

RESOLUTION NO. R2023-88

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF BURNET, TEXAS APPROVING AN AIRPORT HANGAR FACILITY USE AGREEMENT WITH THE HIGHLAND LAKES SQUADRON OF THE COMMEMORATIVE AIR FORCE, INC.(CAF)

WHEREAS, the City currently owns and operates an airport known as the Burnet Municipal Airport (hereinafter called the "Airport"), located in Burnet County Texas, and

WHEREAS, the CAF is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Internal Revenue Code.

WHEREAS, pursuant to this Agreement the City desires to granted to CAF certain rights, privileges and uses therein as necessary to conduct its limited aviation services, and

WHEREAS, the CAF desires to enter into an Airport Hangar Facility Use Agreement with City of Burnet for a portion of the City of Burnet's hangar where the current City Council Chamber is located, and

WHEREAS, the Parties agree that the obligation to perform the terms, covenants and conditions of this Agreement is sufficient consideration to make this Agreement a legally enforceable contract.

NOW THEREFORE BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF BURNET, TEXAS, THAT:

Section one. Findings. The recitals to the Resolution are incorporated herein for all purposes.

Section two. Approval. The CAF Airport Hangar Facility Use Agreement attached is hereby approved.


Section three. Authorization. The mayor is hereby authorized to execute an agreement in substantial form as the attachment hereto and take such further action, and execute such ancillary documents, as may be reasonably necessary to facilitate the purpose of this resolution.

Section four. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

Section five. Effective Date. That this resolution shall take effect immediately upon its passage, and approval as prescribed by law.


PASSED AND APPROVED this the 12th day of December 2023.

CITY OF BURNET, TEXAS

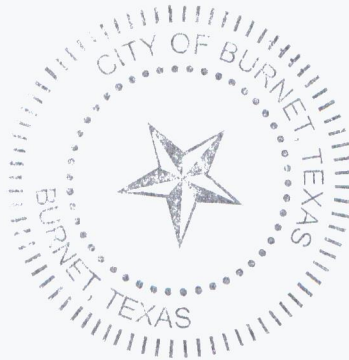


Gary Wideman, Mayor

ATTEST:



Kelly Dix, City Secretary



Airport Hangar Facility Use Agreement.

THE STATE OF TEXAS §
COUNTY OF BURNET § **KNOW ALL PERSONS BY THESE**
PRESENTS
CITY OF BURNET §

This Airport Hangar Facility Use Agreement (hereinafter "*Agreement*") is entered into as of the Effective Date stated below, by and between the **CITY OF BURNET, TEXAS**, a Texas home rule city and municipal corporation (hereinafter "*City*") and the **HIGHLAND LAKES SQUADRON OF THE COMMEMORATIVE AIR FORCE, INC.**, (hereinafter "*CAF*"); and the Parties agree as follows:

WITNESSETH

WHEREAS, the City currently owns and operates an airport known as the Burnet Municipal Airport (hereinafter called the "*Airport*"), located in Burnet County Texas, and

WHEREAS, the CAF is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Internal Revenue Code.


WHEREAS, pursuant to this Agreement the City desires to granted to CAF certain rights, privileges and uses therein as necessary to conduct its limited aviation services, and

WHEREAS, the Parties agree that the obligation to perform the terms, covenants and conditions of this Agreement is sufficient consideration to make this Agreement a legally enforceable contract:

NOW, THEREFORE, the City and the CAF, for and in consideration of the covenants and mutual agreements hereinafter contained, do hereby covenant, and agree as follows:

ARTICLE I - DEMISED PREMISES

Section 1.01 DESCRIPTION OF PREMISES. For and in consideration of the terms, conditions, and covenants of this Agreement to be performed by the CAF, the City hereby provides to, demises and lets unto the CAF, a portion of the City of Burnet's hangar where the current City Council Chamber is located at Kate Craddock Field, 2402 South Water Street, Burnet, Texas, save and except from this Agreement, the area used for City Council Chamber, kitchen, the second floor areas, outdoor areas surrounding the hangar, and any other areas as may be designated for use by the City or City's assigns. The CAF shall have the right to utilize the bathrooms and lobby areas to the extent such use does not interfere with use of same by the City.

CAF  CITY 

Section 1.02 ACCEPTANCE OF PREMISES. All structures and facilities on the Premises are accepted for use in an "as is" condition and all costs for adapting such facilities to the CAF's business purposes shall be borne by the CAF.

Section 1.03 TERM. The Term of this Agreement shall commence on October 1, 2023, (hereinafter "Effective Date"), and, shall end on September 30, 2026, unless terminated earlier as provided herein.

ARTICLE II - COVENANTS AND CONDITIONS

Section 2.01 RIGHT OF FLIGHT. The City reserves unto itself, its patrons, visitors, and other lessees and their patrons, visitors, and employees, the right of flight for the passage of aircraft above the surface of the Premises, together with the right to cause in such air space such noise, dust, interference as may be inherent in the operation of aircraft now known or hereafter in use, including the right of using said air space for landing at, taking off from, or operating at or near the Airport.

Section 2.02 INSPECTION. The City shall be permitted to enter and view the Premises at any and all times, during normal business hours, for the purposes of inspecting or maintaining such Premises and doing any and all things with reference thereto which the City is obligated to do or which may be deemed necessary or desirable for the proper conduct and operation of the Airport and other City related activities.

Section 2.03 LICENSES & PERMITS. CAF hereby agrees that it shall, at its own cost and expense, procure and obtain all lawfully required licenses and permits, certificates and other authorizations required by any governmental authority in connection with or covering the operations or activities permitted to be performed by it under the provisions of this Agreement.

Section 2.04 NON-ASSIGNMENT/SUBLETTING. CAF may not assign this Agreement or sublet any part of Premises without the consent of the City Council. Any attempt to lease or sublet without Council consent shall be null and void. Neither the acceptance of rent from any assignee or sub-lessee, nor the passage of time after any such assignment or sublease, shall constitute a waiver of this prohibition. City's written approval to any particular such assignment or sublease shall not constitute City's approval of any subsequent assignment or sublease and shall not relieve the CAF from the performance of its obligations hereunder, including, but not limited to, the payment of Agreement Payment. Sale, assignment or change in the principals of the CAF shall be considered as an assignment for purposes of this section.

Section 2.05 USE OF PREMISES. The CAF shall not make, or allow to be used, any unlawful, improper or offensive use of the Premises, nor shall the CAF use the Premises, or any portion thereof, for any purposes other than the purposes described in this Agreement. The CAF is hereby granted authority to do the following:

- (a) The CAF shall utilize the Premises solely for the purpose of:

CAF Airport Hangar Facility Use Agreement

- (1) Storage and maintenance of vintage aircraft and associated tools, equipment, and supplies necessary for the maintenance of vintage aircraft and the facility
 - (2) Operation of an aviation exhibition hall.
 - (3) Operation of a museum and gift shop.
 - (4) Holding of meetings and social events.
 - (5) Operation of a fraternal organization.
- (b) The CAF is prohibited from doing the following:
- (1) Dispensing or storing fuel.
 - (2) Performing aircraft maintenance for remuneration.
 - (3) Selling aircraft or aircraft parts to the general public.
 - (4) Parking or storing anything other than vintage aircraft.
 - (5) Using the Premises for any illegal or unauthorized uses.
 - (6) Leaving vehicles, aircraft, or equipment unattended on the hangar ramp or other places upon the Airport property without written permission from the City.
 - (7) Allowing unauthorized access to the common areas in the absence of CAF supervision.
 - (8) Allowing access to the City occupied areas of the building.
 - (9) Using the Premises for sleeping purposes, unless permission is granted in writing by the City Manager for the express use which may be revoked at any time.
 - (10) Creating a safety hazard on the Premises or surrounding airport property.
 - (11) Storage and disposal of pesticides, herbicides, hazardous chemicals, fuel, oil and other chemicals.
 - (12) Any other activity not expressly authorized in this Agreement.

Section 2.06 SIGNS. CAF shall have the right, at its expense, to place in or on the Leased Premises described in Section 1.01 one or more signs identifying CAF. Such signs shall conform to City's Sign Ordinance, and shall be of a size, shape and design and at one or more locations approved by City. City's approval shall not be unreasonably withheld. Additionally, CAF may install two sign panels (one of each side of the sign) on the main Airport sign located along Hwy 281 South. The City shall waive the rental fee for the said signage. At the termination of this Agreement, CAF shall remove, at its expense, all lettering, signs and placards erected on the Airport.

Section 2.07 USE OF AIRPORT FACILITIES. During the Term of this Agreement, the City agrees that the CAF shall have access to the runways, taxiways, and apron immediately adjacent to the Premises now, or in the future, in existence on the Kate Craddock Field to the same extent that any other parties may have use thereof, subject to reasonable rules and regulations and non-discriminatory charges that may be imposed for use of the Airport facilities by the City, the Federal Aviation Administration (FAA), or any other governmental entity having jurisdiction or control over the use of such Airport facility. To assure the health and safety of Airport users, access may be restricted during City approved events or activities. Nothing in this Agreement shall be interpreted to grant free or unrestricted access to the Airport for the Bluebonnet Air Sho or any other event(s) or a guarantee that any such runways, taxiways, or aprons shall be available or accessible. Such access, or permission including dates and times of the Bluebonnet Air Sho or any other event, may be granted by the City subject to rules, regulations, and fees as adopted from time-to-time. The CAF must submit any and all required permit applications to the City for any event on City owned property.

Section 2.08 SECURING AIRCRAFT. The CAF accepts and recognizes that it or its agents are responsible for setting parking brakes, placing chocks and tying down and checking of all aircraft on the Premises. The CAF agrees to not park vehicles or aircraft in locations that inhibit the flow of traffic or other authorized users access.

Section 2.09 ALTERATIONS. Other than routine maintenance as noted in Section 2.10 herein, the CAF shall not make changes, alterations, additions or improvements (Changes) to the Premises without written consent of the City. The CAF shall submit in writing to the City any requested Changes and shall include plans, specifications, and any applicable submittals which substantially reflect the requested Changes. Changes must be approved, in writing, by the City prior to commencement of construction. The CAF shall be responsible for obtaining all permits and inspections, and payment of all fees to the same extent that any other parties may be required to do. Upon project completion the CAF shall deliver to City a copy of "as built" plans and specifications. The City, acting through its Building Inspector, shall inspect the improvements therein for the purpose of determining that construction conforms to the plans and specifications approved by the City, and to determine if the building and other improvements are being maintained as required in this Agreement. It shall be the CAF's responsibility to take such actions as are necessary to ensure that the construction of improvements, alterations, or additions and any later maintenance work is conducted without interference to other Airport lessees, the FAA, or aviation activity. Any activity which interferes with or endangers aviation activity shall be immediately discontinued. On termination of this Agreement, whether by lapse of time or

otherwise, all improvements permanently attached to the Premises shall remain for the benefit of and become the sole property of City. The CAF may remove all furniture, decorations, machinery, equipment, signs and paraphernalia installed upon the Premises by the CAF during the Term of this Agreement, but shall repair at its own expense all damage to the Premises or improvements caused by such removal. All future extensions or alterations to the wiring system, and all globes and electric lamps shall be paid for by the CAF.

Section 2.10 MAINTENANCE OF LEASED PREMISES

- (a) Maintenance of Premises by the CAF.
- (1) The CAF agrees to be responsible for all maintenance and repair of all items on the Premises excluding City occupied spaces, HVAC, roof or building exterior. The CAF agrees that the Premises, together with all improvements, shall be maintained in a safe, clean and attractive condition at all times. The CAF shall provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of the CAF's activities. The CAF shall provide and use approved receptacles for all such garbage, trash, and other refuse.
 - (2) CAF may neatly store materials within the confines of the concrete slab currently existing immediately south of the CAF hangar in a manner that limits visibility from the public roadway. Piling of boxes, cartons, barrels or other similar items in an unattractive or unsafe manner outside the confines of the concrete slab or on or about the Premises, shall not be permitted.
 - (3) Storage of non-aviation equipment such as automobiles, boats, or farm equipment in any structures is prohibited. The CAF shall not store any materials, equipment, aircraft, vehicles, or portions thereof outside the Premises. Any violation of this subsection shall constitute a maintenance defect. A maintenance defect shall also include any defect on the Premises which is the responsibility of the CAF under Agreement.
 - (4) The City may provide notice to the CAF of any realized defective maintenance. The CAF shall have thirty (30) days from the postmark date of any City notice to correct the defect, save and except in the case of exigent circumstances. The CAF shall obtain approval from the City prior to making changes to the Premises as noted in Section 2.09 herein. Failure to correct the maintenance defect shall constitute authorization for the City to take corrective action. The CAF shall be required to reimburse the City for costs incurred not later than thirty (30) days from notification that such costs have occurred. Failure to pay the City in full shall constitute a default under this Agreement. If an emergency condition exists requiring immediate action to correct, the City shall have the right to take steps to correct the

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defect and charge the CAF the costs for correcting emergency condition, provided the emergency was created by the actions or negligence of the CAF, the CAF's agents, employees, or other invitees of the CAF.

- (b) **Maintenance by the City.** The City shall be responsible for repairs to the City occupied spaces, HVAC, roof, and building exterior of the Premises, except that where, in the City's opinion, the proposed repairs exceed the useful value of either the Premises or the value of the Agreement, the City shall have the sole option to terminate the Agreement or, upon request of the CAF, authorize repairs to be paid for by the CAF.

Section 2.11 UNAUTHORIZED STRUCTURES. No signs, equipment, portable buildings, trailers, poles, towers, or other apparatus of any kind may be erected, moved in or installed on Airport property, except as specifically authorized by the City.

Section 2.12 COVENANT OF TITLE, AUTHORITY AND QUIET POSSESSION. The City represents and warrants that the City has full right and lawful authority to enter into and perform the City's obligations under this Agreement for the full Term as stated herein, and all extensions hereafter provided, and has title to the Premises.

City further covenants that if the CAF shall discharge the obligations herein set forth to be performed by the CAF, the CAF shall have and enjoy, during the Term hereof, and all extensions hereinafter provided, quiet and undisturbed possession of the Premises and all appurtenances appertaining thereto, together with the right to use the runways and taxiways of the Airport facility as contemplated herein to the same extent that any other similarly situated parties may have use thereof. Provided, however, that this Agreement is subject to the right of the United States of America to have exclusive or non-exclusive use, control and possession without charge, of the Airport or any portion thereof, during periods of national emergency; and further, subject to the right of the FAA, and United States Government under such Agreement including the right to take a portion of the Airport property for air traffic control activities, weather reporting activities or communication activities related to air traffic control. The City shall have superior right to use and/or close the Airport for purposes deemed appropriate by the City. When possible, the City shall provide notice of dates and times the Airport will be closed to use, and reserves the right to close for unforeseen events without notice.

Section 2.13 GRANT COMPLIANCE. The CAF agrees to comply with such enforcement procedures as the United States or State of Texas might demand that the City take in order to comply with the City's assurances required to obtain FAA or the Texas Department of Transportation (TxDot) grant funding or other action necessitated for Airport improvements.

Section 2.14 NON-DISCRIMINATION. The CAF, for themselves, their personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the Agreement that:

- (a) No person on the grounds of race, color, sex, religion, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination under any program or activity by the CAF; and,
- (b) That in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, religion or nation origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and,
- (c) That the CAF shall use the Premises in compliance with all other requirements imposed by or pursuant to Code of Federal Regulations, Title 49, Transportation Subtitle A, Office of the Secretary of Transportation, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation -- Effectuation of Title VI of the Civil Rights Act of 1964, Section 21.5 Discrimination prohibited; and,
- (d) That the CAF shall at all times use the Premises in compliance with all Non-Discrimination laws, either in effect at the present time or those promulgated in the future, of the United States of America, the State of Texas, the City, and the FAA, or their successors.

Section 2.15 ABIDE BY ALL LAWS. The CAF agrees to abide by all laws, statutes, ordinances, rules and regulations of the Federal Aviation Administration, TxDot, State of Texas, Texas Commission on Environmental Quality, the Environmental Protection Agency, the City and of all other duly constituted public authorities having jurisdiction. No provision in this Agreement shall be construed as being in conflict with FAA Rules or other laws; and this Agreement shall be construed as being in harmony with such laws in the case of any conflict. The CAF agrees to conduct all activities on the Premises in accordance with the standards now established or that may be reasonably established later by any competent and lawful authority.

Notwithstanding anything herein contained that may be or appear to the contrary, it is expressly understood and agreed that the rights granted under this Agreement are non-exclusive, and the City herein reserves the right to grant similar privileges to another lessee or lessees on other parts of the Airport.

Section 2.16 TAX EXEMPT COVENANTS.

- (a) Tax Covenants Operations. It is the understanding of the CAF that the City is obligated to Tax Covenants for the Premises through tax exempt funding. In connection with the issuance of the Tax-Exempt Bonds, the City has given covenants (the "Bond Covenants") to the holders of Tax-Exempt Bonds that the Premises will be used in a manner that assures that the Tax-Exempt Bonds continue to qualify as obligations within the meaning of Section 103 of the Internal Revenue Code (the "Code"). The CAF agrees not to use or permit the use of the Premises in a manner which would result in a violation of the Bond Covenants or which would otherwise adversely affect the federal income tax status of the Tax-Exempt Bonds under Section 103 of the Code. Moreover, in furtherance thereof, if the CAF is notified by the City that the Tax-Exempt Bonds have been selected for audit by

the Internal Revenue Service, the CAF agrees to provide to the City such information in its possession with respect to the Premises in order that the City may timely respond to any questions posed to it by the Internal Revenue Service. All provisions under this section shall apply to existing or future debt related to the Premises.

- (b) Tax Covenant - Maintenance of 501(c)(3) status. During the Term of this Agreement, the CAF will maintain its tax exempt status as a 501(c)(3) organization and that all of its use, and the uses it permits, of the Premises, will be in furtherance of its exempt purposes. The CAF agrees that in the event of the loss of its 501(c)(3) status, the City shall have the option of immediately terminating this Agreement. In such event, the CAF shall be permitted to remove any equipment that it has provided.

Representation and Warranties as to Tax-Exempt Status of the CAF. The CAF hereby represents and warrants as follows:

- (1) The CAF is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code; and
- (2) The purposes, character, activities and methods of operation of the CAF have not changed materially since its organization and are not materially different from the purposes, character, activities and methods of operation at the time of its receipt of a determination by the Internal Revenue Service that it was an organization described in Section 501(c)(3) of the Code (the "Determination"); and
- (3) The CAF has not diverted a substantial part of its corpus or income for a purpose, or purposes, other than for which it is organized or operated and disclosed to the Internal Revenue Service in connection with the Determination; and
- (4) The CAF has not operated since its organization in a manner that would result in it being classified as an "action" organization within the meaning of Section 1.501(c)(3)-(1)(c)(3) of the Regulations including, but not limited to, by promoting or attempting to influence legislation by means of propaganda or otherwise; and
- (5) With the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the CAF, no person controlled by any such individual, or individuals, nor any person having a personal or private interest in the activities of the CAF has acquired or received, directly or indirectly, any income or assets, regardless of form, of the CAF during the current Fiscal Year and the period, if any preceding the current Fiscal Year, other than as reported to the Internal Revenue Service by the CAF; and
- (6) The CAF is not a "private foundation" within the meaning of Section 509(a) of the Code; and

- (7) The CAF has not received any indication of notice whatsoever to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in force and effect; and
- (8) The CAF has filed with the Internal Revenue Service all requests for determination, reports, and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has notified the Internal Revenue Service of any changes in its organization and operation since the date of the application for the Determination; and
- (9) The CAF has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code; and
- (10) The CAF agrees that it will not use the Premises or any part thereof, or permit the Premises, or any part thereof, to be used in a manner which would violate the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America, including the decisions of the United States Supreme Court interpreting the same or any comparable provisions of the Constitution of the State, including the decisions in the Supreme Court of the State interpreting the same.

ARTICLE III - CONSIDERATION, FEES, AND CHARGES

Section 3.01 CONSIDERATION. The Agreement Payment associated with this Agreement ("*Monthly Payments*") shall be in accordance with the Rent Schedule attached hereto as Exhibit "A".

Section 3.02 UTILITIES. The CAF shall pay for all utilities, including all applicable fees and deposits, associated with the use of the Premises. In the event that re-metering is necessary to assure proper allocation of utility consumption/billing within the Premises, the City shall notify the CAF of said re-metering a minimum of ninety (90) days prior to any billing changes as a result of re-metering.

Section 3.03 USER CHARGES. Nothing herein shall be deemed to relieve the CAF, patrons, invites, and others from any charges presently levied or subsequently adopted by the City for the use of Airport facilities.

Section 3.04 DELINQUENT PAYMENT. The CAF agrees that all Agreement payments are due and payable and shall be paid by the CAF without demand or notice in writing from the City. Monthly Payments shall be due on the first day of each month. A 10% penalty shall be applied to amounts owed for Monthly Payments not received by the City by the due date. Failure to pay any rental or the monetary penalty on delinquent Agreement Payments in accordance with the terms of this section shall constitute the CAF's default of this Agreement.

Section 3.05 PLACE OF PAYMENT. All payments made hereunder by the CAF shall be made to the City at the offices of the City; 1001 Buchanan Drive, Suite 4 or by mail at P.O. Box 1369, Burnet, TX 78611, unless notified in writing to the contrary by the City.

Section 3.06 ADDITIONAL CONSIDERATION. In addition to the rents described in this Article, CAF agrees to perform the tasks described below:

- (a) *Events.* The CAF shall host or participate in at least twelve events within Burnet County annually as follows:
 - (1) As approved by the City Manager, the CAF shall host at least six (6) events at the Airport, including the Blue Bonnet Air Sho.
 - (2) As approved by the City Manager, the CAF shall participate in other community events [up to six (6)] in Burnet County such as the City of Burnet Memorial Day Parade, the Bluebonnet Festival, or Christmas on the Square.
- (b) *The Blue Bonnet Air Sho.* The Blue Bonnet Air Sho is an annual event hosted by the CAF each year during the initial Term of the Agreement. During the Term of the Agreement extended by this First Amendment, the CAF shall host the Bluebonnet Air Sho at the Airport, the 3rd week of March each year, or such other time approved by the City Manager, in a manner similar in scope to that which was held during calendar year 2023.

ARTICLE IV - INSURANCE AND INDEMNIFICATION

Section 4.01 INSURANCE. As a condition precedent to the CAF's right to operate at said Airport, the CAF shall continuously maintain in effect during the Term of this Agreement and any extension thereof, at the CAF's expense, the following insurance coverage:

- (a) Comprehensive General (Public) Liability Insurance covering the Premises, the CAF, and the CAF's activities at the Airport which cause property damage or personal injury as a result of negligent or tortious conduct of the CAF, its agents, representatives, employees, visitors, licensees and invitees. Liability insurance limits shall be in the following minimum amounts:

Bodily Injury, including Death and Property Damage: \$1,000,000 combined single limit coverage, on a per occurrence or claims made basis/\$2,000,000 aggregate limit.
- (b) Aircraft Liability to cover all flight operations of the CAF or members, participants or invitees of the CAF unless otherwise provided by said members, participants or invitees. The CAF is responsible for assuring that all users of the space have appropriate insurance as provided for herein.
- (c) Fire and extended coverage to cover the full replacement value for Premises whenever damage occurs as a result of any negligent acts or tortious conduct of the

- agents, representatives, employees, guests and invitees of the CAF. This coverage shall include, but not be limited to, fire, theft, vandalism, and malicious mischief.
- (d) All policies shall name the City as an additional named insured and provide for a minimum of thirty (30) days written notice to the City prior to the effective date of any cancellation, material change, or lapse of such policies. The City shall be named as an additionally insured to protect against losses the City may suffer. In the event of payment of any loss covered by such policies, the first lien holder shall be a proportionate share of the insurance proceeds for its loss and subject thereto. Should the City also have sustained damages, the City shall be paid first for its loss against all other claimants save and except the first lien holder. In the case that there are not sufficient insurance proceeds to pay claims of the City and first lien holder, the City and first lien holder shall share the proceeds in proportion to the loss. The CAF shall provide Certificates of Insurance and enforcement to the City for approval before work commences. Notwithstanding other provisions herein contained, City may cancel this Agreement with or without notice to the CAF should the CAF's insurance lapse for a period of thirty (30) days or more. The City may elect to reinstate and revive such Agreement after such insurance obligation is cured by the CAF. The City shall be listed as a Certificate Holder on the CAF's insurance and shall receive notification of any lapse.
- (e) Any insurance policy herein required or procured by the CAF shall contain an express waiver of any right or subrogation by the insurance company against the City.

Section 4.02 DESTRUCTION OF THE PREMISES. If the Premises shall be partially damaged by any casualty insurable under the CAF's insurance policy, the CAF shall repair the same.

If the Premises shall be damaged as a result of a risk which is not fully covered by the CAF's insurance, CAF shall be responsible for any additional cost related to repairs necessary to fully restore the improvements. If the CAF fails to repair or rebuild the damaged improvements fully, the City shall have the right to terminate this Agreement and recover damages from the CAF including but not limited to all insurance proceeds.

Section 4.03 INDEPENDENT CONTRACTOR. During all times that this Agreement is in effect, the parties agree that the CAF is and shall be deemed to be an independent contractor and operator and not an agent or employee of the City with respect to their acts or omissions hereunder. It is mutually agreed that nothing contained herein shall be deemed or construed to constitute a partnership or joint venture between the parties hereto.

Section 4.04 INDEMNITY PROVISION. THE CAF AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS AGENTS, EMPLOYEES, AND REPRESENTATIVES FROM AND AGAINST ALL LIABILITY FOR ANY AND ALL CLAIMS, SUITS, DEMANDS, AND/OR ACTIONS ARISING FROM OR BASED UPON INTENTIONAL OR NEGLIGENT ACTS OR OMISSIONS WHICH MAY ARISE OUT OF OR RESULT FROM THE CAF'S OCCUPANCY OR USE OF THE AIRPORT AND/OR ACTIVITIES CONDUCTED

IN CONNECTION WITH OR INCIDENTAL TO THIS AGREEMENT. SUCH INDEMNIFICATION SHALL INCLUDE, BUT IS NOT LIMITED TO, ACTS OR OMISSIONS ON THE PART OF THE CAF'S CONTRACTORS, AND SUBCONTRACTORS. THE CAF SHALL ALSO INDEMNIFY THE CITY AGAINST ANY AND ALL MECHANIC'S AND MATERIALMEN'S LIENS OR ANY OTHER TYPES OF LIENS IMPOSED UPON THE PREMISES DEMISED HEREUNDER ARISING AS A RESULT OF THE CAF'S CONDUCT OR ACTIVITY.

THIS INDEMNITY PROVISION EXTENDS TO ANY AND ALL SUCH CLAIMS, SUITS, DEMANDS, AND/OR ACTIONS REGARDLESS OF THE TYPE OF RELIEF SOUGHT THEREBY, AND WHETHER SUCH RELIEF IS IN THE FORM OF DAMAGES, JUDGMENTS, AND COSTS AND REASONABLE ATTORNEY'S FEES AND EXPENSES, OR ANY OTHER LEGAL OR EQUITABLE FORM OF REMEDY. THIS INDEMNITY PROVISION SHALL APPLY REGARDLESS OF THE NATURE OF THE INJURY OR HARM ALLEGED, WHETHER FOR INJURY OR DEATH TO PERSONS OR DAMAGE TO PROPERTY, AND WHETHER SUCH CLAIMS ARE ALLEGED AT COMMON LAW, OR STATUTORY OR CONSTITUTIONAL CLAIMS, OR OTHERWISE. THIS INDEMNITY PROVISION SHALL APPLY WHETHER THE BASIS FOR THE CLAIM, SUIT, DEMAND, AND/OR ACTION MAY BE ATTRIBUTABLE IN WHOLE OR IN PART TO THE CAF, OR TO ANY OF ITS AGENTS, REPRESENTATIVES, EMPLOYEES, MEMBERS, PATRONS, VISITORS, CONTRACTORS, AND SUBCONTRACTORS (IF ANY), AND/OR SUB-LESSEE, OR TO ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM. THIS INDEMNITY PROVISION SHALL APPLY TO NEGLIGENCE ATTRIBUTED TO THE CITY, SAVE AND EXCEPT IN SUCH INSTANCES WHERE THE CITY'S NEGLIGENCE IS THE SOLE PRODUCING CAUSE OF DAMAGE OR INJURY ON WHICH THE CLAIM, SUIT, DEMAND, AND/OR ACTION IS MADE.

FURTHER, THE CITY ASSUMES NO RESPONSIBILITY OR LIABILITY FOR HARM, INJURY, OR ANY DAMAGING EVENTS WHICH ARE DIRECTLY OR INDIRECTLY ATTRIBUTABLE TO PREMISE DEFECTS OR CONDITIONS WHICH MAY NOW EXIST OR WHICH MAY HEREAFTER ARISE UPON THE PREMISES, ANY AND ALL SUCH DEFECTS BEING EXPRESSLY WAIVED BY THE CAF. CAF UNDERSTANDS AND AGREES THAT THIS INDEMNITY PROVISION SHALL APPLY TO ANY AND ALL CLAIMS, SUITS, DEMANDS, AND/OR ACTIONS BASED UPON OR ARISING FROM ANY SUCH CLAIM ASSERTED BY OR ON BEHALF OF CAF OR ANY OF ITS MEMBERS, PATRONS, VISITORS, AGENTS, EMPLOYEES, CONTRACTORS AND SUBCONTRACTORS (IF ANY), AND/OR SUB-LESSEE.

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE CITY SHALL NOT BE LIABLE OR RESPONSIBLE FOR THE NEGLIGENCE OF THE CAF, ITS AGENTS, SERVANTS, EMPLOYEES AND CUSTOMERS. THE CAF FURTHER AGREES THAT THE CAF SHALL AT ALL TIMES EXERCISE REASONABLE PRECAUTIONS FOR THE SAFETY OF, AND SHALL BE SOLELY RESPONSIBLE FOR THE SAFETY OF THE CAF'S AGENTS, REPRESENTATIVES, EMPLOYEES, MEMBERS, PATRONS, VISITORS, CONTRACTORS AND SUBCONTRACTORS (IF ANY), AND OTHER PERSONS, AS WELL AS FOR THE

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PROTECTION OF SUPPLIES AND EQUIPMENT AND THE PROPERTY OF THE CAF OR OTHER PERSONS. THE CAF FURTHER AGREES TO COMPLY WITH ALL APPLICABLE PROVISIONS OF FEDERAL, STATE, AND MUNICIPAL SAFETY LAWS, REGULATIONS, AND ORDINANCES.

PROVIDED FURTHER, THAT THE CAF AND THE CITY EACH AGREE TO GIVE THE OTHER PARTY PROMPT AND TIMELY NOTICE OF ANY SUCH CLAIM MADE OR SUIT INSTITUTED WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, CONTINGENTLY OR OTHERWISE, AFFECTS OR MIGHT AFFECT THE CAF OR THE CITY. THE CAF FURTHER AGREES THAT THIS INDEMNITY PROVISION SHALL BE CONSIDERED AS AN ADDITIONAL REMEDY TO THE CITY AND NOT AN EXCLUSIVE REMEDY.

Section 4.05 The CAF expressly agrees that any aircraft and their contents are to be stored, whether on the field or in the hanger, at the CAF's risk.

Section 4.06 STORM WATER INDEMNIFICATION. NOTWITHSTANDING ANY OTHER PROVISIONS OF THE AGREEMENT, THE CAF AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY FOR ANY AND ALL CLAIMS, DEMANDS, COSTS (INCLUDING ATTORNEY'S FEES), FEES, FINES, PENALTIES, CHARGES AND DEMANDS BY AND LIABILITY DIRECTLY OR INDIRECTLY ARISING FROM THE CAF'S ACTIONS OR OMISSIONS, INCLUDING FAILURE TO COMPLY WITH THE CAF'S OBLIGATIONS UNDER THIS ARTICLE, THE APPLICABLE STORM WATER REGULATIONS, AND STORM WATER DISCHARGE PERMIT, UNLESS THE RESULT OF THE CITY'S SOLE NEGLIGENCE. THIS INDEMNIFICATION SHALL SURVIVE ANY TERMINATION OR NON-RENEWAL OF THE AGREEMENT.

ARTICLE V - DEFAULT, TERMINATION CANCELLATION

Section 5.01 TERMINATION PRIOR TO EXPIRATION. The City shall have the right to terminate this Agreement, in whole or in part, on the occurrence of any of the following events:

- (a) The CAF may terminate the Agreement at any time with thirty (30) days written notice to the City. The City may terminate the Agreement, without cause, with one year's written notice to the CAF. The Agreement may be terminated at any time without cause and without notice upon mutual written agreement between the City and the CAF.
- (b) Failure on the part of the CAF (1) to pay rent when due unless such failure is corrected within a ten (10) day period after written notice of intent to terminate the Agreement for failure to pay rent, or (2) failure of the CAF to pay the City any monies that become due and owing to the City by the CAF under any other lease or agreement that is at that time in effect between the CAF and the City.
- (c) Abandonment of the Premises. Should the Premises cease to be used for purpose, be used for unauthorized purposes, be abandoned by the CAF, the CAF files

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bankruptcy, dissolves or forfeits its corporate charter, the making of any transfer of general assignment for the benefit of creditors which has not been previously authorized by the City, or the CAF fails to adhere to the terms of this Agreement, the City shall have the authority to suspend or terminate this Agreement except that the CAF shall have the opportunity to cure as defined herein. In the event of the abandonment of the Premises or any portion thereof, or discontinuance of the CAF's business operations, or any portion thereof, the City shall not be responsible for the custodial protection of merchandise, fixtures, or equipment abandoned even though it is necessary for the City to remove same from the Premises for storage or disposal,

- (d) Loss by expiration or have revocation any special licenses, permit or certificate necessary for conducting activities as defined herein at the level of service required by terms contained herein.
- (e) It is understood and agreed, by and between the parties hereto, that the continuing use of the Burnet Municipal Airport as an airport for general aviation is essential to the operation of the CAF and in the event that Airport ceases to be used for that purpose, the CAF shall have the option to terminate the Agreement and remove or relocate personal property owned by the CAF. The City shall not be responsible or liable for any actual or consequential damages that may arise from such cancellation.
- (f) Notwithstanding any provision to the contrary the CAF's failure to annually host the Bluebonnet Air Sho, or substantially comply with any and all other provisions of Section 3.06, herein shall be considered a material breach of this Agreement and cause for the City to terminate this Agreement upon ninety (90) days written notice without obligation to allow the CAF to cure such material breach.
- (g) The failure of the CAF to perform substantially or keep or observe any of the terms, covenants, and conditions which the CAF is obligated to perform, keep or observe under this Agreement after the expiration of the thirty (30) day period after written notice given by the City to the CAF to correct any such deficiency or default.

Section 5.02 CITY'S OPTION FOR REMEDY. In case of any default by the CAF which continues for more than thirty (30) days after notice is given as herein required, the CAF hereby grants, and at all times the City shall have a contractual lien on the CAF's personal property in the Premises to secure the performance of all of the CAF's obligations hereunder which contractual lien shall be in addition to all liens provided as a matter of law. The CAF may remove its personal property therein within thirty (30) days of the notice by the City of default and the City's request to remove same. After such time, the City, in addition to the other rights or remedies it may have, shall have the right to remove all persons and property from the Premises. The CAF hereby waives all claims for damages which may be caused by the re-entry of the City and the taking of possession of the Premises or removal or storage of the furniture and property as herein provided, and will save the City harmless from any loss, costs or damages occasioned by the City thereby, and no

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such re-entry shall be considered or construed to be a forcible entry. No such re-entry or taking possession of said Premises by the City shall be construed as an election on its part to terminate this Agreement unless a written notice of such intention is given the CAF or unless the termination thereof is decreed by a court of competent jurisdiction.

Provided, however, that as to those actions or circumstances which the CAF should do or discontinue doing or correct which create a danger or are derogatory to aviation activities, the delinquency shall be cured by the CAF immediately, without notice by the City. Conditions or circumstances creating a dangerous situation or which are or may be derogatory to aviation activities shall be conclusive as to the CAF if the determination that they are such is made by the FAA, TxDot, or the City. The Term derogatory as herein used, shall mean those things which do or reasonably appear to hinder aviation activities.

Section 5.03 WAIVER OF STATUTORY NOTICE TO QUIT. In the event City exercises its option to cancel this Agreement upon the happening of any or all of the events set forth herein, a notice of cancellation given pursuant to the Agreement and sent to the address specified herein, or subsequent address provided shall be sufficient to cancel this Agreement.

Section 5.04 SURRENDER OF PREMISES. The CAF covenants and agrees that it will, no later than the date of the expiration or termination of this Agreement, in whatever manner such termination may be brought about, promptly surrender and deliver the Premises with all improvements thereto, to the City in the same condition as was in existence at the beginning of this Agreement, ordinary wear and tear and damage by any casualty excepted.

Section 5.05 MORTGAGE. No mortgage or lien may be assigned to the Premises on behalf of the CAF.

Section 5.06 EFFECT OF CONDEMNATION.

- (a) If the whole or any part of the Premises shall be condemned or taken by eminent domain proceedings by any city, county, state, federal or other authority for any purpose, then this Agreement shall cease and terminate as of the date vesting in such proceeding. All damages awarded for such taking of land by the city, county, state or federal government, excluding the improvements for any public purpose shall belong to and be the property of City.
- (b) AWARD: The CAF shall not be entitled to and expressly waives all claims to any condemnation award made to the City for any taking, whether whole or partial, and whether for diminution in value of the leasehold or to the fee.
- (c) If this Agreement is terminated as provided in this section, Agreement shall be paid up to the date the possession is so taken by the public authority, and the City shall make an equitable refund of any payment paid by the CAF in advance.

Section 5.07 NON-WAIVER FOR BREACH. No acceptance of Agreement Payment by City after it is due, and no delay on the part of City in enforcing any obligation of the CAF, shall be construed as a waiver or any default then, theretofore, or thereafter existing in the performance of any other obligation undertaken by the CAF. No lawful termination of this Agreement shall release the CAF from responsibility or liability to the City for Agreement Payments theretofore due and unpaid nor from the performance of any of the covenants, agreements, or stipulations by the CAF herein undertaken to be kept and performed.

Section 5.08 NON-APPROPRIATION. Notwithstanding anything contained in this Agreement to the contrary, each and every financial obligation of the City pursuant to this Agreement is subject to appropriations. In the event no funds or insufficient funds are appropriated or budgeted by City for the operation of an airport by the City during the Term of this Agreement, the City will immediately notify the CAF its assignee of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were received without penalty or expense to City of any kind whatsoever. In the event of such termination, the CAF agrees to peaceably surrender possession of the Premises to City or its assignee on the date of such termination, except that CAF shall have the option of removing personal property as provided for herein.

Section 5.09 AIRPORT EXPANSION. CAF agrees and understands that City reserves the right to further expand, develop or improve the Airport, including the termination of this Agreement, in such instance that the continued leasing of the Premises would have a negative impact on any proposed development or improvements at the Airport. This contract may be terminated regardless of the desires, wishes or views of CAF and without interference or hindrance from CAF.

Section 5.10 AIRPORT OPERATIONS CONTINUANCE. This AGREEMENT shall be null and void in the event City ceases operations of the AIRPORT for any reason including, but not limited to, non-appropriation, the Burnet City Council electing to cease operations of the Airport, the ownership of the Airport is transferred to another party, or the Airport is moved to another location. City will immediately notify the CAF of any such occurrence and this Agreement shall terminate without penalty or expense to City of any kind whatsoever.

ARTICLE VI – STORM WATER COMPLIANCE

Section 6.01 ACKNOWLEDGMENTS.

- (a) Notwithstanding any other provisions or terms of the Agreement, the CAF acknowledges that the Airport is subject to federal storm water regulations, 40 C.F.R. Part 122, for "vehicle maintenance shops" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport, as defined in these regulations, and state law concerning the prohibition against water pollution, as provided for in TEX. WATER CODE ANN. 26.121, as amended. CAF further acknowledges that it is familiar with these storm water regulations, that it conducts or operates "vehicle maintenance" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or

deicing activities as defined in the federal storm water regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations. For purposes of this section "vehicle" shall include, but not be limited to, aircraft.

- (b) Notwithstanding any other provisions or terms of this Agreement, including the CAF's right to quiet enjoyment, the City and the CAF both acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. The CAF acknowledges that, as discussed more fully below, it may be required to undertake to minimize the exposure of storm water (and snow melt) to "significant materials" generated, stored, handled or otherwise used by the CAF, as defined in the federal storm water regulations, by implementing and maintaining "Best Management Practices."
- (c) The CAF acknowledges that the Airport's storm water discharge permit is incorporated by reference into the Agreement and any subsequent renewals.

Section 6.02 PERMIT COMPLIANCE.

- (a) The City will provide the CAF with written notice of the requirements contained in the Airport's storm water discharge permit which CAF will be obligated to perform from time to time, including, but not limited to; certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of "good housekeeping" measures of Best Management Practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. CAF, within seven (7) days of receipt of such written notice, shall notify City in writing if it disputes any of the storm water discharge permit requirements it is being directed to undertake. If CAF does not provide such timely notice, it is deemed to assent to undertake steps necessary to comply with such requirements.
- (b) The CAF agrees to undertake, at its sole expense, unless otherwise agreed to in writing between the City and the CAF, those storm water discharge permit requirements for which it has received written notice from the City. CAF warrants that it shall meet any and all deadlines that may be imposed on or agreed to by the City and the CAF.
- (c) The City agrees to provide CAF, at its request, with any non-privileged information collected and submitted to any governmental entity(ies) pursuant to applicable storm water regulations.
- (d) The CAF agrees that the terms and conditions of the Airport's storm water discharge permit may change from time to time and hereby appoints the City as its agent to negotiate with the appropriate governmental entity(ies) any such permit modifications.
- (e) The City will give the CAF written notice of any breach, that it becomes aware of, by the CAF of the Airport's storm water discharge permit or the provisions of this

section. Such a breach is material, and, if of a continuing nature, the City may terminate the Agreement pursuant to the terms of the Agreement. For circumstances requiring immediate action for safety purposes, the CAF agrees to immediately comply upon verbal or written notice.

- (f) The CAF agrees to participate in any Airport-organized task force or other work group established to coordinate storm water activities at the Airport.

ARTICLE VII - MISCELLANEOUS PROVISIONS

Section 7.01 FINANCIAL DISCLOSURE. The City may audit and examine at all reasonable times each of the CAF's books and financial records pertaining to the CAF as may be reasonably required by the City in order to enforce the terms of this Agreement or to evaluate the CAF's performance thereof.

Section 7.02 NOTICES. Except as otherwise provided for herein, any notice given to either party under the terms of this Agreement shall be hand-delivered or sent by registered or certified mail, postage prepaid, addressed to the address provided herein or any address provided to either party from time to time, except that any notices to the CAF shall also be sufficient if sent by certified mail addressed to the CAF at the address of the Premises or posted thereon, whether or not the CAF shall have theretofore vacated or abandoned such Premises.

City:
City of Burnet
Attn: David Vaughn, City Manager
P. O. Box 1369
Burnet, TX 78611
Physical address: 1001 Buchanan Drive
Suite 4, Burnet, TX 78611

CAF:
Commemorative Air Force, Inc.
P.O. Box 866
Burnet, TX 78611
Physical Address: 2402 S. Water
Burnet, TX 78611

Section 7.03 TAXES, FEES AND ASSESSMENTS. The CAF shall pay, before delinquency, any and all taxes, license fees, occupational taxes or assessments lawfully levied on account of the CAF's occupancy and all taxes upon the CAF's fixtures, equipment and personal property in and on the Premises, whether or not affixed to the real property. In addition, the CAF agrees to pay any ad valorem taxes assessed against the City associated with the Use of the Premises and/or for the real property, if such is not tax-exempt.

Section 7.04 ATTORNEY'S FEES. In the event there should be a default under any of the provisions of this Agreement and the City should retain attorneys or incur other expenses for the collection of rent for the enforcement or performance of observance of any obligation or agreement on the part of the CAF herein contained, CAF agrees that it shall, upon demand therefore, pay to the City the reasonable fees of such attorneys and such other reasonable expenses incurred.

Section 7.05 FORCE MAJEURE. Neither the City nor CAF shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reasons of strikes, boycotts, labor disputes, embargoes, shortages of material, force majeure, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellions, acts of sabotage, or any other circumstances for which it is not responsible or which are not in its control; provided, however, that this section shall not apply to failures by CAF to pay rental, fees and charges specified herein. However, to the extent damage to the property is caused by an act of God and the damage substantially destroys the benefit of the bargain between the parties, the Agreement is subject to termination at the election of either party.

Section 7.06 BROKERAGE. CAF represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement and that there is no such broker who is or may be entitled to be paid a commission in connection therewith. CAF shall indemnify and save harmless the City and from any claim for commission or brokerage made by any such broker when such claim is based in whole or in part upon any act or omission by CAF.

Section 7.07 HEADINGS AND SUBTITLES. The headings and subtitles contained in the Agreement are for the purpose of clarification and in no way are determinative of the intent and purposes of the Agreement or the conditions stated herein.

Section 7.08 GOVERNING LAW/VENUE. This Agreement shall be construed and interpreted under the laws of the State of Texas. All parties agree this Agreement is solely performable in Burnet County, Texas.

Section 7.09 PROTECTION OF AIRPORT. City reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent CAF from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of City, would limit the usefulness of the Airport or constitute a hazard to aircraft. Height locations shall be specifically identified based upon location of the demised Premises and safety requirements of Federal and State Governments and Aviation Administrators.

City reserves the right to further develop the Airport as it sees fit regardless of the desires of the CAF, and without any hindrance or interference from such CAF. City expressly reserves the right to grant to others additional leases and privileges with respect to said Airport facility even though the purposes for which such additional leases are given are the same and duplicates of those contained in this Agreement.

Section 7.10 SUBORDINATION. This Agreement shall be subordinate to provisions of any existing or future Agreements entered into by and between the City and the Federal or State Government for the improvement, operation and maintenance of the Airport; provided, that if such Agreements restrict the operation of the Premises, appropriate Agreement Payment reductions shall be negotiated, if appropriate.

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Section 7.11 PARKING. City reserves the right to restrict and designate parking areas for all surface vehicles on all areas of the Kate Craddock Field. Automotive vehicles shall be subject to the same restrictions that any other parties on the airport that are or may be imposed for use of the Airport facilities by the City

Section 7.12 ENTIRE AGREEMENT. This Agreement constitutes the entire understanding between the parties and as of its effective date supersedes all prior or independent agreements between the parties covering the subject matter hereof. Any change or modification hereof shall be in writing signed by both parties

Section 7.13 SEVERABILITY. If any part, provision, Term, condition, obligation or portion of this Agreement is found to be illegal or void by a court of final jurisdiction, the entire Agreement shall not be void, but the void provision shall be struck and the remainder of the Agreement shall continue in full force and effect as nearly as possible in accordance with the original intent of the parties.

Section 7.14 TIMELINESS OF EXECUTION. CAF shall execute Agreement within thirty (30) days of approval by the City Council or Agreement shall be void.

Section 7.15 SOVEREIGN IMMUNITY. Nothing in this Agreement shall be determined to waive the City's sovereign immunity.

Section 7.16 MULTIPLE COPIES. It is agreed that this Agreement may be executed in multiple copies each having the force and effect of an original.

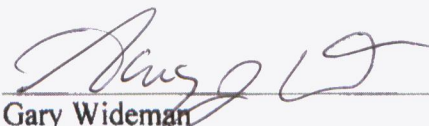
Section 7.17 REPORTS. During the Term of this Agreement the CAF shall provide quarterly written reports to the City Manager. The reports shall include such information as the City Manager may reasonably require and shall be submitted pursuant to the report calendar the City Manager shall provide within thirty days after the Effective Date. Moreover, at the invitation of City Council the CAF shall quarterly present the report for the requested quarter in an open session of City Council. The City Manager shall be authorized to modify the quarterly report and presentation calendar upon 30 days written notice to the CAF and may require more or less frequent reports and presentations pursuant to such modification.

*THE REMAINDER OF THIS PAGE INTENTIONALLY REMAINS BLANK
AND SIGNATURE PAGE FOLLOWS.*

CAF Airport Hangar Facility Use Agreement

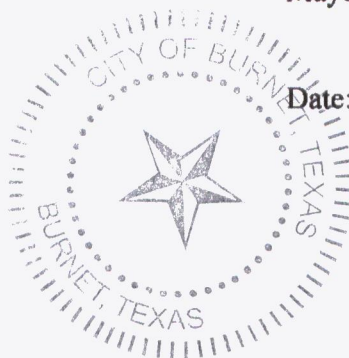
IN WITNESS THEREOF, the Parties agree that the persons affixing their signatures below are authorized to bind, and do bind, the City and CAF respectively to the terms and conditions set out above.

City: City of Burnet, a municipal corporation




Gary Wideman
Mayor

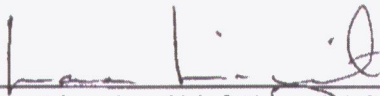
Date: 12/12/23



ATTEST:


Kelly Dix
City Secretary

CAF: COMMEMORATIVE AIR FORCE, INC.

By: 
Lance Linguist, Chief Financial Officer

Date: 12/14/23

Exhibit "A" Rent Schedule

Exhibit "A"
Rent Schedule

Commencement Date: October 1, 2023

Lease Month	Calendar Month	Year	Lease Year	Monthly Rent
1	October	2023	1	\$ 465.39
2	November	2023	1	\$ 465.39
3	December	2023	1	\$ 465.39
4	January	2024	1	\$ 2,667
5	February	2024	1	\$ 2,667
6	March	2024	1	\$ 2,667
7	April	2024	1	\$ 2,667
8	May	2024	1	\$ 2,667
9	June	2024	1	\$ 2,667
10	July	2024	1	\$ 2,667
11	August	2024	1	\$ 2,667
12	September	2024	1	\$ 2,667
13	October	2025	2	\$ 2,917
14	November	2025	2	\$ 2,917
15	December	2025	2	\$ 2,917
16	January	2025	2	\$ 2,917
17	February	2025	2	\$ 2,917
18	March	2025	2	\$ 2,917
19	April	2025	2	\$ 2,917
20	May	2025	2	\$ 2,917
21	June	2025	2	\$ 2,917
22	July	2025	2	\$ 2,917
23	August	2025	2	\$ 2,917
24	September	2025	2	\$ 2,917
25	October	2026	3	\$ 3,167
26	November	2026	3	\$ 3,167
27	December	2026	3	\$ 3,167
28	January	2026	3	\$ 3,167
29	February	2026	3	\$ 3,167
30	March	2026	3	\$ 3,167
31	April	2026	3	\$ 3,167
32	May	2026	3	\$ 3,167
33	June	2026	3	\$ 3,167
34	July	2026	3	\$ 3,167
35	August	2026	3	\$ 3,167
36	September	2026	3	\$ 3,167