

**PANOLA COUNTY — SHARPE FIELD
LEASE AGREEMENT**

STATE OF TEXAS

§

§

KNOW ALL PERSONS BY THESE PRESENTS

COUNTY OF PANOLA

§

This lease is entered into this 10 day of July, 2025, between the County of Panola hereinafter referred to as the "Lessor" and is the owner of the Panola County Airport—Sharpe Field, hereinafter referred to as "Airport" and Bobby Milhouser (a corporation, partnership, or sole proprietor), hereinafter referred to as "Lessee" who covenant and agree as follows:

WHEREAS, Lessor and Lessee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Lessor deems it advantageous to itself and to the operation of the Airport to lease to Lessee certain land and/or hangar as stated herein;

NOW THEREFORE, in consideration of the terms, considerations, and privileges listed herein, Lessor and Lessee covenant and agree as follows:

Section 1. Leased Area

A. Ground Lease – Lessor does hereby lease to Lessee:

~~Hangar 23~~ Ground 23

and as shown on the "Plat of Land" which is attached hereto and incorporated herein, and hereinafter referred to as the "Land" and located on the Airport. Lessee hereby leases the said Land from the Lessor subject to the terms, considerations, and privileges stated herein.

B. Hangar– Lessor does hereby lease to Lessee Hangar No. ____ more particularly described as follows:

and as shown on the Plat attached hereto and incorporated herein, all hereafter referred to as the "Hangar" and located on the Airport. Lessee hereby leases the said Hangar from Lessor subject to the terms, considerations, and privileges stated herein.

Section 2. Term

A. HANGERS

This lease shall be for the term of ____ months, not to exceed two (2) years, and as agreed upon by Lessor, commencing on the ____ day of _____, 20__ and ending on the ____ day of _____, 20__. Thereafter, this lease may be renewed for a subsequent 2 (two) year extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding two year lease term and upon mutual and written agreement by Lessor.

B. GROUND LEASE

This lease shall be for the term of 240 months, not to exceed twenty (20) years, except in the event Lessee intends to and has provided sufficient evidence toward constructing a structure on the Land/making improvements to the Hangar/Building/Office and has applied for and secured a loan for such structure/improvements for a period of time longer than twenty (20) years and is required by the bank, person, or lending institution making the loan to hold the lease for the duration of the loan payments and as agreed upon by Lessor, commencing on the ____ day of _____, 20__ and ending on the ____ day of _____, 20__. Thereafter, this lease may be renewed for a subsequent ____ year extension upon giving of written notice by Lessee to Lessor not more than one hundred eighty (180) nor less than sixty (60) days prior to the expiration of the preceding ____ year lease term and upon mutual and written agreement by Lessor.

Section 3. Consideration

A. In consideration for the lease of the Hanger or Ground Lease referenced herein, Lessee hereby agrees to pay monthly/yearly the sum of \$ _____. The first year's payment to be made in advance. Thereafter, all future payments shall be made on or before the first working day of the month due for the term of this contract plus any extensions thereto.

B. Lessee agrees that the lease payment listed herein shall be subject to review and adjustment by Lessor at five (5) year intervals, or whenever the Commissioners Court of Panola County shall determine, throughout the term of the lease and prior to any extensions granted.

C. All lease fees shall be paid as the same becomes due, without demand, in lawful currency by cashier's check or money order made payable to the County of Panola, Texas by mail or delivery.

D. Lessee agrees that he will at all times keep the premises of the Panola County — Sharpe Field grounds, buildings, and associated Ground Lease

and/or Hanger, including the inside and the outside of the Ground Lease and/or Hanger, clean and free of trash, litter tall grass, weeds, junked automobiles, and scrap aircraft parts. Lessee shall abide by all applicable rules and recommendations of the Environmental Protection Agency, the Texas Commission on Environmental Quality, the Texas Department of Agriculture, the Texas Department of Transportation, and any other public agency concerning the use, storage, and disposal of hazardous chemicals, fuel, and/or oil. Lessee further agrees to abide by the manufacturer's directions in regards to the use, storage, and disposal of all pesticides, herbicides, and other chemicals plus their containers used at the airport. Should Lessee fail to keep the Ground Lease and/or Hanger clean and free of hazards, Lessor shall, after 10 days written notice, arrange for the cleanup of the littered or hazardous area. Such cleanup shall be charged to Lessee and payable on demand. Failure to render proper payment for such cleanup and/or general disregard for the considerations and restrictions listed in this lease agreement are grounds for Lessor to terminate this lease.

E. Electrical Meters – Lessee shall be responsible for the installation of, or transfer of, electric service into Lessee's individual account no later than 30 days from the signing of this lease. Lessee shall assume responsibility of payment and is required to remain in financially good standing with the electrical provider.

F. Taxes, Fees, Insurance, and Bond – Lessee shall be liable for all taxes and fees owed on or by his personal business or himself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee. Lessor shall provide insurance for all Lessor owned real property located at the Airport under lessor's policy which shall be for the sole benefit and protection of Lessor. Lessee shall provide his own insurance coverage for any personal property located in or on the Ground Lease and/or Hanger. Additionally, Lessee shall be insured or bonded in the amount of \$250,000.00 (two hundred and fifty thousand dollars) with Lessor listed as beneficiary in the event of damage to the Airport for which Lessee is liable and cannot or will not rectify. Certificates of such required insurance shall be furnished by Lessee to Lessor and certificates presently then in effect shall be on file at all times. Any changes in those certificates must have prior written approval of Lessor.

Section 4. Permitted Use

A. Lessee agrees that the leased Land/Hangar may be used solely aeronautical activities.

B. Lessee may park his and/or his passenger's privately-owned automobile(s) inside the Hangar, but only while on a flight which originated at the Airport.

C. Lessee may store up to a maximum of twelve units of (one) quart

containers of aviation oil inside the Hangar for use in subject aircraft so long, and only so long, as such oil is contained in marked, approved containers. Such storage will be at the discretion of and with written approval from the local fire marshal if such storage is allowed under local fire codes.

Section 5. Restricted Use

A. Lessee agrees that the usage of the Ground Lease and/or Hanger plus any associated apron shall be limited to the parking/hangaring of his personal/company owned aircraft. No automobile, bus, truck, or other transportation mode may be permanently or habitually parked or stored on/in the Ground Lease and/or Hanger except in approved automobile parking areas and as agreed upon by Lessor.

B. Lessee agrees that he will not conduct any commercial activity unrelated to the purposes of the Panola County Airport — Sharpe Field.

C. Lessee agrees that he will not store or permit the storage of any fuel or hazardous, volatile, and/or dangerous chemicals on/inside the Ground Lease and/or Hanger except as authorized in Section 4.c. without the written consent of Lessor.

D. Lessee agrees not to fuel or defuel any aircraft while parked inside the Hangar.

E. Lessee agrees to have a sufficient number (as determined by any applicable fire codes) of fire extinguishers (fire suppression equipment) of acceptable size as determined by the local fire marshal inside the Hangar. Such fire extinguisher(s) shall be readily accessible in the event of a fire. Each Lessee or a hanger must present, upon demand, proof or certification of current certification of fire suppression equipment.

F. Lessee agrees not to make any additions or modifications to the Lessor-owned Hanger unless agreed upon by both parties in writing. In event of such consent, all improvements or modifications shall be made at the expense of Lessee and, at the expiration of this Lease and any extensions to this lease, shall become the property of the Lessor.

G. Lessee agrees that he will not operate any nonaviation related business or activity on/in the Ground Lease and/or Hanger without the express written consent of Lessor. Any such nonaviation related business or activity must be so established by a separate contract.

Section 6. Sublease, Assignment, or Sale

A. The Lessee shall not sublease, assign, sell, or transfer this contract agreement or any right hereunder to any person, corporation, or association. Any such sublease, assignment, sale, or transfer shall be grounds, at the option of the Lessor, for the Lessor to immediately terminate this contract

agreement.

B. The Airport shall have and retain the first right of refusal for all Ground Leases, Hanger leases, and the sale of privately-owned hangers occupying a ground lease. Notice shall be delivered to the Airport Manager and County Judge by certified mail requiring recipient's signature.

Section 7. Termination

A. This contract agreement may be prematurely terminated by Lessor or Lessee if either fails to abide by the terms and conditions expressed herein and due the complainant and so decreed by a court of competent jurisdiction. Should Lessee be declared bankrupt, incompetent, or become deceased, this contract agreement shall immediately terminate and shall not be considered as part of Lessee's estate and shall not become an asset of any appointed or assigned guardian, trustee, or receiver. In the event Lessee fails to make timely payments of all taxes or fees, fails to provide proof of required insurance or bond, uses the Airport property or permits the Airport property to be used for any illegal or unauthorized purpose, files bankruptcy, abandons or leaves the property vacant or unoccupied for 90 (ninety) consecutive days, or violates any of the terms and conditions of this contract agreement, Lessor has the right to terminate this contract agreement and retake possession of any Airport property leased to or under the control of Lessee.

B. Lessee agrees and understands that Lessor reserves the right to further expand, develop, or improve the airport, including the termination of this lease agreement, in such instance that the continued leasing of the Ground Lease and/or Hanger would have a negative impact on any proposed development or improvements at the Airport. This contract agreement may be terminated regardless of the desires, wishes, or views of Lessee and without interference or hindrance from Lessee, but only so long as such expansion, development, or improvements are shown on a Texas Department of Transportation, FAA approved Airport Layout Plan or Master Plan, and/or by order of the Panola County Commissioners Court.

C. This contract may be prematurely terminated by mutual agreement and consent of both parties in writing. Such termination by mutual agreement shall cause both Lessor and Lessee to be free of any and all requirements of this contract, except as contained in paragraph 7.D. hereunder, and neither Lessor nor Lessee shall have any derogatory remarks or entries made upon their resumés or upon any public or private records which would indicate failure to successfully fulfill the conditions of this contract.

D. At the termination of this contract agreement, either by normal expiration, premature termination, or mutual agreement, Lessee shall peaceably vacate the premises. Should Lessee be in default of any monies owed to Lessor, Lessor may take possession of any personal property owned by Lessee and located at the Airport and hold until the monetary default is settled. In such case that Lessee cannot or will not settle any claims against him owed to Lessor, Lessor may

liquidate any personal property seized, subject to the disposition of a court of competent jurisdiction. Lessee shall be liable for any and all expenses incurred by Lessor in such action.

Section 8. Hold Harmless

Lessee agrees to save and hold harmless Lessor and its agents, servants, and employees of and from any and all liabilities, expenses, causes of action, damages, and/or attorney's fees resulting from or as a result of any of Lessee's businesses, operation, occupancy, or use of the Airport or from any act or omission of Lessee's agents, servants, or employees. This indemnity agreement shall apply and protect Lessor and its agents, servants, and employees even though it be contended, or even established, that said Lessor or its agents, servants, or employees were negligent or that their conduct or omission in any way caused or contributed to any such liability, expense, cause of action, damage, and/or attorney's fees.

Section 9. Maintenance of Landing Area

Lessee understands and agrees that Lessor reserves the right, but not the obligation, to maintain the Airport to at least the minimum standards as recommended by the FAA, the Texas Department of Transportation, or requirements set forth by the Panola County Commissioners Court. Such right includes the right to maintain and keep in repair all public use areas at the Airport and the right to direct and control all activities as necessary at the Airport. Lessee also understands that Lessor is not obligated by this lease to continue operating the Airport as an airport and may close the Airport at any time and at its own discretion. Such closure shall immediately void this contract and no damages or monies or other compensation will be owed to the Lessee by Lessor.

Section 10. Exclusions

A. This contract agreement embraces the entire lease agreement of the parties mentioned herein pertaining to the Ground Lease and/or Hanger and no statement, remark, agreement, or understanding, either oral or written, not contained herein shall be recognized or enforced as it pertains to the lease of the Ground Lease and/or Hanger , except that this contract agreement may be modified by written addendum agreed to and signed by all pertinent parties and attached hereto.

B. For the purpose of this contract agreement, the singular number shall include the plural and the masculine shall include the feminine and vise-versa, whenever the context so admits or requires.

C. The "Section" captions and headings are inserted solely for the convenience of reference and are not part of nor intended to govern, limit, or

aid in the construction of any provision hereof.

D. The parties to this contract agreement hereby acknowledge and agree that they are the principals to the contract agreement and have the power, right, and authority to enter into this contract agreement and have the power, right, and authority to enter into this contract agreement and are not acting as an agent for the benefit of any third party, except that Lessor is acting on behalf of the County of Panola.

E. This contract agreement shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this contract agreement shall be in Panola County, Texas.

F. If any section, paragraph, sentence, or phrase entered in this contract agreement is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this contract agreement and, to this end, the provisions of this contract agreement are declared to be severable.

Section 11. Reservations

A. Lessor specifically reserves the right of entrance at any time without prior warning, notice, or confirmation of notice.

EXECUTED this 10th day of July, 2025.

Lessor:

Rodger S. McFane

County Judge

Lessee:

Bahly McFane

2542 CR 403

Canthage Tx 75633

Attest: Baunna

County Clerk of Panola County



SCHEDULE A

FEE SCHEDULE			
CONTRACT	HANGER #	CURRENT RENT	PROPOSED
Hanger	1	\$1,500	\$1,650
Ground	2	\$120	\$210
Ground	3	\$160	\$250
Ground	4	\$160	\$250
Ground	5	\$160	\$250
Ground	6	\$160	\$250
Hangar	7	\$1,500	\$1,650
Hangar	8	\$960	\$1,110
Ground	9	\$160	\$250
Hangar	10	\$960	\$1,110
Ground	11	\$160	\$250
Hangar	12	\$960	\$1,110
Hangar	13	\$1,500	\$1,650
Hangar	14	\$720	\$870
Hangar	15	\$1,500	\$1,650
Hangar	15	\$1,500	\$1,650
Ground	16	\$160	\$250
Ground	17	\$240	\$330
Ground	18	\$160	\$250
Ground	19	\$360	\$450
Ground	20	\$420	\$510
Hangar	21	\$160	\$310
Ground	22	\$350	\$440
Ground	23	\$350	\$440



R. K. Austin
Owner/General Manager

Austin

Surveying & Mapping

P. O. Box 629
311 W. Sabine Street
Carthage, TX 75633
Telephone: 903-693-6135
Fax: 903-693-3432
TXBPELS Firm No. 10121800
Tax ID No. 75-2608367



D. Don Austin
RPLS No. 4431
County Surveyor

STATE OF TEXAS COUNTY OF PANOLA

Exhibit "A"

Legal Description of a survey made for the County of Panola:
Job No. 24015

HANGAR LOT "A" (23)

All that certain lot or parcel of land, a part of the DAVID BROWN Survey, Abstract No. 104, Panola County, Texas, and being a part of that certain tract of land called 48.87 acres described in a deed from Mrs. Josie Neal Roberts, et vir, F. E. Roberts, to Panola County, Texas, and the City of Carthage, dated June 24, 1963, recorded in Vol. 460, Page 242 of the Deed Records of Panola County, Texas, and the said subject lot or parcel of land is more particularly described as follows:

COMMENCING at a ½-inch iron rod set for the Southeast corner of the said parent tract called 48.87 acres in the North Right-of-Way line of U. S. Highway No. 79;

THENCE North 38° 24' West a distance of 80.1 feet to the Point of Beginning of the herein described subject lot at its Southeast corner;

THENCE South 88° 10' West a distance of 51.6 feet to a point;

THENCE North 01° 00' West a distance of 57.1 feet to a point;

THENCE North 88° 10' East a distance of 51.6 feet to a point;

THENCE South 01° 00' East a distance of 57.1 feet to the Point of Beginning.

This document is prepared specifically for the parties designated hereon. Only those prints containing the Surveyor's seal should be considered official and relied upon by the user. It is invalid unless it bears an original "LIVE" blue wet ink signature. The certification shown hereon shall not apply to any copies. Alterations, duplications, facsimiles, modifications, scanning, or use without the written consent of AUSTIN SURVEYING & MAPPING is strictly prohibited. COPYRIGHT 2024 by AUSTIN SURVEYING & MAPPING. All rights reserved.

I, D. D. Austin, Registered Professional Land Surveyor, do hereby certify that the above legal description was prepared in accordance with an actual ground survey of the property so described, and that the said survey is correct to the best of my professional knowledge and belief.

Given under my hand and seal,
this 23rd day of September, 2024.

Don Austin, R.P.L.S. #443



Exhibit "A"