

GROUND LEASE AGREEMENT

This agreement is entered into this 17th day of September, 2019
by and between the Lessee:

Name: Shannon Swilley

Address: PO Box 1949 Marshall, TX 75671

Telephone (s): (903) 926-9973

Email: sw.swilley@hotmail.com

and Panola County, Texas 110 S. Sycamore St., Carthage, Texas 75633

TERMS: This agreement shall commence on the 17th day of September, 2019 and shall continue annually being automatically renewed each year unless thirty days advanced written notice is given by either party that the agreement shall not be renewed. This ground lease is entered into for the sole purpose of constructing a hangar for the storage of an aircraft and associated aeronautical equipment.

LEASE: Lessee shall pay annually as rent for the use of the described land the amount of cash or check \$240.00 annually, by January 1st. In all cases, if the payment is not made by the 10th of January of each year, the Panola County Commissioners Court shall conduct a hearing to determine if the lease should be terminated. If the lease is terminated by the Panola County Commissioners' Court for any violation of this lease, or a violation of the Panola County Airport-Sharpe Field rules and regulations during the paid portion of the lease, any payments shall not be refunded. Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by the Panola County Commissioners' Court at five-year intervals throughout the term of the lease and prior to any extensions granted.

Lease payments shall be mailed or delivered in person to:

Panola County
Attn: Joni Reed, Panola County Treasurer
110 S. Sycamore St # 212
Carthage, TX 75633

LOCATION DESCRIPTION: 17

CARE: The Panola County Airport manager and the Lessee have inspected and accepted the location in its present condition. Panola County shall incur no expense in ground preparation or construction associated with hangar access. Access driveway construction shall be approved by the Airport Manager. Any dispute will be resolved by the Panola County Commissioners' Court.

LIABILITIES: Panola County hereby expressly disclaims any and all liability for damages to the aircraft or anything stored in the Hangar, except for such damage caused by negligence by any Panola County employee working at the Airport. Lessee shall be liable for any damage to Panola County property and/or other stored aircraft or other property arising from Lessee's negligence including, but not limited to, unauthorized activities in the Hangar or the storage of flammable or other hazardous materials, except fuel stored in aircraft or vehicle fuel tanks. Damage to any contents as a result of weather, acts of God or natural acts are not the responsibility of Panola County.

USE OF PREMISES: The land hereby leased shall be used only for the construction of a hangar designed to store aircraft and associated aeronautical items, or project aircraft, including homebuilding owned or used by Lessee. Hangar construction must begin within four months of the beginning of the lease and must be completed no more than one year after construction begins. Lessee may park no more than either two cars or light trucks, or a combination of both, that are owned or leased by the Lessee or the Lessee's passenger inside the Hangar. The parking or storage of medium or heavy duty trucks, recreational vehicles or any items not used for aeronautical purposes are prohibited inside or adjacent to the outside of the Hangar. No commercial aviation activities will be conducted on Airport property without an additional commercial lease agreement approved by the Airport Manager, Airport Advisory Board and the Panola County Commissioners' Court.

Hangar shall be constructed in compliance with the Airport Master Plan and the Panola County Airport-Sharpe Field rules and regulations. Panola County shall not be liable for theft or vandalism to any items stored in the Hangar. Floor area of hangar and/or any landscaping shall not be larger than the square footage described in the lease.

SUBLEASE OR ASSIGNMENT: These agreements are permitted when the sub-lessee is identified to and recorded by the Airport Manager and the Panola County Commissioners' Court. Timely lease payments and compliance with the Panola County Airport-Sharpe Field rules and regulations and this agreement remain the responsibility of the original Lessee.

TERMINATION: This agreement may be terminated by either party upon thirty days advanced written notice of non-renewal as provided hereinbefore. Panola County may terminate this agreement and retain any advanced payments upon the occurrence of any of the following which shall constitute a breach of this ground lease agreement by Lessee: Rent not paid by the 10th of January. Lessee fails to comply with any provisions of this lease; Lessee's conviction of any crime committed on Airport property; Lessee's violation of any drug, alcohol or weapon restriction contained in the Panola County Airport-Sharpe Field rules and regulations. If the Panola County Commissioners' Court determines a breach of this lease the Lessee will be given written notice of the termination. The Lessee shall have 30 days to remove any owned property from the Hangar, after which Panola County will file appropriate petitions to the Panola County Justice of the Peace or the attorney representing Panola County to have the property removed. The lessee shall have no longer than 90 days to sell, deconstruct and remove the hangar from the leased land, after which Panola County will file appropriate petitions to the Panola County Justice of the Peace or the attorney representing Panola County to have the structure removed or sold. After termination, the former lessee will not be

permitted to store any owned, leased or borrowed aircraft in any County owned hangar or a hangar constructed on Panola County leased land. Appropriate legal action may be taken against any former or current lessee found in violation of this section.

INDEMNIFICATION: The Lessee shall assume all risks incident to, or in connection with, its operation under this contract; shall be solely responsible for all accidents or injuries to persons or property caused by its operations upon or arising out of the Lessor's facilities; and shall indemnify, defend, and hold harmless the Panola County Commissioners, the Lessor and its employees, authorized agents, and representatives, from any and all claims, suits, losses or damages for injuries to persons or property, of whatsoever kind or nature, arising directly or indirectly out of Lessee's operations or resulting from any act or omission of the Lessee, its guests, agents, employees, or customers or resulting from any act of customers. The Lessor shall give timely notice to the Lessee of any claim against the Lessor if the Lessor considers such claim to be the liability of the Lessee. Failure to give such notice shall not act to waive the Lessee's liability hereunder. The Lessee shall have the right to investigate, defend or compromise such claim to the extent of its interest. The Lessee will indemnify, hold harmless, and waive subrogating Insurance requirements, against any loss, liability or damages and from all actions or causes of action for injuries to persons or property arising from or growing out of the use and occupancy of the Leased Premises, or Airport Properties, due to any negligence, act or omission to act of Lessee.


GOVERNING LAW: This agreement is a contract executed under and to be construed under the laws of the State of Texas and any cause of action that arises out of this agreement shall be filed in Panola County, Texas.

WAIVER AND SEVERABILITY: Either party's failure to enforce any provision of this agreement against the other party shall not be construed as a waiver thereof so as to excuse the other party from future performance of that provision or any other provision. The invalidity of any portion of the agreement shall not affect the validity of the remaining portions thereof.

ENTIRE AGREEMENT: This agreement constitutes the entire agreement between the parties. No statements, promises, or inducements made by any party to this agreement, or any agent or employees of either party, which are not contained in this written contract shall be valid or binding. This agreement may not be enlarged, modified, or altered except in writing signed by the parties.

ACCEPTED AND AGREED TO BY:

Lessee:

 _____ Lessee

8/13/19 _____ Date

Panola County:

By: Lee Ann Jones Its authorized Agent, Lessor

12-1-79 Date

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10-1-19 Date