the Term of this Lease. All costs, expenses, taxes, charges, and other obligations of any character directly or indirectly relating to the Premises or the ownership, possession, use, occupation, operation, maintenance, repair, alteration, improvement, or replacement of the Premises which may arise or become due or payable during the Term of this Lease shall be paid by Lessee, whether or not specifically described in this Lease, except for the cost associated with the afore-mentioned insurance policy and any and all costs and expenses associated with its maintenance obligations set forth in Section 10. The rent shall be paid to Lessor when due and the other charges to be borne by Lessee under this Lease shall be paid when due without demand or notice (except as otherwise provided in this Lease), and without any abatement, deduction, diminution, suspension, interruption, deferment, or reduction by reason of any claim, set-off,

counterclaim, defense, or any other reason whatsoever. Except as expressly provided in this Lease to the contrary, this Lease shall continue in full force and effect during its full term, and the obligations of Lessee under this Lease shall not be released, discharged, or otherwise affected by reason of: (a) any damage to or destruction of the Premises or any part thereof, or any condemnation of the Premises or any part thereof; (b) any restriction or prevention of or interference with any use of the Premises or any part thereof; (c) any inconvenience or interruption or loss of business caused by any present or future legal requirements or insurance requirements; (d) any bankruptcy, insolvency, reorganization, competition, adjustment, dissolution, liquidation, or similar proceeding relating to Lessor or any action taken with respect to this Lease by any trustee or receiver of Lessor or by any court of any such proceeding; (e) any claim which Lessee has or might have against Lessor; (f) any failure on the part of Lessor to perform or comply with any of the terms of this Lease or of any other agreement with Lessee; or (g) any other occurrence whatsoever, whether similar or dissimilar to the foregoing and in each case, whether or not Lessee shall have notice or knowledge of any of the foregoing.

§6. MINIMUM STANDARDS

The Standards apply and are incorporated as a part of this Lease herein (see attached **Exhibit "B"**).

§7. INSURANCE

Lessee shall be responsible for any loss or damage to the Premises and improvements that result from its actions or inactions. Lessor will, at its expense, obtain and keep in force during the Term of this Lease, and any renewals and extensions hereof, general fire and extended coverage insurance on a replacement cost basis, in an amount not less than \$25,000,000, covering loss or damage to any buildings and/or permanent improvements owned by Lessor on the Premises.

Lessee will, at its expense, obtain and keep in force during the Term of this Lease, and any renewals and extensions hereof, the following insurance coverages:

- A. Insurance on the Premises contents owned or leased by the Lessee. Lessor shall not be liable for any damages to fixtures, merchandise, or other personal property of Lessee, unless caused by the gross negligence or willful misconduct of Lessor or its employees or agents, and the Lessee does hereby release the Lessor from any such liability; and
- B. Commercial (Public) General Liability insurance providing, as a minimum, coverage for Premises/operations, independent contractors, products/completed operations, and contractual liability in an amount not less than \$2,000,000 combined single limit for bodily injury and property damage with a deductible of no more than 1% of the insurance amount.

All insurance required by this Lease must be issued by a company or companies of sound and adequate financial responsibility and authorized to do business and pay claims in the State of Texas.

Required insurance naming Lessor as additional insureds must be primary insurance and not contributing with any other insurance available to the Lessor, under any third party liability policy. Said limits of insurance shall in no way limit the liability of the Lessee hereunder.

All insurance furnished under this Section by Lessee shall name Lessor as an additional insured, shall provide a waiver of subrogation in favor of the Lessor, and shall provide for thirty (30) days' notice of cancellation (and ten [10] days' notice for non-payment of premium).

Both Lessor and Lessee shall furnish the other party with an original certificate of insurance or a certified copy of all policies required under this Lease as reasonably requested by the other party and at renewal or replacement of coverage.

§8. TAXES AND ASSESSMENTS

During the Term of this Lease, Lessee shall be responsible for paying, prior to delinquency, all property taxes, charges and penalties imposed, assessed or levied upon the Premises. If the Premises constitutes a separate tax parcel for purposes of assessing and levying any such property taxes, Lessee shall have the right to contest the amount or validity of any property taxes by appropriate legal proceedings, diligently pursued, in the name of Lessor if required by any law, rule or regulation, provided that (i) Lessee shall first make all contested payments under protest it desires, but if payment under protest is not permitted by the taxing authority, such contested payment need not be made, (ii) neither the Premises, any part thereof, nor any interest therein shall be in any danger of being sold, forfeited, lost or interfered with, (iii) Lessee shall have furnished such security, if any, as may be required in the proceedings, and (iv) all expenses incurred in connection with such proceedings shall be paid by Lessee.

The Lessee covenants and agrees to pay all personal property taxes assessed against personal property placed on or attached to the Premises by Lessee prior to delinquency.

Lessee agrees that no payments owed by Lessee of any nature whatsoever to Lessor, the City, the Abilene Independent School District, or the West Central Texas Municipal Water District, including payment in advance for service charges such as garbage collection, or any sums of any character whatsoever, shall become delinquent or in arrears. Under no circumstances shall Lessee permit a lien to be placed on the Premises, and if any lien is placed on the Premises, Lessor may terminate this Lease if such lien is not released or bonded around within one hundred twenty (120) days after written notice thereof.

§9. UTILITIES

Lessee shall pay or cause to be paid when due any and all bills and charges for gas, electricity, water, sewage disposal, trash disposal, telephone, and other utility services used or wasted in connection with the Premises during the Term of this Lease.

§10. REPAIRS AND MAINTENANCE

Lessee shall be responsible, as of the date Lessee first takes possession of the Premises, for routine maintenance and repairs of the Premises, electrical power including electrical switches, outlets and lamp replacements, floor coverings, wall coverings, all plumbing, pipes and conduits, all fixtures, doors (including Hangar doors, subject to Lessor's obligations set forth below), door locks, seasonal maintenance, maintenance of equipment in the Hangars such as heating, ventilating and air conditioning equipment, cleaning, trash service, mowing and maintenance of outside landscaping. Lessee has inspected the site and accepts same in its present condition.

Lessee shall also be responsible for maintaining in good and tenantable condition and repair at all times the exterior and structural portion of the Hangars, including without limitation, the foundation, exterior walls, structural members of the Hangars, all utility lines and conduits running to and away from the Hangars, and major repair or replacement of electrical, plumbing, mechanical systems, parking and driveways, provided, however, that Lessor shall be responsible for repairs or replacement of areas within the parking lot and driveways if such areas require repair or replacement due to inadequate drainage on the Premises. Lessee has inspected all fixtures and improvements and accepts same in their present condition. Notwithstanding anything to the contrary set forth in this Section 10, in no event shall Lessee be required to expend more than \$10,000 in the aggregate during the Term for the repair or maintenance of the foundation, exterior walls, or structural members of the Hangars. For purposes of clarity, the \$10,000 limitation that is set forth in the previous sentence does not apply to Lessee's obligations under other Sections of this Lease, including but not limited to Sections 7 and 14.

All Hangars, buildings, properties or land on the Airport, shall be maintained in a clean attractive, weed free, well painted, junk free condition.

Lessor shall, at its sole cost and expense, during the Term of this Lease keep and maintain the roofs in good repair. Lessor shall, at its sole cost and expense, maintain the aircraft taxiways (including aircraft parking areas) outside the Hangars within the Premises and shall repair, resurface, repave, re-stripe and reseal the aircraft taxiways as may be necessary from time to time to maintain the Premises in a clean, safe and operable condition. If it shall be mutually determined in good faith by Lessor and Lessee that further maintenance or repair of the Hangar doors is no longer a reasonably practical or prudent business decision, Lessor shall, at its sole cost and expense, during the Term of this Lease replace the Hangar doors. If Lessor fails to perform any of its maintenance obligations in this paragraph and such failure continues for twenty (20) business days after written notice from Lessee (or such longer period as may be reasonably required provided Lessor commences to perform such required maintenance within such twenty (20) business-day period and proceeds diligently to completion), then Lessee may make the same at Lessor's cost and Lessor shall reimburse Lessee within thirty (30) days after written notice thereof with all supporting invoices.

§11. ALTERATIONS

No alteration, addition, improvement, or other change in or to the Premises (hereinafter collectively called an "**Alteration**") shall be made by Lessee except under the following circumstances: (a) no Alteration shall be made without first obtaining the prior written consent of Lessor to the specific Alteration, which shall not be unreasonably withheld, conditioned or delayed; (b) no Alteration shall be commenced until Lessee has first obtained and paid for all required permits and authorizations of all governmental authorities having jurisdiction, including without limitation all necessary approvals from the Federal Aviation Administration ("**FAA**"); (c) any Alteration shall be made promptly and in a good workmanlike manner and in compliance with all requirements of any future development standards, so long as such future development standards take effect during the Term, as approved by the Abilene City Council and the Airport's compliance requirements, all applicable permits, authorizations, building and zoning laws, and all other laws, ordinances, regulations and requirements of all governmental authorities; (d) the Premises shall at all times be free of liens and claims for work, labor, or materials supplied or claimed to have been supplied to the Premises and which are not removed, discharged or bonded around (if Lessee is contesting such lien) after Lessee's receipt of notice of the filing thereof; and (e) any Alteration to the Premises shall immediately become part of the Premises. Notwithstanding anything to the contrary set forth herein, Lessee shall not be required to obtain Lessor's consent for alterations totaling less than (\$25,000.00) ("**Permitted Alterations**"), in such case provided, that, (i) Lessee delivers to Lessor written notice thereof, (ii) the installation thereof does not require issuance of any building permit or other governmental approval, and (iii) such Permitted Alterations will not affect the structure of the Hangar, Hangar's mechanical, electrical or plumbing systems.

Unless Lessor requires their removal, all Alterations, improvements, additions and utility installations shall upon termination of this Lease, by lapse of time or otherwise, become Lessor's sole property and remain upon and be surrendered with the Premises. Notwithstanding the provisions of this paragraph, Lessee's machinery, furnishings, equipment, trade fixtures and other personal property ("**Lessee's Equipment**"), other than Lessee's Equipment that was purchased with DCOA funds or is affixed to the Premises so that it cannot be removed without material damage to the Premises or that cannot be repaired, shall remain Lessee's property and may be removed by Lessee. Lessee shall deliver up said Premises to Lessor in as good order and condition as they now are, or may be put by the Lessor prior to the Effective Date; provided, however, that reasonable use, ordinary wear and tear, or depreciation are excepted.

§12. FAA REGULATIONS

Lessee acknowledges that this Lease and its rights and obligations under this Lease are subject to certain regulations, rules, orders, and other requirements now existing or hereafter established by the FAA.

If any of the provisions on the attached **Exhibit "B"** are violated, such violation shall be a breach of this Lease, and in addition to any other rights it may have, Lessor shall have the right, but not the obligation, to enter upon the Premises and abate or cause the abatement of such violation. The costs incurred by Lessor in causing such abatement shall, upon written demand, accompanied by reasonably detailed evidence of such costs by Lessor, be promptly paid by Lessee to Lessor.

§13. DEFAULT

Each of the following events shall be deemed an event of default (“**Event of Default**”) under this Lease and also a material breach of this Lease:

- a. Failure by Lessee to cure any material breach of the Lease's covenants and conditions, other than rent, within one hundred twenty (120) days after the Lessor sends written notice of the breach (or such time as may be necessary, using due diligence, if such Event of Default cannot be cured within said 120-day period);
- b. Failure by Lessee to pay rent within ninety (90) days after receipt of Lessor’s written notice to Lessee of its failure to pay rent on the payment due date;
- c. Any assignment or sublease of any interest or rights of Lessee under this Lease, except as expressly permitted by Section 23;
- d. Material abandonment or vacation of the Premises by Lessee;
- e. Any assignment for the benefit of Lessee's creditors, or if Lessee's interest in the Premises is sold upon execution or other legal process;
- f. Intentionally deleted;
- g. A receiver is appointed without Lessee's application or consent, in any action or proceeding by or against Lessee and such action or proceeding is not stayed or discharged within ninety (90) days after its commencement, or Lessee is involuntarily made a party to any insolvency proceeding conducted pursuant to the laws of any state or of a political subdivision of any state and such proceeding is not stayed or discharged within ninety (90) days after its commencement, or Lessee involuntarily becomes a debtor in any case commenced under the provisions of the United States Bankruptcy Code, as amended and such case is not stayed or discharged within ninety (90) days after its commencement; or
- h. Application for or consent by Lessee to a receiver to be appointed in any action or proceeding by or against Lessee, or Lessee's consent to or voluntarily being made any insolvency proceeding conducted pursuant to the laws of any state or a political subdivision of any state, or Lessee's voluntarily becoming a debtor in any case commenced under the provisions of the United States Bankruptcy Code, as amended.

Immediately upon the continuance of an Event of Default beyond any applicable notice and cure period or expressly waived by Lessor in writing, Lessor may at its exclusive option elect either to: (i) continue this Lease in full force and effect notwithstanding the occurrence of the Event of Default; or (ii) terminate this Lease, in which event all rights, titles, and interests of Lessee in, to, or under the Premises and this Lease shall immediately terminate, and Lessor shall

be entitled immediately to reenter and repossess the Premises. Upon such event, Lessor shall be entitled to recover from Lessee and Lessee shall pay to Lessor an amount equal to; (A) all unpaid rent accruing under this Lease prior to Lessor's actual recovery of possession of the Premises; (B) all other unpaid amounts which were to have been paid by Lessee to anyone under this Lease prior to Lessor's actual recovery of possession of the Premises; (C) intentionally deleted; (D) Lessor's actual out-of-pocket damages for Lessee's breach of this Lease including without limitation damages to the Lessor resulting from lost rent during the remainder of what would otherwise have been the Term of this Lease (discounted to present value at a per annum rate equal to the interest rate on the Ten Year Treasury Note as published in the Wall Street Journal minus one percent) minus sums Lessor receives in rent of the Premises for the remainder of the original Term of this Lease, plus the following: clean-up expenses, leasing commissions to real estate brokers, reasonable legal expenses in connection with reletting the Premises, advertising, and costs and expenses of any repair that may be required in connection with reletting the Premises); (E) late charges, if any, due and unpaid under the following paragraph; and (F) interest on the foregoing amounts at the rate of 2% per month from the date of Lessor's election to terminate this Lease under this Section until the date of payment. Until such time as Lessor expressly elects to terminate this Lease under this Section, this Lease shall continue in full force and effect notwithstanding the occurrence of an Event of Default. In addition to the Lessor's remedies described herein, Lessor shall have the option to pursue any of the remedies afforded Lessor by law in the event of default by Lessee without prejudice to any other remedy. Notwithstanding the foregoing, if Lessor relets the Premises for a term (the "**Relet Term**") that extends past the expiration date of the then-current Term, the costs of reletting which may be included in Lessor's damages under this Section shall be limited to a prorated portion of the costs of reletting, based on the percentage that the length of the then-current Term remaining on the date Lessor terminates this Lease or Lessee's right to possession bears to the length of the Relet Term (whichever occurs first). For example, if there are two (2) years left on the then-current Term at the time that Lessor terminates possession and, prior to the expiration of the 2-year period, Lessor enters into a lease with a Relet Term of ten (10) years with a new lessee, then only 20% of the costs of reletting shall be included when determining Landlord's damages. The provisions of this paragraph shall survive the termination of the Lease.

Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than sixty (60) days after written notice by Lessee to Lessor, specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than sixty (60) days are required for performance then Lessor shall not be in default if Lessor commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion. If Lessor shall be in default under this Lease, Lessee's sole remedies against Lessor shall be: (i) to specifically enforce the obligations of Lessor hereunder and recover all costs, expenses and reasonable attorneys' fees incurred by Lessee in connection with enforcing this Lease, or (ii) recover Lessee's actual damages for such breach and recover all costs, expenses and reasonable attorneys' fees incurred by Lessee in connection with such recovery. Notwithstanding the foregoing, if Lessor fails to cure any breach or default by Lessor under this Lease within the time frames provided for in this Section, then Lessee may cure any such breach or default, and the commercially reasonable out-of-pocket funds costs and expenses expended by Lessee to effectuate such cure, plus ten percent (10%) of such out-of-pocket expenditures for special

handling, supervision, and overhead shall be due and payable by Lessor thirty (30) days following Lessor's receipt from Lessee of a reasonably detailed invoice of such costs expended.

§14. INDEMNITY

Lessee shall indemnify, hold harmless and defend the Lessor and the City, their respective officers, agents and employees, from and against liability for any claims, liens, suits, demands and/or actions for damages, injuries to persons (including death), property damage, (including loss of use), and expenses, including court costs, reasonable attorneys' fees and other reasonable costs (collectively, "Claims"), occasioned by or incidental to the Lessee's occupancy or use of the Premises and/or activities conducted in connection with or incidental to this Lease, including all such causes of action based on common, constitutional or statutory law; provided, however, such indemnity shall not apply to the sole or gross negligence or willful misconduct of Lessor and to the extent permitted by the Constitution and laws of the State of Texas.

Lessee must at all times exercise commercially reasonable precautions on behalf of, and be solely responsible for, the safety of its officers, employees, agents, customers, visitors and other persons, as well as their property, while in, on, or involved in any way with the use of the Premises. The Lessor and the City are not liable or responsible for the negligence or intentional acts or omissions of the Lessee, its officers, agents, employees, agents, customers, visitors and other persons.

Lessor shall indemnify, hold harmless and defend the Lessee, its respective officers, agents and employees, from and against liability for all Claims that result from the gross negligence of willful misconduct of Lessor, its officers, employees, agents, customers or visitors.

THE LESSOR, CITY AND LESSEE EXPRESSLY INTEND THIS INDEMNITY PROVISION TO REQUIRE LESSEE TO INDEMNIFY AND PROTECT THE LESSOR AND CITY FROM THE CONSEQUENCES OF THE LESSOR'S AND THE CITY'S OWN NEGLIGENCE WHILE LESSOR AND CITY ARE PARTICIPATING IN THIS LEASE WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE INJURY, DEATH, OR DAMAGE. NOTWITHSTANDING THE TERMS OF THE PRECEDING SENTENCES, THIS INDEMNITY PROVISION DOES NOT APPLY TO ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT, AND LIABILITY WHERE THE INJURY, DEATH, OR DAMAGE RESULTS FROM THE SOLE NEGLIGENCE OF THE LESSOR OR CITY, OR ANY OF THEIR EMPLOYEES, CONTRACTORS, OR AGENTS, UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY.

Indemnification under this section shall be due within thirty (30) days of written request by the indemnified party. This section survives the expiration or earlier termination of this Lease.

§15. GOVERNING LAW AND VENUE

It is the intention of the Parties to this Lease that all questions concerning the intention, validity, or meaning of this Lease or relating to the rights and obligations of the Parties with respect to performance under this Lease shall be construed and resolved according to the laws of the State of Texas. Any action brought pursuant hereto shall be brought in a court of competent jurisdiction in Taylor County, Texas.

§16. CONDITION OF PREMISES AND IMPROVEMENTS

DCOA has made no representation or warranty, either express or implied, with respect to the condition of the Premises and improvements and the fitness of the Premises and improvements for any particular use. Lessee acknowledges that it has fully investigated and is familiar with the size, dimensions, and physical condition of the Premises and improvements; and is accepting the Premises and improvements "AS IS, WHERE-IS, and WITH ALL FAULTS". Except as otherwise set forth herein, DCOA shall not be required to make any improvement, repair, alteration, or restoration of the Premises and improvements or in any manner maintain the Premises and improvements, and shall have no liability for any latent or patent defects in or condition of the Premises and improvements.

§17. COMPLIANCE WITH LAWS

Lessee shall promptly comply or cause compliance with all laws, regulations, orders, and requirements of all federal, state, and local governments, courts, or order authorities, which now or at any time hereafter may apply to or affect the Premises or any business conducted on the Premises, whether present or future, foreseen or unforeseen, ordinary or extraordinary, and whether or not the same shall be within the present contemplation of Lessor or Lessee or shall involve any change of governmental policy or require structural or extraordinary repairs, alterations, or additions, and irrespective of the cost thereof. Lessee shall obtain, maintain, and comply with all permits, licenses, and other authorizations required for any use then being made of the Premises.

§18. CONDEMNATION

If all of the Premises is taken by any condemning authority under the power of eminent domain or otherwise or by any purchase or other acquisition in lieu of eminent domain or otherwise ("**Total Condemnation**"), this Lease shall terminate as of the date when possession of the Premises is acquired by the condemning authority. If only a part of the Premises is taken by any condemning authority under the power of eminent domain or otherwise or by any purchase or other acquisition in lieu of eminent domain or otherwise ("**Partial Condemnation**") and if Partial Condemnation results in an interference with the operation of the business operations of Lessee on the Premises which is so substantial as to render, in the reasonable opinion of Lessee, its further operation at the Premises economically impractical, Lessee shall have the option to terminate this Lease by giving notice to that effect to Lessor within one hundred twenty (120) days following the date of any Partial Condemnation, in which event this Lease shall terminate as of the date when possession of that portion of the Premises taken is acquired by the condemning authority.

In the event of a Partial Condemnation and if this Lease is not thereupon terminated pursuant to the provisions of this section, this Lease shall continue in full force and effect with respect to the portion of the Premises not taken or otherwise acquired as a part of such Partial Condemnation, except that the rent shall be abated on a reasonable basis as to that portion of the Premises rendered untenable by the Partial Condemnation.

Lessor shall be entitled to receive the total appropriation award or condemnation proceeds paid by the condemning authority in connection with a Total Condemnation or a Partial Condemnation, as the case may be. Lessee shall be entitled to seek to recover as against the condemning authority, and Lessor shall have no claim for or thereto, for Lessee's trade fixtures and any removable structures and improvements erected and made by Lessee to or upon the Premises which Lessee is entitled to remove at the expiration of this Lease.

§19. RESTORATION OF DAMAGED PREMISES OR IMPROVEMENTS

In addition to the obligations set forth in Section 10 above, in the event of loss, damage or destruction to any part or all of the Premises caused by any person or event, other than Lessee or any of its employees, agents, contractors or representatives (or anyone else acting under Lessee's authority, direction or control), so as to render such Premises unfit for occupancy and normal uses ("**Casualty**"), Lessor shall deliver to Lessee a good faith estimate of the time needed to repair the damage to the Premises with funds from insurance coverage if available, and commence to rebuild and restore the Premises to substantially as good a condition as existed prior to such Casualty, provided that insurance proceeds are available and Lessor estimates that the Casualty can be repaired within one hundred twenty (120) days once the repairs begin. Lessor shall as soon as reasonably practicable after adjustment of loss with its insurance carrier(s) commence and complete with commercially reasonable diligence the reconstruction or repair of the Premises.

If a material portion of the Premises is damaged by Casualty such that Lessee is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Lessor estimates that the damage caused thereby cannot be repaired within one hundred twenty (120) days after the commencement of repairs, then Lessor shall notify Lessee of this finding ("**Lessor's Estimate**"). In such event, either Party may notify the other within thirty (30) days of Lessee's receipt of Lessor's Estimate of its decision to terminate this Lease by providing written notice to the other (the "**Casualty Termination Notice**"). In such event, the termination of the Lease shall be effective one hundred twenty (120) days after a party has given the Casualty Termination Notice to the other party.

If the Premises are damaged by Casualty and a Casualty Termination Notice has been delivered, rent for the portion of the Premises rendered untenable by the damage shall be abated on a reasonable basis from the date of Casualty until the date of termination of this Lease as provided above.

Notwithstanding anything to the contrary set forth in this Agreement: (i) in the event of a Casualty where the Lease has not been terminated, (a) the rent shall be abated (or prorated, as

applicable) on a reasonable basis for the portion of the Premises rendered untenable by the damage for such period beginning on the date of the Casualty and continuing until such date that Lessee recommences its operations on the Premises and (b) the Term will be tolled while rent is abated and the stated expiration date of this Lease shall automatically be extended for the period of time equal to the period beginning on the date of the Casualty and ending on such date that Lessee recommences its operations on the Premises; and (ii) if a Partial Condemnation (as hereinafter defined) occurs that does not result in a termination of the Lease, this Lease shall continue in effect with respect to the balance of the Premises, with a reduction of rent in proportion to that portion of the reduction in the area of the Premises.

§20. SURVIVAL OF OBLIGATIONS

No termination of this Lease and no repossession of the Premises or any part thereof shall relieve Lessee of its liabilities and obligations under this Lease all of which shall survive such termination or repossession.

§21. ENTRY

Lessor and its designees shall have the right to enter the Premises upon reasonable advance notice (either written or oral and in any event, at least twenty-four (24) hours) and at any reasonable times for the purposes of inspecting the Premises, performing any work which Lessor elects to perform under this Lease, and exhibiting the Premises for sale, lease, or mortgage; provided, however, Lessor shall take commercially reasonable steps to not unreasonably interfere with or disturb the business operations of Lessee. Nothing in this Section shall imply any duty upon Lessor to do any work, which under any other provision of this Lease Lessee is required to perform, and any performance by Lessor shall not constitute a waiver of Lessee's default.

§22. NONWAIVER

No failure by Lessor to exercise any option hereunder or to enforce its rights or seek its remedies upon any default, and no acceptance by Lessor of any rent or other payment accruing before or after any default, shall affect or constitute a waiver of Lessor's rights to exercise that option, enforce that right, or seek that remedy with respect to that default or any prior or subsequent default.

§23. ASSIGNMENT OR SUBLEASE

This Lease is personal to the Lessee named herein and may not be assigned or transferred, nor may any of the Premises be rented or subleased by the Lessee, without the Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Lessee shall have the right to assign its interest hereunder or to sublet the Premises to any subsidiary, affiliate or successor company thereof upon the condition that the Lessee hereunder shall remain liable for the full, faithful and complete performance of this Lease.

§24. NONDISCRIMINATION

Both Parties each agree that they will not discriminate because of race, color, religion, sex, national origin, or disability with regards to any activity conducted by Lessee on the Premises. Lessee shall take affirmative action to ensure that all persons are treated equally without regard to race, color, religion, sex, national origin, or disability with regards to any activity conducted by Lessee on the Premises. Lessee agrees to post in conspicuous places on the Premises, notices to be provided setting forth the provisions of this nondiscrimination clause. Lessee shall, in all solicitations or advertisements for employees placed by or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, or disability.

That in the event of Lessee's breach of any of the preceding nondiscrimination covenants, Lessee shall be considered in breach of Lessee's covenants for purposes of Section 13.a., above.

Lessee shall insert all of the provisions set forth in this section in any contract or agreement it enters into which involves in any manner or fashion any third party providing goods or services to the public pursuant to operations or activities of such third party on the Premises.

§25. NOTICES AND PAYMENTS

All rental payments and other notices under this Lease shall be in writing and shall be deemed to be properly served only if sent, postage prepaid, by registered or certified mail with return receipt requested, as follows:

To Lessee:

EAGLE AVIATION SERVICES, INC.
2751 Airport Blvd
Abilene, TX 79602
Attn: Managing Director
(325) 672-0983

To Lessor:

DEVELOPMENT CORPORATION OF
ABILENE, INC.
174 Cypress St., Ste. 301
Abilene, Texas 79601
(325) 676-6338
Fax: (325) 676-6377
ATTN: Kim Tarrant

With a Copy to:

ENVOY AIR INC.
4401 Regent Blvd.
Irving, Texas 75063
Attn: SVP Corporate Services
(972) 374-9160

Notice will be effective upon deposit in the United States mail in the manner provided above. Any party may change its address with written notice to the other party.

§26. SEVERABILITY

The intention of the Parties to this Lease is to comply fully with all laws governing leases, and this Lease shall be construed consistently with all such laws to the extent possible. If and to the extent that any court of competent jurisdiction is unable to so construe part or all of any provision of this Lease, and holds part or all of that provision to be invalid, such invalidity shall not affect the balance of that provision or the remaining provisions of this Lease, which shall remain in full force and effect.

§27. AUTHORITY

During a time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended, including without limitation the payment of rent if Lessee's use of the Premises is materially and adversely effected.

Lessor reserves the right, but not the obligation, to maintain and keep in good repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

Lessor reserves the right to take any action it considers reasonably necessary to protect the aerial approaches of the Airport against obstructions together with the right to prevent the erection of any building or other structure on or adjacent to the Airport which would limit the usefulness of the Airport or constitute a hazard to aircraft.

§28. MATTERS PERTAINING TO THE GROUND LEASE

In the event that the City delivers notice to Lessor of a default under the Ground Lease, Lessor agrees to send a copy of such default notice to Lessee within ten (10) days of Lessor's receipt of the notice.

Nothing contained in this Lease shall be construed or interpreted to: (i) amend, in any manner or under any circumstances, any term or condition of the Ground Lease; (ii) create any obligation of the City, except to the extent expressly provided in the Ground Lease; (iii) require the City to subordinate its fee title to Premises or its interest in the Ground Lease to any mortgage, deed of trust or other lien entered into, whether voluntarily or involuntarily, by Lessor or Lessee; or (iv) give to Lessee any greater rights as against the City than those granted by the Ground Lease to Lessor.

Notwithstanding anything herein to the contrary, Lessor and Lessee agree to submit mutual requests to the City under the Ground Lease to deliver copies of all notices under the Ground Lease relating to the Premises directly to Lessee on a simultaneous basis.

§29. AGREEMENT

This Lease, the Exhibits, and the Agreement for Financial Assistance between DCOA and EASI effective January 1, 2020, shall constitute the sole agreement between

EASI and DCOA relating to the object of this Lease and correctly set forth the complete rights, duties, and obligations of each party to the other as of its date. Any prior agreements, promises, negotiations or representations, verbal or otherwise, not expressly set forth in this Agreement are of no force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto, having been duly authorized to so act, have executed this Lease the day and year last written below.

DEVELOPMENT CORPORATION OF ABILENE, INC.

EAGLE AVIATION SERVICES, INC.

Misty Mayo, CEO

By: _____
Name/Title: _____

Date: _____

Date: _____

ATTEST:

ATTEST:

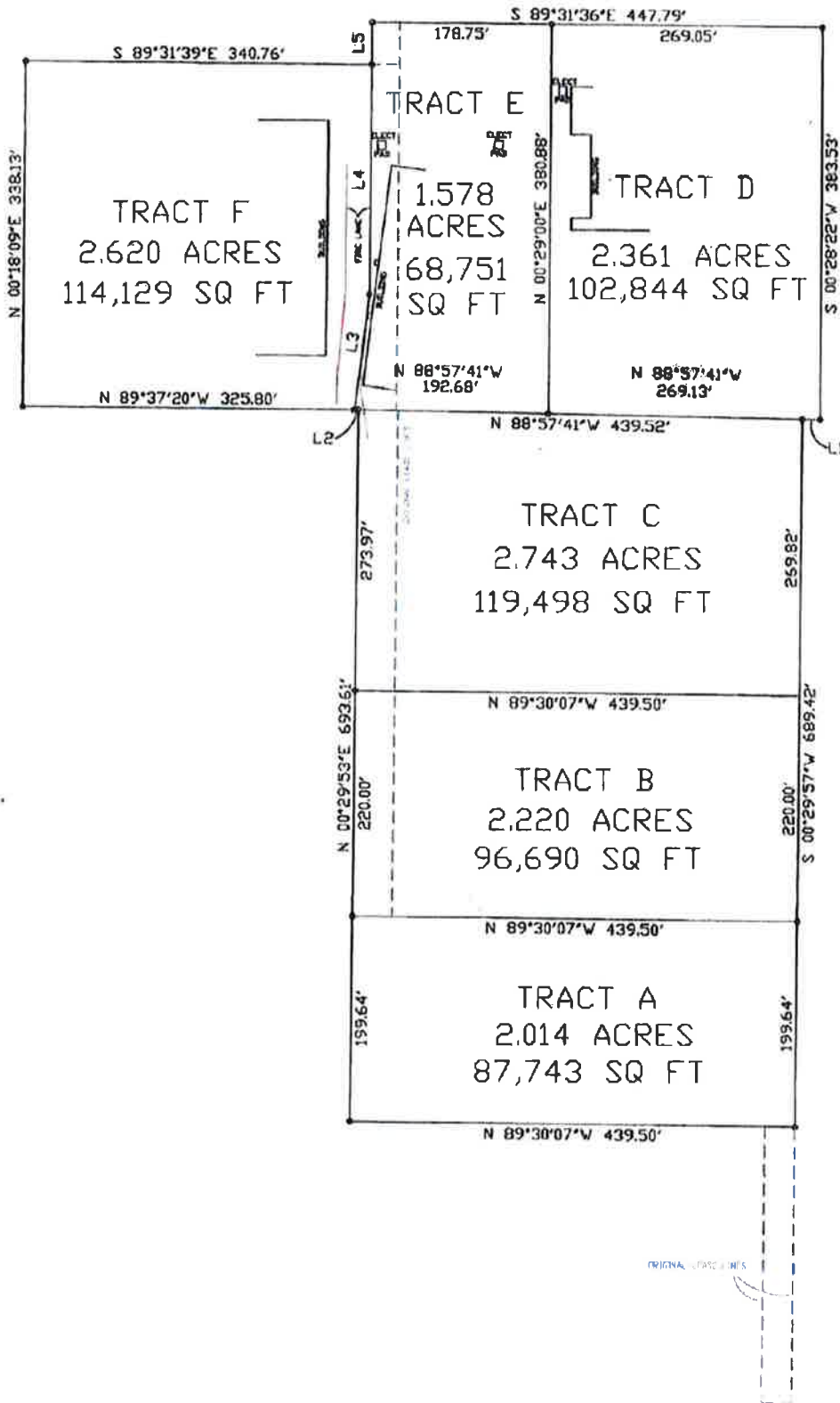
Kim Tarrant, Chief Operating Officer

Name/Title: _____

APPROVED AS TO FORM:

Mark S. Zachary, Attorney at Law

EXHIBIT A LEGAL DESCRIPTION



**A 2.014-ACRE TRACT
OUT OF
LOT 1, BLOCK "A", ABILENE REGIONAL AIRPORT ADDITION
ABILENE, TAYLOR COUNTY, TEXAS**

BEING a 2.014-acre tract out of Lot 1, Block "A", Abilene Regional Airport Addition, recorded in Cabinet #3, Slide 489 and 490, Plat Records, Taylor County, Texas, said 2.014-acre tract being more particularly described as follows:

Bearings are based on Grid North, as established by GPS observations.

BEGINNING at a set ½" iron with cap, stamped "H&T", for the southeast corner of this tract, where a found 30" detachable monument with 2" aluminum cap, stamped "Hibbs & Todd", for the northernmost point of intersection of Highway 36 and Airport Boulevard, called Point No. 2 of said Lot 1, Block A, Abilene Regional Airport Addition, bears 2469.68 feet North 03 degrees 49 minutes 03 seconds East, and where the Secondary Airport Control Station, "ABI-F", bears 1405.12 feet South 05 degrees 06 minutes 24 seconds West;

THENCE North 89 degrees 30 minutes 07 seconds West for a distance of 439.50 feet to a found ½" iron rod with cap, stamped "H&T";

THENCE North 00 degrees 29 minutes 53 seconds East for a distance of 199.64 feet to a set chiseled "+" in concrete;

THENCE South 89 degrees 30 minutes 07 seconds East for a distance of 439.50 feet to a set chiseled "+" in concrete;

THENCE South 00 degrees 29 minutes 53 seconds West for a distance of 199.64 feet to the Point of Beginning, containing 2.014 acres or 87743 square feet.

**A 2.220-ACRE TRACT
OUT OF
LOT 1, BLOCK "A", ABILENE REGIONAL AIRPORT ADDITION
ABILENE, TAYLOR COUNTY, TEXAS**

BEING a 2.220-acre tract out of Lot 1, Block "A", Abilene Regional Airport Addition, recorded in Cabinet #3, Slide 489 and 490, Plat Records, Taylor County, Texas, said 2.220-acre tract being more particularly described as follows:

Bearings are based on Grid North, as established by GPS observations.

BEGINNING at a set chiseled "+" in concrete for the southeast corner of this tract, where a found 30" detachable monument with 2" aluminum cap, stamped "Hibbs & Todd", for the northernmost point of intersection of Highway 36 and Airport Boulevard, called Point No. 2 of said Lot 1, Block A, Abilene Regional Airport Addition, bears 2270.40 feet North 04 degrees 06 minutes 33 seconds East, and where the Secondary Airport Control Station, "ABI-F", bears 1604.19 feet South 04 degrees 32 minutes 01 seconds West;

THENCE North 89 degrees 30 minutes 07 seconds West for a distance of 439.50 feet to a set chiseled "+" in concrete;

THENCE North 00 degrees 29 minutes 53 seconds East for a distance of 220.00 feet to a set ½" iron rod with cap, stamped "H&T";

THENCE South 89 degrees 30 minutes 07 seconds East for a distance of 439.50 feet to a set ½" iron rod with cap, stamped "H&T";

THENCE South 00 degrees 29 minutes 53 seconds West for a distance of 220.00 feet to the Point of Beginning, containing 2.220 acres or 96690 square feet.

**A 2.743-ACRE TRACT
OUT OF
LOT 1, BLOCK "A", ABILENE REGIONAL AIRPORT ADDITION
ABILENE, TAYLOR COUNTY, TEXAS**

BEING a 2.743-acre tract out of Lot 1, Block "A", Abilene Regional Airport Addition, recorded in Cabinet #3, Slide 489 and 490, Plat Records, Taylor County, Texas, said 2.743-acre tract being more particularly described as follows:

Bearings are based on Grid North, as established by GPS observations.

BEGINNING at a set ½" iron with cap, stamped "H&T", for the southeast corner of this tract, where a found 30" detachable monument with 2" aluminum cap, stamped "Hibbs & Todd", for the northernmost point of intersection of Highway 36 and Airport Boulevard, called Point No. 2 of said Lot 1, Block A, Abilene Regional Airport Addition, bears 2050.88 feet North 04 degrees 29 minutes 47 seconds East, and where the Secondary Airport Control Station, "ABI-F", bears 1823.71 feet South 04 degrees 02 minutes 50 seconds West;

THENCE North 89 degrees 30 minutes 07 seconds West for a distance of 439.50 feet to a set ½" iron rod with cap, stamped "H&T";

THENCE North 00 degrees 29 minutes 53 seconds East for a distance of 273.97 feet to a PK nail with washer;

THENCE South 88 degrees 57 minutes 41 seconds East for a distance of 439.52 feet to a found ½" iron rod with cap, stamped "H&T";

THENCE South 00 degrees 29 minutes 53 seconds West for a distance of 269.82 feet to the Point of Beginning, containing 2.743 acres or 119498 square feet.

**A 2.361-ACRE TRACT
OUT OF
LOT 1, BLOCK "A", ABILENE REGIONAL AIRPORT ADDITION
ABILENE, TAYLOR COUNTY, TEXAS**

BEING a 2.361-acre tract out of Lot 1, Block "A", Abilene Regional Airport Addition, recorded in Cabinet #3, Slide 489 and 490, Plat Records, Taylor County, Texas, said 2.361-acre tract being more particularly described as follows:

Bearings are based on Grid North, as established by GPS observations.

BEGINNING at a found ½" iron with cap, stamped "H&T", for the northeast corner of this tract, where a found 30" detachable monument with 2" aluminum cap, stamped "Hibbs & Todd", for the northernmost point of intersection of Highway 36 and Airport Boulevard, called Point No. 2 of said Lot 1, Block A, Abilene Regional Airport Addition, bears 1398.30 feet North 05 degrees 37 minutes 24 seconds East, and where the Secondary Airport Control Station, "ABI-F", bears 2476.86 feet South 03 degrees 31 minutes 46 seconds West;

THENCE South 00 degrees 28 minutes 22 seconds West for a distance of 383.53 feet to a found ½" iron rod with cap, stamped "H&T";

THENCE North 88 degrees 57 minutes 41 seconds West for a distance of 269.13 feet to a set PK nail;

THENCE North 00 degrees 29 minutes 00 seconds East for a distance of 380.88 feet to a set ½" iron rod with cap, stamped "H&T";

THENCE South 89 degrees 31 minutes 36 seconds East for a distance of 269.05 feet to the Point of Beginning, containing 2.361 acres or 102844 square feet.

**A 1.578-ACRE TRACT
OUT OF
LOT 1, BLOCK "A", ABILENE REGIONAL AIRPORT ADDITION
ABILENE, TAYLOR COUNTY, TEXAS**

BEING a 1.578-acre tract out of Lot 1, Block "A", Abilene Regional Airport Addition, recorded in Cabinet #3, Slide 489 and 490, Plat Records, Taylor County, Texas, said 1.578-acre tract being more particularly described as follows:

Bearings are based on Grid North, as established by GPS observations.

BEGINNING at a set ½" iron with cap, stamped "H&T", for the northwest corner of this tract, where a found 30" detachable monument with 2" aluminum cap, stamped "Hibbs & Todd", for the northernmost point of intersection of Highway 36 and Airport Boulevard, called Point No. 2 of said Lot 1, Block A, Abilene Regional Airport Addition, bears 1506.04 feet North 22 degrees 50 minutes 55 seconds East, and where the Secondary Airport Control Station, "ABI-F", bears 2493.41 feet South 06 degrees 48 minutes 06 seconds East;

THENCE South 89 degrees 31 minutes 36 seconds East for a distance of 178.75 feet to a set ½" iron rod with cap, stamped "H&T";

THENCE South 00 degrees 29 minutes 00 seconds West for a distance of 380.88 feet to a set PK nail;

THENCE North 88 degrees 57 minutes 41 seconds West for a distance of 192.68 feet to a set PK nail with washer;

THENCE North 07 degrees 25 minutes 00 seconds East for a distance of 113.42 feet to a set PK nail with washer;

THENCE North 00 degrees 32 minutes 00 seconds East for a distance of 266.39 feet to the Point of Beginning, containing 1.578 acres or 68751 square feet.

**A 2.620-ACRE TRACT
OUT OF
LOT 1, BLOCK "A", ABILENE REGIONAL AIRPORT ADDITION
ABILENE, TAYLOR COUNTY, TEXAS**

BEING a 2.620-acre tract out of Lot 1, Block "A", Abilene Regional Airport Addition, recorded in Cabinet #3, Slide 489 and 490, Plat Records, Taylor County, Texas, said 2.620-acre tract being more particularly described as follows:

Bearings are based on Grid North, as established by GPS observations.

BEGINNING at a set ½" iron with cap, stamped "H&T", for the northwest corner of this tract, where a found 30" detachable monument with 2" aluminum cap, stamped "Hibbs & Todd", for the northernmost point of intersection of Highway 36 and Airport Boulevard, called Point No. 2 of said Lot 1, Block A, Abilene Regional Airport Addition, bears 1700.61 feet North 32 degrees 59 minutes 17 seconds East, and where the Secondary Airport Control Station, "ABI-F", bears 2519.01 feet South 14 degrees 38 minutes 04 seconds East;

THENCE South 89 degrees 31 minutes 39 seconds East for a distance of 340.76 feet to a set ½" iron with cap, stamped "H&T";

THENCE South 00 degrees 32 minutes 00 seconds West for a distance of 225.00 feet to a set PK nail with washer;

THENCE South 07 degrees 25 minutes 00 seconds West for a distance of 113.42 feet to a PK nail with washer;

THENCE North 89 degrees 37 minutes 20 seconds West for a distance of 325.80 feet to a found ½" iron rod;

THENCE North 00 degrees 18 minutes 09 seconds East for a distance of 338.13 feet to the Point of Beginning, containing 2.620 acres or 114129 square feet.

EXHIBIT B
STANDARDS

[TO BE ATTACHED]

EXHIBIT C
GROUND LEASE

[ATTACHMENT FOLLOWS]

DEVELOPMENT CORPORATION OF ABILENE, INC.

BOARD AGENDA

MEETING DATE: December 20, 2019

PROJECT: Abimar Foods – Extension of Leases for Vine St. Property

STAFF: Misty Mayo, CEO

BACKGROUND

The DCOA-owned property at 3901/4009/4109 Vine consists of 4 large and 1 smaller connecting warehouses A, B, C and D plus adjoining offices. Abimar Foods (formerly Fehr Foods) currently leases the following space totaling 175,621 sq ft as indicated in the attached drawing:

Warehouse A (4009 Vine St.) - 70,000 sq ft

Warehouse B (4109 Vine St.) - 42,362 sq ft

Warehouse C (4109 Vine St.) - 29,044 sq ft (including space formerly known as Warehouse E)

Warehouse D (4109 Vine St.) – 29,668 sq ft

Dock area with 8 dock doors – 4,547 sq ft

The Lease Agreement No. ABIMAR15 was effective February 1, 2015 and expires January 31, 2020. Monthly rent is \$25,989.88 and includes a payout of \$81,403 which represents one-half of the tenant improvements approved by the DCOA in 2014, including ventilation installation and restroom remodel.

Effective February 1, 2018, the DCOA executed a Land Lease Agreement with AbiMar for the 1.763-acre tract of vacant land located adjacent and to the north of Warehouse A to provide additional large truck parking and staging. Lease payments are \$948.75/month and expiration is also January 31, 2020.

THE REQUEST

The company is requesting that the DCOA extend the two leases for three (3) months to April 30, 2020 to allow them time to assess their future warehousing needs. They have also requested that the vacant office space totaling approximately 10,000 sq ft be included in an amendment to the warehouse lease effective immediately at no additional lease expense. All utilities will be transferred to AbiMar for payment, and the company will be responsible for all other expenses associated with the office space that the DCOA has been paying.

Staff proposes that the DCOA authorize an amendment to the Lease Agreement to extend the expiration date to April 30, 2020 and add the vacant office space for the same lease amount of \$25,989.88/month. Also proposed is an amendment to the Land Lease Agreement to extend the expiration date to April 30, 2020.

FISCAL IMPACT

Additional rent to DCOA of \$80,815.89 for three months.

STAFF RECOMMENDATION

Staff recommends the DCOA approve resolution DCOA-2020.07 authorizing a three-month extension to April 30, 2020 of the Lease Agreement and Land Lease Agreement with AbiMar

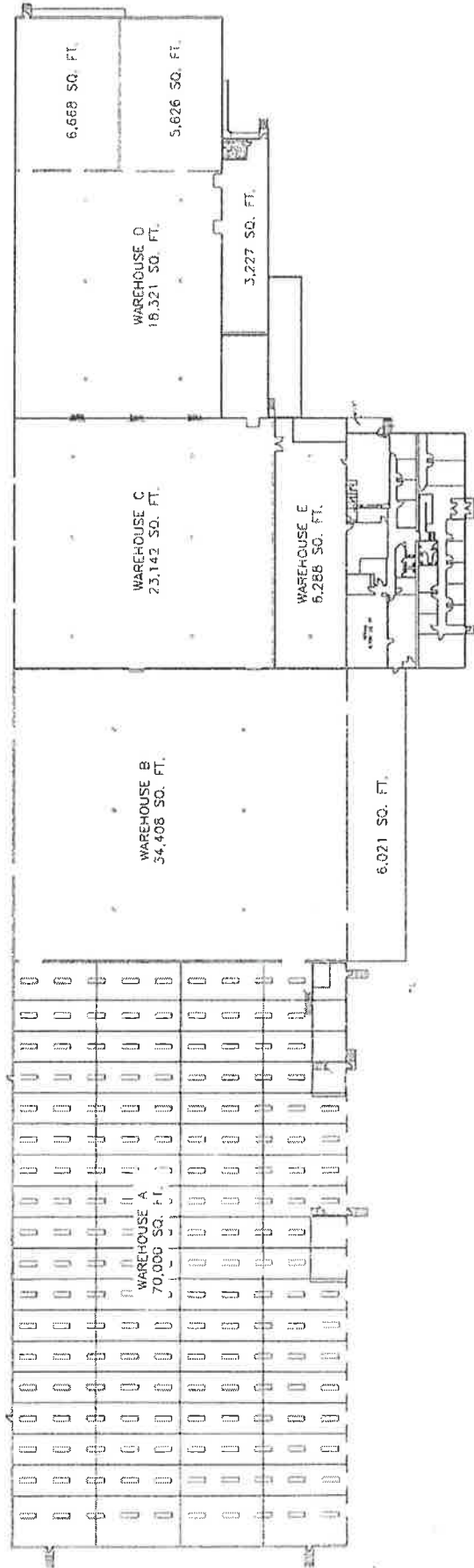
Foods at the current monthly lease amounts which shall include the addition of the vacant office space.

ATTACHMENTS

Drawing of lease area

Resolution DCOA-2020.07

<https://dcoa.sharepoint.com/Shared Documents/DCOA/Meeting Memos/FY2020/Abimar Foods Vine St Lease Extension 12-20-19.docx>



OVERALL BUILDING FLOOR PLAN
SCALE 1/16"=1'-0"

RESOLUTION NO. DCOA-2020.07

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC. (DCOA), ABILENE, TEXAS AUTHORIZING AN EXTENSION OF THE LEASE AGREEMENT NO. ABIMAR15 AND LAND LEASE AGREEMENT WITH ABIMAR FOODS, INC. ("ABIMAR") FOR PROPERTY LOCATED ON VINE ST., ABILENE, TEXAS.

WHEREAS, the DCOA-owned property at 3901/4009/4109 Vine consists of 4 large and 1 smaller connecting warehouses A, B, C and D plus adjoining offices; and,

WHEREAS, Abimar Foods (formerly Fehr Foods) currently leases the following space totaling 175,621 sq ft; Warehouse A (4009 Vine St.) - 70,000 sq ft, Warehouse B (4109 Vine St.) - 42,362 sq ft, Warehouse C (4109 Vine St.) - 29,044 sq ft (including space formerly known as Warehouse E), Warehouse D (4109 Vine St.) – 29,668 sq ft, and dock area with 8 dock doors – 4,547 sq ft; and,

WHEREAS, the Lease Agreement No. ABIMAR15 was effective February 1, 2015 and expires January 31, 2020, with monthly rent of \$25,989.88 including a payout of \$81,403 for one-half of the tenant improvements approved by the DCOA in 2014 (including ventilation installation and restroom remodel); and,

WHEREAS, effective February 1, 2018, the DCOA executed a Land Lease Agreement with AbiMar for the 1.763-acre tract of vacant land located adjacent and to the north of Warehouse A to provide additional large truck parking and staging with lease payments of \$948.75/month and expiration on January 31, 2020; and,

WHEREAS, AbiMar is requesting that: 1) the DCOA extend the two leases for three (3) months to April 30, 2020 to allow them time to assess their future warehousing needs; and 2) the vacant office space totaling approximately 10,000 sq ft be included in an amendment to the Lease Agreement effective immediately at no additional lease expense; and,

WHEREAS, staff requests the DCOA board authorize an amendment to the Lease Agreement and Land Lease Agreement to extend the expiration date to April 30, 2020 and add the vacant office space for the same lease amount of \$25,989.88/month to the Lease Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. DCOA hereby authorizes an amendment to the Lease Agreement No. ABIMAR15 and Land Lease Agreement with AbiMar Foods, Inc. to extend the expiration by three (3) months to April 30, 2020 and includes the vacant office space totaling approximately 10,000 sq. ft. as part of the leased property at the current monthly lease rates.

DCOA further authorizes the addition of any other provisions to the herein described amendment and lease agreements which is consistent with and necessary to effectuate the terms, as outlined above, as determined by the DCOA's Chief Executive Officer.

PART 2. Funding under this resolution is contingent upon execution of all necessary agreements. The commitment authorized under this resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are

executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. The Chief Executive Officer of the Development Corporation of Abilene, Inc. is hereby authorized to negotiate, enter into and execute a final document and all other related documents on behalf of the DCOA.

ADOPTED this the 20th day of December 2019.

ATTEST:

Vic Corley
Secretary/Treasurer

John Beckham
President

APPROVED AS TO FORM:

Mark Zachary, Attorney at Law

6.5

DEVELOPMENT CORPORATION OF ABILENE, INC.
BOARD AGENDA
MEETING DATE: December 20, 2019

PROJECT: Consulting Contract with JP Solutions

STAFF: Misty Mayo, CEO

THE REQUEST:

Staff requests the DCOA authorize a three-month contract with JP Solutions for consulting services to assist with the overall strategy and organizational alignment of the DCOA including roles and responsibilities of staff, reviewing current job descriptions, formulating a strategy for future organizational growth to align with the DCOA's Strategic Plan, researching best practices for a Policies and Procedures Manual, and evaluating the City of Abilene's economic development responsibilities and integrating a collaborative component with DCOA staff.

FISCAL IMPACT:

Base fee	\$22,500 (payable monthly at \$3,000 for December and \$6,500 January to March)
Reimbursables	\$ 5,000 (est.)
TOTAL	\$27,500

STAFF RECOMMENDATION:

Staff recommends approval of resolution DCOA-2020.08 authorizing a consulting contract with JP Solutions.

ATTACHMENT:

Resolution DCOA-2020.08
Grassroots Coordination Letter of Agreement with JP Solutions

<https://dcoa.sitapoint.com/Shared Documents/DCOA/Meeting Memos/FY2020/EASI AFFA & Hangar Lease 12-20-19.docx>

RESOLUTION NO. DCOA-2020.08

A RESOLUTION OF THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS ("DCOA") AUTHORIZING THE PROCUREMENT OF CONSULTING SERVICES FROM JULIE JOHNCOX D/B/A JP SOLUTIONS ("JP SOLUTIONS").

WHEREAS, the DCOA desires to contract with JP Solutions for consulting services to meet goals set forth by the DCOA including but not limited to reviewing the DCOA's organizational alignment, formulating a strategy for future organization growth, and development of policies and procedures for the DCOA.

NOW THEREFORE, BE IT RESOLVED BY THE DEVELOPMENT CORPORATION OF ABILENE, INC., ABILENE, TEXAS, THAT:

PART 1. The DCOA's Chief Executive Officer ("CEO") be and hereby is authorized to enter into the attached agreement for consulting services with JP Solutions.

DCOA further authorizes the CEO to make any changes or amendments to the herein described agreement and take any steps which are consistent with and necessary to effectuate the actions outlined above as determined by the CEO.

PART 2. Funding under this Resolution is contingent upon execution of all necessary agreements. The funding commitment authorized under this Resolution shall expire without notice 180 days from the date of adoption of same unless all required documents and agreements are executed prior to that expiration date or the commitment herein is extended in writing by the DCOA.

PART 3. This Resolution takes effect immediately upon passage.

ADOPTED this the 20th day of December, 2019.

ATTEST:

Vic Corley
Secretary/Treasurer

John Beckham
President

APPROVED AS TO FORM:

Mark Zachary, Attorney at Law

Development Corporation of Abilene Economic Development Consulting

December 21, 2019

**Julie Johncox, President
J P Solutions
6421 Fershaw Place
Fort Worth, Texas 76116
817-229-3121
julie@jp-solutions.org**

Grassroots Coordination Letter of Agreement

This letter of agreement ("**Letter Agreement**") will serve as a contractual agreement between **Julie Johncox d/b/a JP Solutions ("JP Solutions")** and the **Development Corporation of Abilene, Inc.**, a Texas economic development corporation formed pursuant to Tex. Loc. Gov't Code Section 501.001 et. seq. ("**DCOA**") to provide consulting services and act as a General Economic Development Consultant *for the* DCOA. This Letter Agreement will begin on December 21, 2019 based on the signing and execution of this Letter Agreement and initial payment.

Description of Services

JP Solutions will provide general Economic Development services, coordination and management of projects as assigned by the CEO.

Scope of Work

JP Solutions will strive to meet the reasonable goals set by the DCOA and its leadership, including, but not limited to, the following:

- Travel to Abilene if /as required
- Attend meetings by phone or in person as needed
- Assist CEO in overall strategy and organizational alignment
- Research best practices and organizational structures (Texas, National)
- Investigate and capture rolls and responsibilities of staff
- Review current job descriptions
- Assist in formulation of strategy for future organizational growth to align with strategic plan
- Create and compose (draft) new duties and responsibilities of staff (with input), adjust to meet future vision
- Research best practices for Policies and Procedures Manual
- Outline chapters necessary for Policies and Procedures Manual
- Start composing chapters of manual as suitable or with progression of organization
- Evaluate City of Abilene Economic Development responsibilities and integrate or collaborative component with staff of DCOA

Future Scope of Work

- Future Economic Development assignments could include a variety of assessments or project management of specific assigned projects by CEO.
 - Example-new web site outline and content

DCOA

The services above will be provided for DCOA with an understanding that:

- DCOA will designate a contact person who will be available for coordination, prompt review and input on all written materials and to answer questions
- DCOA designee will provide information, contacts, phone numbers address and other pertinent information as requested by JP Solutions

- DCOA will pay for or reimburse consultant for materials, mailings, printing, and other supplies needed to complete assignments, subject to the Expenses Section below.
- Records and information will be made available upon request
- DCOA designee will be available for pre-arranged meetings, phone calls, email, or other electronic means
- Should it be necessary, DCOA will obtain legal opinions on matters that may require a legal opinion.
- DCOA agrees to reimburse JP Solutions for approved out of pocket expenses, for travel, meals, parking, and attending functions or events fees should it be necessary, subject to the Expenses Section below.

Expenses

DCOA shall reimburse JP Solutions for all reasonable expenses ("**Expenses**") incurred by JP Solutions, provided that DCOA has given its written consent prior to JP Solutions incurring such Expenses. JP Solutions will invoice for Expenses incurred by JP Solutions. Payment for Expenses shall be due upon receipt.

Project Cost

JP Solutions will provide professional services and make every attempt to reach the goals established.

For part-time professional services DCOA agrees to pay JP Solutions a fee of \$6500, per month (the "**Fee**"). Work will begin upon execution of this Letter Agreement and an initial payment of \$3000 for the December Fee. The monthly Fee shall commence on January 1, 2020 and every month thereafter. This Letter Agreement will terminate on March 31, 2020 if not terminated sooner pursuant to the Termination Section below. In the event this Letter Agreement is terminated before the end of a month, the Fee shall be pro-rated as stated in the Termination Section below.

JP Solutions will invoice DCOA on the 30th of each month. Expenses will be included in the invoice with payment terms of *payable upon receipt*.

In addition to the payments described above, DCOA agrees to reimburse reasonable travel expenses (\$.58 per mile or IRS standard mileage), parking, airfare, hotel, and out-of-pocket expenses for office supplies, deliveries, postage, printing, should any be incurred over daily routine costs that are necessary and directly related to JP Solutions' work on this project, subject to the Expenses Section above.

Confidentiality

JP Solutions acknowledges that JP Solutions will have access to information that is treated as confidential by the DCOA, including, without limitation, any meetings and discussions between the parties, the existence and terms of this Letter Agreement, and information pertaining to the operations of the DCOA, in each case whether spoken, written, printed, electronic or in any other form or medium (collectively, the "**Confidential Information**"). Any Confidential Information that JP Solutions receives, before or after the date of this Letter Agreement, shall be subject to the terms and

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conditions of this Letter Agreement. JP Solutions agrees to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of the DCOA in each instance, and not to use any Confidential Information for any purpose except as required pursuant to this Letter Agreement. JP Solutions shall notify the DCOA immediately in the event JP Solutions becomes aware of any loss or disclosure of any Confidential Information. Notwithstanding the foregoing, the parties agree that the information that JP Solutions has agreed to keep confidential shall not include any information that is subject to disclosure as required by Texas law (including the Texas Public Information Act).

No Joint Venture

Nothing herein shall be construed as creating a partnership or joint enterprise between DCOA and JP Solutions. DCOA does not have the legal right to control the details of the tasks performed hereunder by JP Solutions, its officers, directors, members, agents, employees, subcontractors, program participants, licensees, or invitees.

Warranties and Workmanship

JP Solutions agrees to provide professional coordination and management of the project described above. JP Solutions will meet deadlines and follow direction given by DCOA, CEO, and/or designated contact person. JP Solutions will maintain open communication with DCOA and make suggestions based on professional experience. A genuine commitment to the overall project and association goals will be maintained in addition to creative solutions, prompt and professional services.

Termination

Should either party determine this Letter Agreement is not meeting their needs for any reason; either party may terminate this Letter Agreement upon 15 days written notice of termination. If either party terminates this Letter Agreement before completion, any and all documents and deliverables of JP Solutions', other than those for which JP Solutions receives compensation as described herein must be returned to JP Solutions, and any and all documents, deliverables and intellectual property of DCOA must be returned to DCOA. JP Solutions reserves the right to terminate representation at any time if payment is not received within 30 days of the date of a statement, or as otherwise due under this Letter Agreement. If this Letter Agreement is terminated payments of event fees, retainers and commissions earned prior to the termination date are still due and payable and will be invoiced each month until paid. In the event this Letter Agreement is terminated in the middle of a month, the Fee shall be pro-rated for the final month.

MISCELLANEOUS PROVISIONS

All notices shall be in writing and addressed to the parties at the addresses set forth on the signature page of this Letter Agreement (or to such other address that may be designated in writing by the receiving party) and are deemed delivered on the earlier of

the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle and (2) with proper postage (certified mail, return receipt requested). This Letter Agreement constitutes the sole and entire agreement of the parties and supersedes all prior written or oral representations or agreements. This Letter Agreement may be amended only by written agreement executed by the parties. This Letter Agreement may be executed in any number of identical counterparts, each of which for all purposes shall be deemed an original document and all of which together shall constitute but one and the same document.

JP Solutions agrees not to perform services for any person or company, directly or indirectly, in competition or opposing the DCOA.

Any dispute arising out of or relating to this Letter Agreement or the relationship of the parties shall be submitted only to a state or federal court in Taylor County, Texas.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

**Development Corporation of Abilene, Inc.
a Texas economic development corporation**

By: _____
Misty Mayo, CEO
174 Cypress Street, Suite 301
Abilene, Texas 79601

Date

Julie Johncox d/b/a JP Solutions
6421 Fershaw Place
Fort Worth, Texas 76116

Date