



GRAYSON COUNTY REGIONAL MOBILITY AUTHORITY

4700 Airport Drive - Denison, Texas 75020
Tel. 903.786.3566 - Fax 903.786.9185 - www.gcrma.com

September 12, 2014

AGENDA

The Agenda for the Grayson County Regional Mobility Authority Board Meeting scheduled for 10:00a.m., Thursday, September 18, 2014, in the Greater Texoma Utility Authority conference room, 5100 Airport Drive, Denison, Texas 75020 is as follows:

1. Call To Order. * ** ***
2. Consideration of approval of Minutes of August 14, 2014, Board Meeting.
3. Consideration of approval to enter into an agreement with TxDOT Aviation for the 2015 Routine Airport Maintenance Program grant (RAMP).
4. Consideration of approval of request by XTO Energy to install 1,831.36' of pipeline across airport property.
5. Consideration of approval of a Nonpublic Aircraft Fuel Dispensing Permit with U.S. Aviation Group, LLC.
6. Consideration of a building lease with Jani-King International, Inc. for Hangar 5513, Suite 3.
7. Director's Update to include discussion of Monthly Reports, Facility Upgrades and GCRMA and Airport Events/News
8. Public Comments.
9. Adjourn.

PUBLIC COMMENT PERIOD – At the conclusion of all other agenda items, the Grayson County Regional Mobility Authority Board (GCRMA) will allow for a public comment, not to exceed fifteen minutes, to receive public comment on any other matter that is under the jurisdiction of the RMA. No action will be taken. Each speaker will be allowed a maximum of three minutes. Speakers must be signed up prior to the beginning of the public comment period. If you plan to attend this Meeting, and you have a disability that requires special arrangements, please contact the Administration Office at 903-786-2904 within 24 hours of the Meeting and reasonable accommodations will be made to assist you.

* Members of Commissioners Court may be attending this meeting.

** The Board may vote and/or act upon each of the items listed in this Agenda.

*** The Board reserves the right to retire into Executive Session concerning any of the items listed on this Agenda whenever it is considered necessary and legally justified under the Open Meetings Act.



NORTH TEXAS REGIONAL AIRPORT

www.northtexasregionalairport.com

RMA BOARD AGENDA

ITEM NUMBER: Two
MEETING DATE 09-18-14

ITEM TITLE: Consideration of approval of Minutes of August 14, 2014, Board Meeting

SUBMITTED BY: Terry Morrow, Administrative Assistant

DATE SUBMITTED: August 7, 2014

SUMMARY:

Minutes of the August 14, 2014, RMA Board of Directors Meetings as transcribed from recorded tape.

ATTACHMENTS (LIST)

Minutes

ALTERNATIVES/RECOMMENDATIONS:

Approve minutes with changes, if any

GRAYSON COUNTY REGIONAL MOBILITY AUTHORITY
BOARD OF DIRECTORS MEETING
AUGUST 14, 2014

MEMBER'S PRESENT:

Bill Benton
Randy Hensarling
Bill Rasor

MEMBER'S ABSENT:

Bill Hubbard, Chairman
Jeff Christie

OTHER'S PRESENT:

Mike Shahan, Director
Wm. B. (Ben) Munson, Esquire
Jay Jones, American Equity
Bill Retz, NTRA Marketing Director
Michael Hutchins, Herald Democrat
James W. Griffin, NTTA
Kaustubb Gosavi, Institute of Urban Studies

Bill Bristow, Grayson Co. Juvenile Services
Ethan Hutchins, KXII TV
Larry Reichhart, Walton Development
Rod Tatchio, Tatchio & Associates
David Dryden, TNP
Alan Klein, Institute of Urban Studies

1.
Call to Order.

Bill Benton, Vice Chairman, called the meeting to order at 10:00 a.m. and welcomed everyone to the meeting.

2.
Consideration of approval of the July 10, 2014, Board Meeting.

Mr. Benton asked the Board if there were any changes or revisions to be made to the minutes. Mr. Hensarling made the motion to approve the minutes as typed. Mr. Rasor seconded the motion. All members voted aye.

3.
Consideration of approval of First Amendment to Financial Assistance Agreement Grayson County Tollroad.

Mr. Shahan advised the Board that they had approved an amendment at the June 9 meeting but since that time, TxDOT had requested some other minor changes. After some discussion on the changes, Mr. Rasor made the motion to approve the First Amendment to Financial Assistance Agreement Grayson County Tollroad. Mr. Hensarling seconded the motion. All members voted aye.

4.
Consideration of approval for a one time variance to the International Mechanical Code Paragraph 306.5 for construction of the Juvenile Residential Living Facility as requested by Rod Tatchio.

Mr. Tatchio advised that the Board that he was representing the Grayson County Juvenile Board and that they were making this request to provide a safe method to maintain the roof mounted mechanical equipment other than building platforms on the roof. He stated that they felt that the appearance would be detrimental to the facility. He stated that they would use a man lift when working on the equipment rather than building platforms. He stated that was actually an alternative method to maintaining the equipment rather than an actual variance. Mr. Shahan advised the Board that Ed Aynes, the building inspector, did not have any issues with the Board granting the variance as long as he was not held responsible for any

liability. Mr. Tatchio stated that these were exhaust fans and that the mechanical equipment was located in a mechanical equipment room. After some other discussion, Mr. Hensarling made the motion to grant the variance. Mr. Razor seconded the motion. All members voted aye.

5.

Update on the Grayson County Thoroughfare Plan presented by the University of Texas at Arlington, Institute of Urban Studies.

The Institute of Urban Studies at the University of Texas at Arlington provided an update on the Grayson County Thoroughfare Plan and stated that they would present the final document to the Board at the October 9, 2014, Board meeting.

After the completion of the presentation, Mr. Razor asked for an explanation on the tollway alignment. Mr. Gosavi stated that additional routes were included because the eastern route was not very straight so some other possibilities had been included. Mr. Klein stated that these were only possible alternatives. Mr. Benton stated that the eastern route had been approved after an extensive look at waterways and the potential cost of land.

Mr. Benton asked if SH 160 was the North/South route east of U.S. 75. Mr. Klein stated that there are two principle roadways and those are SH 160 and FM 2729. Mr. Benton stated that FM 2729 does not go north of Tom Bean while SH 160 goes to the north end of the county. He asked if there was some reason that SH 160 did not receive the same significance as some of the other roadways in the county. Mr. Klein stated that based on all factors that were considered it was not thought that there is not the development pressure as the rest of the County. Mr. Benton stated that some corridor needed to be defined for good north/south access. Mr. Benton stated that SH 160 should be designated as a major north-south artery in the eastern part of the county.

Mr. Hensarling asked the time frame for that heat map and Mr. Klein stated that it was 2040. Mr. Hensarling asked if that meant that there would be little development east of U.S. 75 and Mr. Klein stated that was correct. He stated that the northwestern part of the county expected little development also.

Mr. Benton asked how much of this plan was integrated into the plan that the MPO is working on. Mr. Klein stated that they wanted to ensure that this plan was included in all of their long term plans. Mr. Klein stated that they did not meet with MPO personnel but that they had received information from them.

Mr. Razor asked about to go back to the slide showing the tollway alignment and asked what the grey boxes were. Mr. Gosavi stated that these indicated land owners that plan to develop their land in the future.

Mr. Benton asked if their expectations was to receive comments over the next several weeks and those would then be incorporated into the final document and Mr. Klein said that was correct. Mr. Benton asked Mr. Shahan to distribute Mr. Klein's contact information to the Board so that comments could be sent to him.

Mr. Jones stated that extensive work has been done by the county, municipalities and NTTA in terms of public hearings that have occurred and it seems that some of that has been incorporated into some of the alignments.

6.

Director's Update to include discussion of Monthly Reports, Facility Upgrades and GCRMA and Airport Events/News.

Mr. Shahan updated the Board on the fuel flowage report. He stated that as of the end of July fuel sales were up approximately 5% from last year at this time.

Mr. Shahan updated the Board on the ATCT operations report. He stated that operations were down 5% from the previous year.

Mr. Shahan stated the Board had the budget report. He stated that when you took the expenses for the West Side Hangar out of the budget, the airport was down approximately \$277,000.00 and approximately \$59,000.00 in the red if you take out the West Side Hangar expenses at the end of June.

Mr. Shahan advised the Board that repairs to Gosnell Street were being made.

Mr. Shahan stated that work would begin on reskinning the interior hangar bays in Hangar 5513.

Mr. Shahan stated that the U.S. National Aerobatic Championship is scheduled for September 21-26, 2014.

Mr. Shahan stated that Kustom Kemps drag race would be September 28, 2014.

Mr. Retz advised the Board that the Airport was submitting a proposal to host a regional fly-in for AOPA in 2015.

Mr. Retz also updated the Board on Project Texas. He stated that this involved the West Side Hangar being leased for aircraft storage on a month-to-month basis.

Mr. Benton asked if any particular lines items were over budget in the current budget. Mr. Shahan stated that there are a few lines that were over a small amount. He stated that those are janitorial supplies and printing. Mr. Shahan advised that he had been to budget hearings and it appeared that the 2014/15 budget had been accepted as presented to the RMA Board.

7.

Public Comments.

Mr. Benton asked if anyone had any comments to make. There were none.

8.

Adjourn.

There being no other business, Mr. Rasor made the motion to adjourn. Mr. Hensarling seconded the motion. All members voted aye. The meeting was adjourned at 10:32a.m.

12.

Next Meeting.

The next regularly scheduled Board of Director's Meeting will be held on September 11, 2014, at 10:00am in the meeting room of the GTUA, 5100 Airport Drive, Denison, Texas.

W. R. Hubbard, Jr., Chairman

Terry Morrow, Administrative Asst.

RMA BOARD AGENDA

ITEM NUMBER: Three
MEETING DATE: 09-18-14

ITEM TITLE: Consideration of approval to enter into an agreement with TxDOT Aviation for the 2015 Routine Airport Maintenance Program grant (RAMP).

SUBMITTED BY: Mike Shahan, Director

DATE SUBMITTED: September 12, 2014

SUMMARY:

The Routine Airport Maintenance Program (RAMP) grant is an annual grant that we receive from TxDOT Aviation. The grant is for approved maintenance projects such as hangar and pavement repairs and equipment service and upgrades. To use the grant we must do approved projects and TxDOT will reimburse us 50% of the cost up to \$50,000.00. Therefore, we must spend a minimum of \$100,000.00 to receive the full refund of \$50,000.00. Any money that exceeds the maximum amount is not eligible for reimbursement. This past year, we used this grant to make hangar upgrades, pavement improvements, and pay for the annual AWOS maintenance contract.

This year, we plan to use the grant to cover maintenance cost for the AWOS and various upgrades and maintenance of airport owned facilities.

ATTACHMENTS (LIST)

Resolution 14-16

Routine Airport Maintenance Program Grant

ALTERNATIVES/RECOMMENDATIONS:

Approve entering into RAMP Grant Agreement with TxDOT Aviation and request Commissioners Court to also approve the RAMP Grant Agreement.



RESOLUTION No. 14-16

WHEREAS, the Grayson County Regional Mobility Authority ("GCRMA") was created pursuant to the request of Grayson County and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the GCRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, GCRMA entered into an Interlocal Agreement with Grayson County for the operation of the North Texas Regional Airport ("NTRA") on October 31, 2008, for the purposes of operation, regulation, and protection of the North Texas Regional Airport ("NTRA") and its facilities; and

WHEREAS, NTRA wishes to enter into an agreement with the Texas Department of Transportation Aviation Division for the utilization of grant programs; and

WHEREAS, NTRA has participated in the Routine Airport Maintenance Program (RAMP) Grant in the past; and

WHEREAS, the Routine Airport Maintenance Program Grant is for the improvement of Airport facilities.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves entering into an agreement with The Texas Department of Transportation for use of the Routine Airport Maintenance Program grant.

APPROVED THIS 18th day of September, 2014, by the Board of Directors of the Grayson County Regional Mobility Authority.

Submitted and reviewed by:

Approved:

Mike Shahan
Executive Director for the Grayson
County Regional Mobility Authority

W. R. Hubbard, Jr
Chairman, Board of Directors
Resolution Number 14-16
Date Passed 09/18/14



AVIATION DIVISION

125 E. 11TH STREET • AUSTIN, TEXAS 78701-2483 • 512/416-4500 • FAX 512/416-4510

September 2, 2014

The Honorable Drue Bynum
c/o Mike Shahan, Airport Manager
The County of Grayson
4700 Airport Drive
Denison, Texas 75020

TxDOT CSJ No.: M1501DENS
Fund Source: 3500920927

Dear Judge Bynum:

A FY2015 Routine Airport Maintenance Grant is enclosed for the North Texas Regional/Perrin Field Airport. The County of Grayson has participated in the Routine Airport Maintenance Program in past years, and the 2015 grant is provided to continue your maintenance efforts.

The TxDOT CSJ No. M1501DENS grant for airport maintenance between the County of Grayson, as airport sponsor, and the Texas Department of Transportation is attached as an Adobe Acrobat document.

The amount of the FY2015 grant is based on previous year grant expenditures - if the amount needs to be adjusted, please let me know. An airport General Maintenance description has been included on Attachment-A Scope of Services so that grant funds can be used for these types of items without having to amend the grant as projects come up. Amendments can be done at your request any time after execution to add special projects or to increase the grant amount.

Please print out the grant and however many additional copies the County of Grayson may need for retained paper records and execute the Agreement, complete the Certifications, and return the accepted grant as soon as possible. It will be necessary for your attorney to endorse your acceptance of the Agreement to assure that it has been accepted in accordance with local laws. The Grant Agreement and Certifications should have original signatures for acceptance.

TxDOT will be retaining the grant file electronically and will not retain a paper record copy of your executed grant.

If you **do not need a paper copy** of the executed grant returned to you, please scan the fully signed and witnessed grant document and e-mail it to me at megan.caffall@txdot.gov. I will have the grant executed by the state and return an electronic copy of the executed grant to you by e-mail.

The Honorable Drue Bynum
Page 2
September 2, 2014

If you need a paper cop(ies) of the executed grant, please return all copies of the fully signed and witnessed documents to:

*Mailing Address - TxDOT Aviation Division
125 E. 11th Street
Austin, Texas 78701-2483.*

*Overnight Address - TxDOT Aviation Division
150 E. Riverside Dr., 5th Floor South Tower,
Austin TX 78704*

If you have any questions, or need additional information please contact me at 1-800-687-4568 or megan.caffall@txdot.gov. The Texas Department of Transportation Aviation Division appreciates your participation in preserving and improving the Texas Airport System, and looks forward to working with you at the North Texas Regional/Perrin Field Airport.

Sincerely,



Megan Caffall
RAMP Program Manager

cc: Ellen Perry, Paris District
Enclosures

**TEXAS DEPARTMENT OF TRANSPORTATION
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM**

(State Assisted Airport Routine Maintenance)

TxDOT CSJ No.: M1501DENS

Part I - Identification of the Project

TO: The County of Grayson, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the County of Grayson, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the North Texas Regional/Perrin Field Airport.

Part II - Offer of Financial Assistance

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or \$50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

Work shall be accomplished by August 31, 2015, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.
5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

Part III - Sponsor Responsibilities

1. In accepting this Grant, if applicable, the Sponsor guarantees that:
 - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and
 - b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and
 - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and
 - d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
 - e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and
 - f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and
 - g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
 - h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and
 - i. an Airport Fund shall be established by resolution, order or ordinance in the

treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and

- j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
 - k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.
 - l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.
2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.
7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

PART IV - Nomination of the Agent

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.
2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:
 - a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;
 - b. enter into contracts as necessary for execution of scope of services;
 - c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an

irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;

- d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;
- e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- f. reimburse sponsor for approved contract maintenance costs no more than once a month.

PART V - Recitals

1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.
3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
 - a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or

orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.

- b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VI - Acceptances

Sponsor

The County of Grayson, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this _____ day of _____, 2014.

The County of Grayson, Texas
Sponsor

Witness Signature

Sponsor Signature

Witness Title

Grayson County Judge
Sponsor Title

Certificate of Attorney

I, _____, acting as attorney for the County of Grayson, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at _____, Texas, this _____ day of _____, 2014.

Witness Signature

Attorney's Signature

Witness Title

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS
TEXAS DEPARTMENT OF TRANSPORTATION

By: _____

Date: _____

**Attachment A
Scope of Services
TxDOT CSJ No.:M1501DENS**

Eligible Scope Item:	Estimated Costs Amount A	State Share Amount B	Sponsor Share Amount C
GENERAL MAINTENANCE	\$100,000.00	\$50,000.00	\$50,000.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
TOTAL	\$100,000.00	\$50,000.00	\$50,000.00

Accepted by: The County of Grayson, Texas

Signature

Title: Grayson County Judge

Date: _____

Notes: (explanations of any specifications or variances as needed for above scope items)_____

GENERAL MAINTENANCE: As needed, Sponsor may contract for services/purchase materials for routine maintenance/improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide/application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

CERTIFICATION OF AIRPORT FUND

TxDOT CSJ No.: M1501DENS

The County of Grayson does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

The County of Grayson, Texas
(Sponsor)

By: _____

Title: Grayson County Auditor

Date: _____

Certification of State Single Audit Requirements

I, J. Richey Rivers, do certify that the County of Grayson will comply with all (Designated Representative) requirements of the State of Texas Single Audit Act if the County of Grayson spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the County of Grayson will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

Signature

Grayson County Auditor
Title

Date

DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE

TxDOT CSJ Number: M1501DENS

The County of Grayson designates, Mike Shahan
(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

The County of Grayson, Texas
(Sponsor)

By: _____

Title: Grayson County Judge

Date: _____

DESIGNATED REPRESENTATIVE

Mailing Address: _____

4700 Airport Drive, Denison, Texas 75020

Overnight Mailing Address: _____

4700 Airport Drive, Denison, Texas 75020

Telephone/Fax Number: 903-786-2904

903-786-9185 (fax)

Email address: airport@co.grayson.tx.us

RMA BOARD AGENDA

ITEM NUMBER: Four
MEETING DATE: 09-18-14

ITEM TITLE: Consideration of approval of request by XTO Energy to install 1,831.36' of pipeline across airport property.

SUBMITTED BY: Mike Shahan, Director

DATE SUBMITTED: September 12, 2014

SUMMARY:

XTO Energy would like to replace the existing Clinton Battery pipeline. The new location of this pipeline is on the north side of Plainview Road. The proposed pipeline is a 3" poly products pipeline that will be buried a minimum of 36" underground. The length of pipeline on airport property is 1,831.36'.

Surface damages resulting from the XTO's installation of the pipeline is \$50.00 per rod (\$16.50 per foot) or a total of \$5,549.50.

The RMA Board in July tabled this request asking for a survey with legal description and an appraised value of the easement before approving the request by XTO Energy.

- XTO has provided a survey with legal description
- Aaron Ford, Right-of-Way Agent with TxDOT Aviation, reviewed the proposed value of the easement and feels that the amount offered by XTO "...more than fair for an easement in this area." Please see attached email from Aaron Ford.

Ben Munson has reviewed the enclosed documentation and has approved as presented.

ATTACHMENTS (LIST)

Resolution 14-17

Letter of Agreement

Release

Pipeline Agreement

Email dated August 21, 2014 from Aaron Ford at TxDOT Aviation

ALTERNATIVES/RECOMMENDATIONS

Approval of Easement with XTO Energy for installation of pipeline across airport property



RESOLUTION No. 14-17

WHEREAS, the Grayson County Regional Mobility Authority ("GCRMA") was created pursuant to the request of Grayson County and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the GCRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the Grayson County Commissioners Court entered into an interlocal agreement with the GCRMA dated October 31, 2008, for the purposes of operation, regulation, and protection of the North Texas Regional Airport ("NTRA") and its facilities; and

WHEREAS, XTO Energy currently has a pipeline that exist on the south side of Plainview Road south of NTRA; and

WHEREAS, XTO Energy desires to relocate the pipeline to the north side of Plainview Road and on property owned by NTRA; and

WHEREAS, XTO Energy has requested permission to relocate the pipeline onto property owned by NTRA and XTO Energy will pay NTRA for surface damages caused by this relocation in the amount of \$5,549.50.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves the Letter of Agreement and Release of Surface Damages as requested by XTO Energy.

APPROVED THIS 18th day of September, 2014, by the Board of Directors of the Grayson County Regional Mobility Authority.

Submitted and reviewed by:

Approved:

Mike Shahan
Executive Director for the Grayson
County Regional Mobility Authority

W. R. Hubbard, Jr.
Chairman, Board of Directors
Resolution Number 14-17
Date Passed 09/18/14



June 30, 2014

North Texas Regional Airport
Attention: Mr. Mike Shahan, Airport Director
4700 Airport Drive
Denison, Texas 75020

RE: XTO-operated Sherman (8900 Penn) Field Wide Unit and Sherman (7500 Sand) FW Unit
Clinton Battery pipeline replacement
Pipeline Damage Agreement covering
80 acres, A-895, Edgar Meade Survey
Grayson County, Texas

Dear Mr. Shahan,

In consideration of the mutual obligations and benefits set forth below, XTO Energy, Inc. ("XTO") and Grayson County, Texas acting by and through the Grayson County Regional Mobility Authority, the owner of the North Texas Regional Airport ("NTRA") agree as follows:

1. Payment to NTRA, for surface damages resulting from XTO's installation of a 3" Poly products pipeline ("PL") will be in the amount of **\$50.00 per rod**. The length of the disturbed area across NTRA's property is deemed to be 1,831.36 feet (or 110.99 rods), whether actually more or less, resulting in a damage settlement offer of \$5,549.58. A survey of the PL's proposed route is attached as an exhibit to this Agreement and for your review.
2. Payment by XTO of the damage settlement will be made after XTO and NTRA execute a mutually agreeable Pipeline Agreement. (Please note that in the future, if XTO desires to install an additional pipeline(s) on NTRA's property, that in such an event, damages will be negotiated at that future date.)
3. XTO also agrees to pay NTRA \$1000.00 for each pipeline riser, if any, installed on NTRA's property. (Pipeline riser placements have not been determined at this time.)
4. All payments made to NTRA by XTO will be by **company check** made payable to the order of North Texas Regional Airport.



With the signatures below, NTRA and XTO confirm agreement with the terms stated herein.

Sincerely, _____

for XTO Energy Inc.

Accepted and agreed to this _____ Day of _____, 2014

Grayson County, Texas

By: Grayson County Regional Mobility Authority

By: _____
Mike Shahan, its Director

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

RELEASE

STATE OF TEXAS §

COUNTY OF GRAYSON §

For and in consideration of the sum of five thousand, five hundred and forty-nine and 58/100 Dollars (\$5,549.58), in hand paid, the receipt and adequacy of which is hereby acknowledged, the undersigned does hereby release, discharge, acquit and relinquish **XTO ENERGY INC.**, its successors and assigns (the "Released Parties") of and from any and all manner of claims, costs, losses, injuries, expenses, damages, liabilities, actions and causes of action, of whatever nature, kind or character, at law whether by statute, contract, tort, or in equity, (together the "Released Claims"), which the undersigned had or now has, if any, based upon, arising from, or in any way relating to operations in connection with the laying of a three inch (3") Poly, low pressure, produced-liquids-gathering pipeline, located upon the surface of the following described property:

80 acres, A-895, Edgar Meade Survey and
37 acres, A294 Wilson Campbell Survey
Grayson County, Texas

The undersigned hereby acknowledge and agree that the release set forth herein is a general release of claims that have been or could have been asserted by the undersigned. The undersigned further understand and agree that this Release may be plead as an absolute and final bar to any and all suits, claims, actions or causes of action released herein. The undersigned agree that this Release is a settlement and compromise of disputed claims and that by executing this Release, the Released Parties admit no liability.

The undersigned agree that the Released Parties made no other promise or agreement except as expressed in this Release and in executing this Release, the undersigned are not relying on any statement or representation of the Released Parties or any of its agents regarding the specific matters in dispute.

The undersigned accept this consideration in full satisfaction of all damages or claims owed to the undersigned that may be owed by the Released Parties.

This Damage Release is intended as a covenant running with the said land and shall be binding on the undersigned and any and all personal representatives, successors, and assigns of the undersigned.

IN WITNESS WHEREOF, this instrument is executed this ____ day of _____, 2014.

Grayson County care of North Texas Regional Airport

By : _____ Witness: _____

Name: _____ Name: _____

Title: _____ Title: _____

6. The Pipeline constructed hereunder shall be designed, constructed, tested, and operated in accordance with all applicable state and federal safety standards. Nothing contained herein shall relieve XTO of any obligations to comply with present or subsequent valid rules and regulations promulgated by any governmental agency having jurisdiction which may require pipeline owners to alter, change or upgrade the Pipeline to comply with said rules and regulations.
7. XTO shall obtain all permits required to cross roads and other public and quasi-public rights of way or facilities which the Pipeline route will traverse.
8. XTO shall keep all fences, if any, affected by its use of this Pipeline Agreement intact and capable of turning cattle at all times and shall keep all gates closed and locked if appropriate. XTO shall provide adequate alternative facilities for any fences, gates, roads or bridges which must be temporarily taken out of service to accommodate XTO's construction or use of the Pipeline. After commencing construction hereunder, XTO will pursue the work diligently to effect prompt completion of the work. Following the construction of the Pipeline, XTO will restore fences, gates, roads, and bridges, and the surface of the land affected by the Pipeline, including additional working room, as nearly as is reasonably practicable, to the condition that such land and any improvements existed prior to construction.
9. XTO agrees to construct, maintain, operate, repair, replace and remove the Pipeline in a manner so as not to obstruct, impair or alter the drainage on lands adjoining the Pipeline; and should XTO become aware that such drainage on lands adjoining the Pipeline is obstructed, impaired or altered as a result of this Pipeline Agreement, XTO will immediately take action necessary to correct such drainage.
10. This Pipeline Agreement is not a conveyance of the land described herein or of the minerals herein and thereunder, but grants only the rights provided above. The rights granted herein are expressly subject to all applicable, valid and existing laws, ordinances, regulations, pipeline agreements, restrictions, rights-of-way, conditions, exceptions, reservations, and covenants of whatsoever nature either of record or evidenced by improvements on or upon the ground along the Pipeline.
11. NTRA acknowledges that the consideration paid NTRA for this Pipeline Agreement is in full satisfaction of damages to the surface of NTRA's Property and releases XTO from any claim or liability related to the same, other than future damages that may be caused by XTO's breach of this Pipeline Agreement.
12. XTO agrees to indemnify, protect, and hold NTRA harmless of and from any and all claims, demands, costs (including but not limited to attorney's fees), expenses, damages, losses, and causes of action or suits for damages arising out of injury to persons (including death) and injury or damage to or loss of property or improvements, including environmental claims, caused by XTO, its agents, employees, servants, contractors, or any person acting under its direction or contract. Further, neither shall NTRA ever be liable for any claims, demands, costs, expenses, damages, losses, and causes of action or suits for damages because of injury to persons or property, including environmental claims, arising

Edgar Meade Survey
Abstract No. 895

W. L. Roberts Survey
Abstract No. 1546
Grayson County, Texas
1186.04 Acres

Charles Selt Survey
Abstract No. 1178

Ed Meade Survey
Abstract No. 895

Wilson Campbell Survey
Abstract No. 294

Grayson County, Texas
1186.04 Acres

Grayson County, Texas
1186.04 Acres
(Attachment "A")
Vol. 1231, Pg. 569

Linda Thornton
& Laura Prewitt
"colored" 42.64 Acres
Vol. 350, Pg. 82

remainder of the
Ralph Day &
Imogene Day
50.299 Acres
Vol. 1223, Pg. 349

Survey Line & Tract Line
S01°24'18"W
683.63'

20' wide strip
0.841 Ac.

N75°16'02"W
666.43'

N75°36'41"W
747.03'

N74°19'55"W
417.90'

N01°52'44"E
281.34'

Plainview Road

P.O.B.

Bearing Base: Geodetic North, WGS84
Coordinate System as derived by
survey-grade Global Positioning System.

William A. Watkins Survey
Abstract No. 1325

GRAPHIC SCALE



20' wide strip over and across
Grayson County, Texas 1186.04 Ac.
(North Texas Regional Airport property)

Prepared for: XTO Energy Inc.
Centerline description attached hereto

Helvey & Associates Surveying, Inc.
222 W. Main St.
Donson, Texas 75020
Ph (903) 463-6191 Fax (903) 463-4088
Firm Registration No.: 10088100
Texas Board of Professional Land Surveying

Helvey and Associates Surveying, Inc.

222 West Main Street · Denison, Texas 75020
Ph: (903) 463-6191 · Fax: (903) 463-4088 · helveysurvey@cableone.net
TBPLS Firm Registration No. 10088100

Boundary Surveys · Topographic Surveys · ALTA/ACSM Surveys
Oil Well Sites · Subdivision Planning, Platting & Consultation · Construction Staking
President: Billy F. Helvey, RPLS 4488 Vice President: Kenneth N. Russell, RPLS 4409

FIELD NOTES Sheet 2 of 2

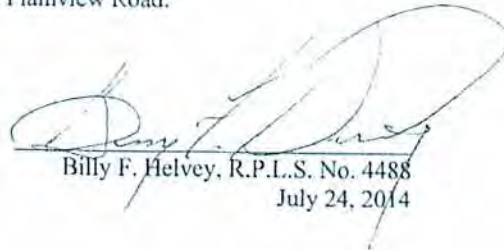
SITUATED in the County of Grayson, State of Texas, being part of the Ed Meade Survey, Abstract No. 895 and the Wilson Campbell Survey, Abstract No. 294 and being a 20 ft. wide strip of land over and across the 1,186.04 acre tract (Attachment "A") conveyed from the United States of America to Grayson County, Texas on October 6, 1972 as recorded in Volume 1231, Page 569, Deed Records, Grayson County, Texas and the centerline of the herein described strip of land being more particularly described by metes and bounds as follows to-wit:

BEGINNING at point in an East line of said Grayson County 1,186.04 ac. and in the West line of the "called" 42.64 acre tract of land conveyed to Linda Thornton and Laura Prewitt and described in Vol. 390, Pg. 82, said Deed Records, **SAID** point being North 01 deg. 52 min. 44 sec. East from the most Southern Southeast corner of said Grayson County 1,186.04 ac. and the Southwest corner of said Thornton and Prewitt 42.64 ac., in or near Plainview Road, a public road;

THENCE Northwesterly, over and across said Grayson County 1,186.04 ac., the following calls and distances:

1. North 74 deg. 19 min. 55 sec. West, a distance of 417.90 ft.;
2. North 75 deg. 36 min. 41 sec. West, passing the West line of said Wilson Campbell Survey and the East line of said Ed Meade Survey, continuing for a **TOTAL** distance of 747.03 ft.;
3. North 76 deg. 16 min. 02 sec. West, a distance of 666.43 ft. to the **POINT OF ENDING** of said centerline, in the West line of both said Ed Meade Survey and Grayson County 1,186.04 ac. and in the East line of both the 50.259 acre tract of land conveyed to Ralph Day and Imogene Day in Vol. 1223, Pg. 349, said Deed Records and the Charles Self Survey, Abstract No. 1178, **SAID** ending point being North 01 deg. 24 min. 18 sec. West, 683.63 ft. from the most Southern Southwest corner of said Grayson Co. 1,186.04 ac. and the Southwest corner of said Day 50.259 ac., in or near said Plainview Road.




Billy F. Helvey, R.P.L.S. No. 4488
July 24, 2014

Mike Shahan

From: Aaron Ford <Aaron.Ford@txdot.gov>
Sent: Thursday, August 21, 2014 2:19 PM
To: Mike Shahan
Cc: Terry Morrow
Subject: RE: NTRA Pipeline Easement Info

Mike,

I have reviewed the easement information from XTO Energy and I feel that \$5,549.58 is more than fair for an easement in this area. The only recommendation I would add is to ensure that the appropriate airport personnel are notified within 24-48 before there scheduled maintenance or instillations.

Below is the formula I used to calculate easements:

759.24 of acres x 42560 (sq. ft in an acre) = 32,313,254 sq. ft in property

Take property value \$1,312,495 (land only) div by 32,313,254 sq. feet in property = .04 (price per sq. ft.)

20ft width x 1831.6 length (easement) = 36,627.20 sq. ft. of easement

.04 (Price per sq. ft) x 36,627.20 sq. ft. of esmt = \$1465.09

From: Mike Shahan [<mailto:shahanm@co.grayson.tx.us>]
Sent: Tuesday, August 19, 2014 1:16 PM
To: Aaron Ford
Cc: Terry Morrow
Subject: NTRA Pipeline Easement Info

Aaron,

Enclosed are the draft documents for the pipeline easement with XTO Energy. Total easement is for 0.841 acres on the south end of the airport. They have agreed to pay us \$5,549.58 for the easement.

Would you please calculate what this easement is worth?

Thank you,

Mike Shahan
Airport Director
North Texas Regional Airport-Perrin Field
4700 Airport Drive
Denison, Texas 75020
903-786-2904
www.northtexasregionalairport.com

Don't mess with Texas® means don't litter.

RMA BOARD AGENDA

ITEM NUMBER: Five
MEETING DATE: 09-18-14

ITEM TITLE: Consideration of approval of a Nonpublic Aircraft Fuel Dispensing Permit with U.S. Aviation Group, LLC.

SUBMITTED BY: Mike Shahan, Director

DATE SUBMITTED: September 12, 2014

SUMMARY:

U.S. Aviation Group, LLC, has requested a Nonpublic Aircraft Fuel Dispensing Permit as outlined in the current NTRA Minimum Standards. This permit allows them to fuel any aircraft that they own or operate as part of their business. U.S. Aviation would pay the fuel flowage fee as set by the RMA Board.

U.S. Aviation plans to install a 12,000 gallon, double wall Flameshield horizontal storage tank supported by cradles all within the existing concrete fuel containment storage area. This containment area is the former fuel farm location used by a previous FBO that was operated from Hangar 111.

The proposed fuel farm location appears to meet NFPA 30A. The Airport Policy Committee met and approved recommending to the RMA Board approval of this permit.

ATTACHMENTS (LIST)

Resolution 14-18

U.S. Aviation Group, LLC, request and site diagram

Nonpublic Aircraft Fuel Dispensing Permit

ALTERNATIVES/RECOMMENDATIONS

Approve Nonpublic Aircraft Fuel Dispensing Permit for U.S. Aviation Group, LLC



RESOLUTION No. 14-18

WHEREAS, the Grayson County Regional Mobility Authority ("GCRMA") was created pursuant to the request of Grayson County and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the GCRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the Grayson County Commissioners Court entered into an interlocal agreement with the GCRMA dated October 31, 2008, for the purposes of operation, regulation, and protection of the North Texas Regional Airport ("NTRA") and its facilities; and

WHEREAS, U.S. Aviation Group, LLC, desires to install a 12,000 gallon Avgas fuel tank for their use only; and

WHEREAS, U.S. Aviation Group, LLC will install the Avgas fuel tank on an existing fuel farm pad on their lease property; and

WHEREAS, U.S. Aviation Group, LLC, request that GCRMA approve a Nonpublic Aircraft Fuel Dispensing Permit allowing them to fuel company owned and/or operated aircraft only.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves the issuance of a Nonpublic Aircraft Fuel Dispensing Permit for U.S. Aviation Group, LLC.

APPROVED THIS 18th day of September, 2014, by the Board of Directors of the Grayson County Regional Mobility Authority.

Submitted and reviewed by:

Approved:

Mike Shahan
Executive Director for the Grayson
County Regional Mobility Authority

W. R. Hubbard, Jr
Chairman, Board of Directors
Resolution Number 14-18
Date Passed 09/18/14



September 10, 2014

Mike Shahan
North Texas Regional Airport
4700 Airport Drive
Denison, TX 75020

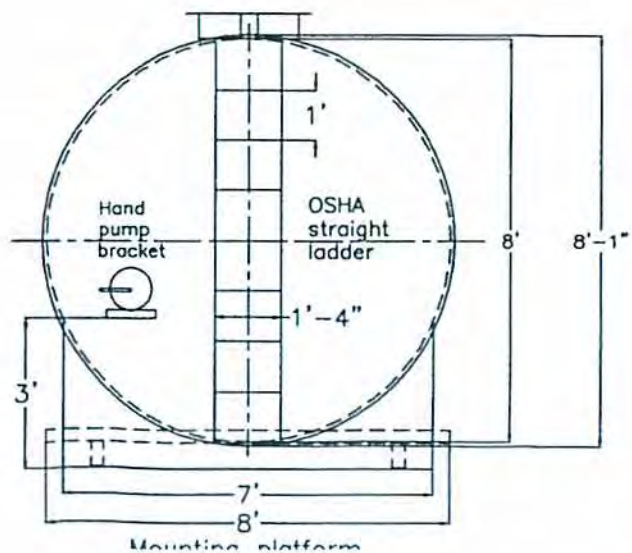
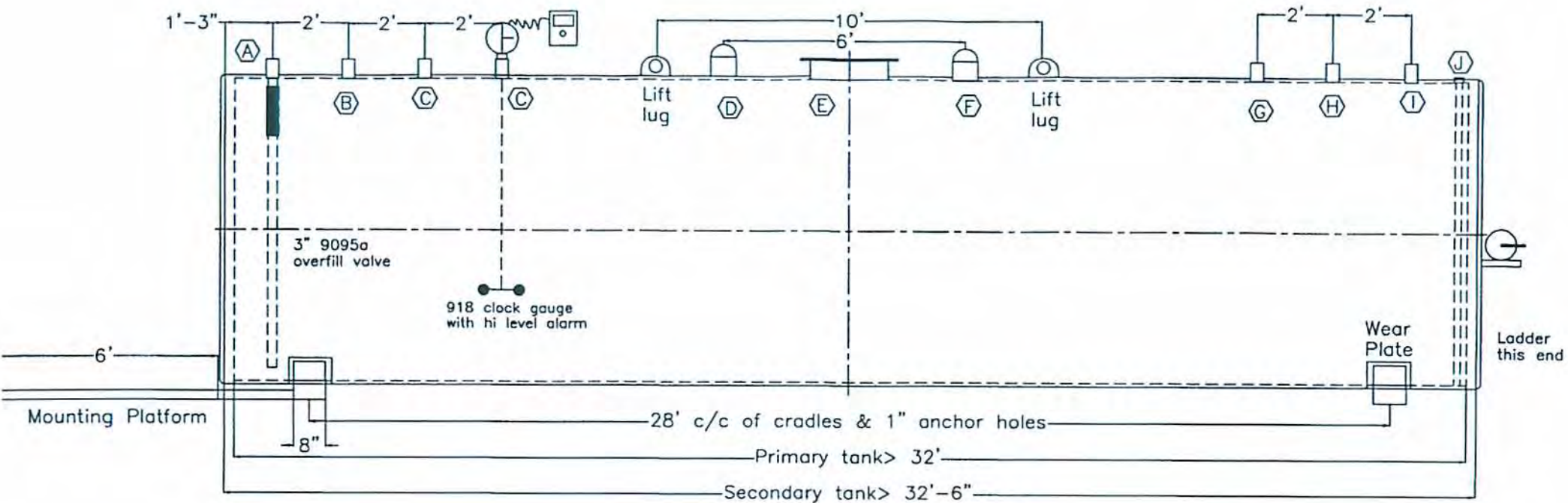
Mr. Shahan,

Please accept this letter as our formal request to install a 12,000 Av Gas fuel tank. The tank will be installed on the existing fuel farm pad on our leased premises. All fuel will be used for internal use only, we will not offer fuel for sale to the general public.

US Aviation accepts all responsibility for the installation of the tank, maintenance, and compliance with all local and fire codes.

Sincerely,

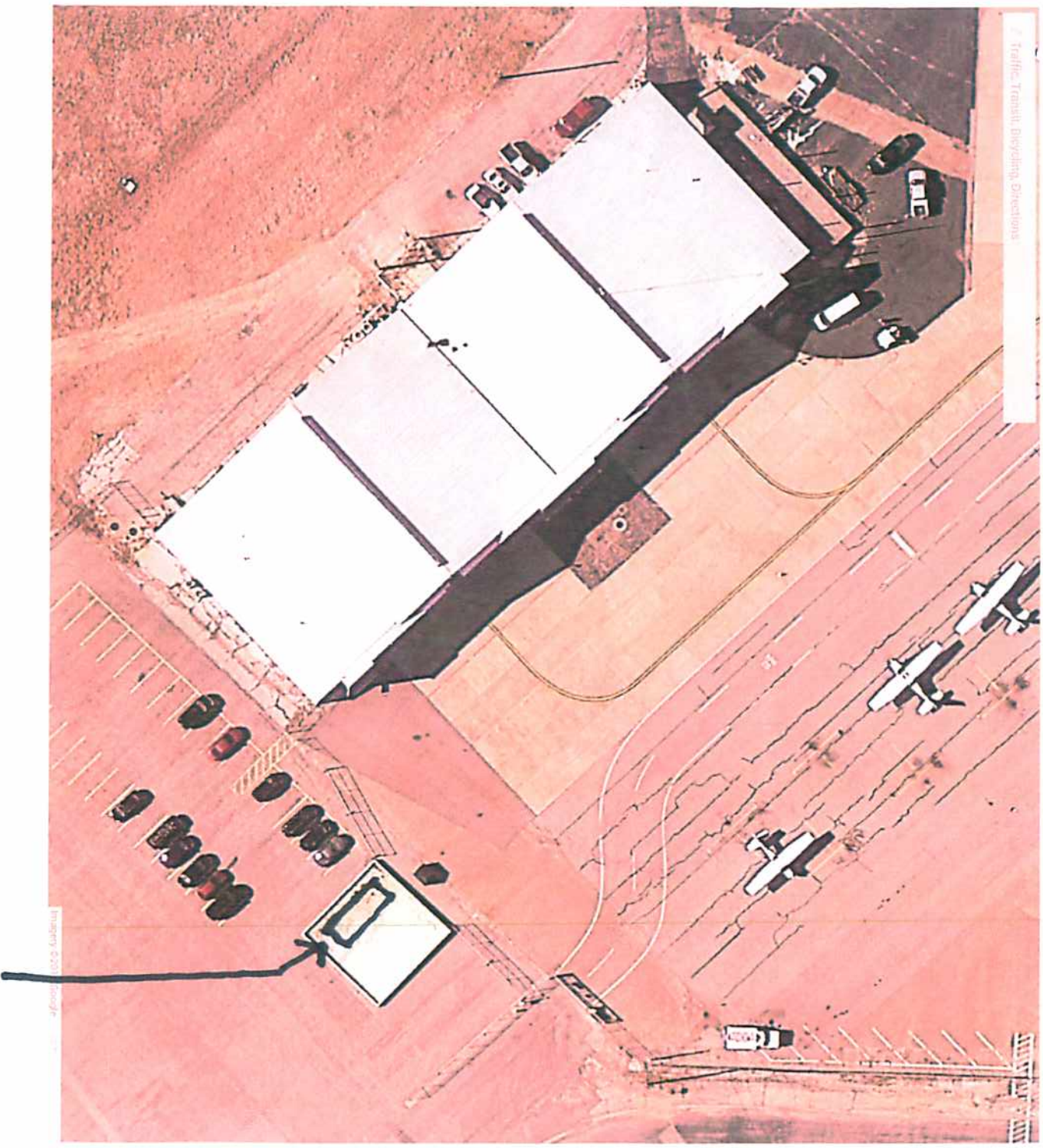
J. Micheal Sykes
CEO



OPENINGS> 

- A. 6" MNPT FITTING
- B. 4" FNPT FITTING
- C. 2" FNPT FITTING
- D. 8" PRIMARY EMERGENCY VENT
- E. 24" ACCESS MANWAY
- F. 8" SECONDARY EMERGENCY VENT
- G. 2" FNPT FITTING
- H. 4" FNPT FITTING
- I. 2" FNPT FITTING
- J. 2" INTERSTITIAL MONITOR PORT

WORLD FUEL SERVICES	
Ref. 12,000 gallon double wall Flameshield horizontal storage tank supported by cradles	
Constructed to UL-142, STI F921, & SWRI 97-4 specifications	
Approximate empty weight: 18,000 lbs.	
Exterior coating: Sandblast - Carboguard 893 epoxy, Carbothane 134 polyurethane topcoat Interior coating: Sandblast - Phenoline 187 epoxy	
Manufactured by Alabama Tank, Inc. Atmore, Alabama 1-800-522-8265	
Sherman TX	7-2-2014



US Aviation Academy
12,000 Gal Av gas
TANK



TANK

15,000 gal in flow

N2 Nitrogen Reservoir



AV 242 TRNK
151 000 PM
IND COM ISI

North Texas Regional Airport Nonpublic Aircraft Fuel Dispensing Permit

This Nonpublic Aircraft Fuel Dispensing Permit is entered into and effective the _____ day of _____ 2014, between GRAYSON COUNTY, (the "Grantor"), a body politic existing under the Constitution and laws of the STATE OF TEXAS, acting by and through the GRAYSON COUNTY REGIONAL MOBILITY AUTHORITY, (the "GCRMA") pursuant to a Resolution dated October 20, 2008, of the Commissioners Court of Grantor, the governing body of Grantor and the true and lawful owner of THE NORTH TEXAS REGIONAL AIRPORT, (the "Airport"), acting by and through its Director, (the "Director") and U.S. Aviation Group, LLC, a Texas Limited Liability Company, (the "Permittee"), who covenant and agree as follows:

WHEREAS, Grantor and Permittee are committed to the proper operation, improvement, and continued development of the Airport; and

WHEREAS, Permittee has entered into that certain ground/building lease between the County as Lessor and Permittee as Lessee, dated the 1st day of February, 2012 (the "Effective Date") covering the following Property Building 111 (the "Lease") and amended the 1st day of July, 2012 which is incorporated herein by reference and made a part hereof; and

WHEREAS, Permittee has requested that it be issued a Nonpublic Fuel Dispensing Permit.

NOW THEREFORE, in accordance with the terms, considerations and privileges listed herein, Permittee is hereby granted a Nonpublic Aircraft Fuels Dispensing Permit (the "Permit") subject to and upon the terms and conditions hereinafter set forth.

SECTION 1: PURPOSE

1. These terms and conditions are established for the purpose of providing procedures to be followed by Permittee in conducting Nonpublic Aircraft Fuels Dispensing Service on the Airport.
2. All Parties who dispense aircraft fuel on the Airport must hold a Fuel Dispensing Permit issued by the Grantor.

SECTION 2: MINIMUM STANDARDS

1. Aircraft Fueling and Oil Dispensing Services

Permittee shall comply with the standards set forth by NFPA 30A and NFPA 407 and the standards set forth in the Airport Minimum Standards-

2. Personnel

Basic Requirement: At least one fully qualified person shall be on duty during all fueling operations. Each fully qualified person shall have received training in the proper handling

and operation and maintenance of fueling equipment, quality control and fueling procedures. Permittee must provide copies of all certifications and training records of all qualified personnel to the Grantor upon request. Such personnel will attend training provided by the Airport Fire Department or as otherwise directed by the Grantor.

3. Fueling Service and Equipment

Basic Requirement: Permittee shall furnish starting equipment and other equipment necessary to fuel, replenish oil and park and tie down aircraft. Permittee shall also furnish adequate fire extinguishers and comply with the following safety procedures:

- a) Fire extinguishers will be readily available during all refueling or defueling. All personnel used to dispense aviation fuels or lubricants will be trained in the use of such equipment.
- b) Static discharging ground wires will be attached to the aircraft, the fuel tank or refueling vehicle, and to a zero potential ground before and throughout any fueling operation.
- c) Adequate fuel filters and water taps will be installed on all fuel handling equipment and a suitable program for periodically conducting water contamination checks will be established and followed.
- d) Personnel used to dispense aviation fuels and lubricants will be trained in the proper recognition of aircraft fuel tank markings, kinds and grades of aviation fuels and lubricants, and safety precautions necessary for fuel handling.
- e) The standards for "Aircraft Fuel Servicing" published by the National Fire Protection Association (NFPA), and as amended from time to time, are hereby incorporated herein as mandatory standards as though set forth verbatim.

5. Fuel

Basic Requirement: Permittee shall provide at a minimum 100LL fuel for use by its aircraft. Jet A and MOGAS may also be provided, but it is not mandatory. MOGAS, shall be approved for aircraft use by compliance with ASTM 439 standards and all other applicable Federal Aviation Administration specifications, and shall be supplied only to those aircraft that have been certified under appropriate supplemental type certificates to use this fuel.

6. Fuel Dispensing Facilities

Basic Requirement: One metered and filter equipped dispenser for dispensing each separate type of fuel used by Permittee.

- a) If Permittee desires to use mobile fuel dispensing, Permittee shall furnish a separate fuel truck or fuel trailer with a minimum capacity of five hundred (500) gallons for 100LL and twelve hundred (1200) gallons for JET A and two hundred fifty (250) gallons for

MOGAS, if used. Mobile dispensing equipment shall be properly maintained, operated and equipped in accordance with applicable Federal Aviation Administration, Airport, and NFPA recommendations, requirements, and regulations.

- b) Self-serve fuel dispensing equipment shall be attended or automated so that fuel is only available to the Permittee and shall be properly maintained, operated and equipped in accordance with applicable Federal Aviation Administration, Airport and NFPA recommendations, requirements and regulations. .

7. Fuel Storage Facilities

Basic Requirement: Permittee shall furnish fuel storage tanks with a capacity of twelve thousand (12,000) gallons each for each type of fuel used by Permittee. Fuel storage tanks will be above ground mounted and properly bunkered in approved closures; and all such installations shall be in a location approved by the Grantor and shall comply with applicable Uniform Building Code standards, fire codes and regulations, and NFPA 30 and NFPA 407 regulations. Permittee shall, at its sole cost and expense, maintain a current Spill Prevention Control and Countermeasure (SPPC) plan on file at the Airport Director's office. Permittee shall, at its sole cost and expense, maintain its fuel storage facilities and all improvements and appurtenances in a presentable condition consistent with good business practices and equal in appearance and character to other similar improvements on the Airport. Permittee shall repair all damage caused by its employees, patrons, or their operations thereon; and shall maintain and repair all equipment thereon; and shall keep its premises in a safe, neat, sightly and good physical condition.

8. Aircraft Fueling Utilizing Self Service Fuel Systems

Basic Requirement: Provide a self-serve fueling system that complies with all FAA safety advisories, EPA regulations and complies with all NFPA provisions. Provide two emergency shutoff valves, one at the dispenser and one a minimum of 50 feet from the dispenser, two 20-pound ABC portable fire extinguishers and a public phone.

SECTION 3: INSURANCE AND INDEMNIFICATION

The following represents the minimum insurance requirements of the Grantor. Permittee shall maintain at Permittee's sole cost and expense insurance related to Fuel Dispensing Equipment as follows:

1. Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Grantor or Permittee from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of the Fuel Dispensing Equipment. The term "full insurable value" as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a

qualified appraiser, a copy of whose findings shall be submitted to Grantor, and, thereafter, proper adjustment in the limits of insurance coverage shall be effected.

2. General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Fuel Dispensing Equipment, such insurance to afford protection to Grantor of not less than \$1,000,000 with respect to any one person, \$2,000,000 with respect to any one accident and not less than \$1,000,000 with respect to property damage.
3. Worker's compensation insurance covering all persons employed by Permittee in connection with any work done on or about the Fuel Dispensing Equipment with respect to which claims for death or bodily injury could be asserted against Grantor, or in lieu of such workmen's compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.
4. Such other insurance on Fuel Dispensing Equipment in such amounts and against such other insurable hazard, which at the time are commonly obtained in the case of property similar to such Fuel Dispensing Equipment.
5. All such policies of insurance (A) shall be issued by insurance companies acceptable to Grantor, (B) shall name Grantor as an additional insured or loss payee, as the case may be, and (C) shall provide for at least ten (10) days written notice to Grantor prior to cancellation or modification. Permittee shall provide Grantor with duplicate originals of all insurance policies required by this paragraph.

6. Non-Public Aircraft Fuels and Oil Dispensing

A Permittee shall have, at a minimum:

- a) Comprehensive General Liability Insurance, including property damage and personal injury- \$1,000,000 Combined Single Limit
- b) There will be no environmental exclusions

Additionally, the Grantor reserves the right to review and amend said insurance limits/requirements, as it deems necessary. Any insurance limit change will be enforced at the expiration of the current policy or within one year, whichever comes first.

SECTION 4: FEES

1. Fuel Flowage Fees

- a) As consideration for the Permit for securing the right to dispense aircraft fuel, Permittee shall pay to the Grantor a fuel flowage fee as described in the Airport Rules & Regulations for each and every gallon of aviation fuel received by Permittee during the term of the permit. The Grantor reserves the right to increase or decrease the flowage fee as, in its sole discretion, may be

appropriate. The Permittee shall be given 30 days prior written notice prior to any change in the flowage fee becoming effective.

- b) Flowage fees shall be paid in monthly installments as follows: On or before the tenth day of each calendar month during the term of this Permit, Permittee shall pay to the Grantor a sum equal to the product of the applicable flowage fee multiplied by the total amount of fuel received on the Airport by Permittee during the preceding full or partial calendar month. Concurrent with its payment, Permittee shall prepare and deliver to Grantor a statement of fuel received during the preceding calendar month, certified to be correct by Permittee's authorized representative. Such statement shall be submitted on the form provided by the Grantor.
- c) Permittee shall keep at its facilities located at the Airport a permanent accurate set of books and records of all aviation fuel received, sold or dispensed by it on the Airport, including sales slips, shipping records, records of transactions with suppliers, shipping records, records of fuel inventory, tax reports, bank records and any other records as may be received, sold or dispensed by it. All such records shall be retained and preserved for at least 24 months after the end of the calendar year to which they relate and shall be subject to inspection and audit by Grantor and its agent at all reasonable times.
- d) On or before the 60th day after the expiration of each calendar year and the 30th day after the expiration or termination of this Permit, Permittee shall deliver to the Grantor at its offices a statement sworn to by Permittee or Permittee's authorized representative and certified to be correct by an independent certified public accountant, showing the amount of aviation fuel received, sold or dispensed during the preceding calendar year.
- e) In the event Grantor is not satisfied with any statement of aviation fuel received, sold or dispensed by the Permittee, Grantor shall have the right to cause its auditors or auditors of the Grantor's choosing to audit all books and records, wherever located. If the aviation fuel received or dispensed reported in such statement or statements is determined to be understated more than 2%, the expense of such audit shall be borne by the Permittee. Permittee shall promptly pay to Grantor any deficiency, or Grantor shall promptly refund to Permittee any overpayment.
- f) If Permittee fails to prepare and deliver promptly any monthly, annual or other statement required under this permit, Grantor may, in addition to exercising any remedies provided to the Grantor under this permit, or at law, make an audit of all books and records, including Permittee's bank accounts, which in any way pertain to or show aviation fuel received or dispensed and to prepare the statement which the Permittee failed to prepare and deliver. The statement prepared, shall be conclusive on the Permittee and the Permittee shall pay upon demand all expenses of the audit and other services.

2. Time of Payment

Payment shall be due within ten days after receipt of invoice from the Grantor or its designee, which invoice will be computed based upon fuel received by Permittee during the preceding calendar month.

SECTION 5: CANCELLATION

1. Cancellation by Permittee

This Permit may be canceled by Permittee upon thirty days' written notice to the Grantor, but effective only after all payments due have been paid. Notice of Cancellation shall not relieve Permittee of its obligations then due or coming due prior to the effective date of cancellation.

2. Cancellation by Grantor

This Permit shall be subject to cancellation by Grantor in the event Permittee shall:

- a) Be in arrears in the payment of the whole or any part of the amounts agreed upon for a period of ten days after the time such payments become due.
 - b) Make a general assignment for the benefit of creditors.
 - c) File a voluntary petition in bankruptcy.
 - d) Discontinue fueling operations.
 - e) Fail to replace any Fuel Dispensing Equipment which has been destroyed by fire, explosion, etc., within six months from the date of such destruction, or
 - f) Default in the performance of any of the covenants and conditions required herein and/or the Lease to be kept and performed by Permittee and/or Lessee, and such default continues for a period of thirty days after receipt of a written notice from Grantor of said default.
 - g) Default in the performance of any of the covenants required herein to be kept and performed by Permittee and receipt of notice of such default on three occasions within any eighteen-month period.
3. In any of the aforesaid events, Grantor may terminate this Permit.
4. All Fees due shall be payable to said date of termination. Failure of the Grantor to declare this Permit terminated upon the default of Permittee for any of the reasons set out shall not operate to bar or destroy the right of Grantor to cancel this Permit by reason of any subsequent violation of the terms hereof.
5. In the event of termination or cancellation of this Permit, no application for a new Permit shall be made by Permittee or considered by the Grantor for a period of one (1) year following termination or cancellation. The Grantor has the right to withhold consideration of a new Permit for a period longer than a year.

SECTION 6: TERM OF PERMIT

Unless otherwise canceled or terminated in accordance with the provisions hereof, this Permit

shall remain effective until the termination or expiration (whichever occurs first) of the Lease, following which termination or expiration, this Permit shall be void and of no further force or effect.

SECTION 7: ASSIGNMENT, TRANSFER OR SUBLETTING

Without the written consent of the Grantor, Permittee shall not assign, sublet or transfer this Permit nor any privileges herein contained. It is specifically stipulated and agreed that Permittee will not enter into any tie-in agreements with other persons or sublet any of the rights herein whereby other persons share in the privileges or the services authorized in this Agreement.

SECTION 8: SUSPENSION OF PERMIT

During the time of war or national emergency, Grantor shall have the right to lease the Airport or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of this Permit which are inconsistent with the provisions of the lease to the Government will be suspended.

SECTION 9: TAXES

Permittee agrees to pay any taxes or assessments which may be lawfully levied against Permittee.

SECTION 10: RELOCATION OF IMPROVEMENTS

Grantor reserves the right, on six months' notice, to relocate or replace Permittee's fuel farm improvements in substantially similar form at another generally comparable location on the Airport at the expense of the Grantor.

SECTION 11: SUBORDINATION OF AGREEMENT

This Permit shall be subordinate to the provisions of any existing or future agreement between Grantor and the United States relative to the operation or maintenance of the Airport, the execution of which has or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport and this Permit shall be modified or amended at no cost or expense to the Grantor as required in order to be consistent with any such agreement or agreements. This Permit shall be subject to such additional rules, regulations, or amendments thereto as may be promulgated by the Grantor from time to time.

This Permit shall become effective upon compliance with all of the terms and conditions contained herein as determined by the Grantor.

IN WITNESS WHEREOF, the Grantor and Permittee have executed this instrument this _____ day of _____, 2014.

Permittee: U.S. Aviation Group, LLC

Grantor: Grayson County
By Grayson County Regional Mobility Authority

By _____
J. Michael Sykes, President

By _____
Mike Shahan, Director

Approved as to Form:

William B. Munson, Attorney

PERMITTEE'S ADDRESS:
U.S. Aviation Group, LLC
5318 Airport Drive
Denison, Texas 75020

LESSOR'S ADDRESS:
North Texas Regional Airport
4700 Airport Drive
Denison, Texas 75020

STATE OF TEXAS }

COUNTY OF GRAYSON }

This instrument was acknowledged before me on the _____ day of _____, 2014, by Mike Shahan, Director, as the duly authorized agent for the Grayson County Regional Mobility Authority.

Notary Public, State of Texas

STATE OF TEXAS }

COUNTY OF _____ }

This instrument was acknowledged before me on the _____ day of _____, 2014, by J. Micheal Skyes, President of U.S. Aviation Group, LLC, a, Texas Limited Liability Company.

Notary Public, State of Texas

GUARANTEE

In order to induce The County of Grayson, Texas, acting by and through Grayson County Regional Mobility Authority ("Lessor") to execute the foregoing LEASE AGREEMENT (the "Lease") with U.S. Aviation Group, LLC ("Lessee") for certain demised premises as more fully described in the Lease (the "Leased Premises") the undersigned has guaranteed and by this instrument does hereby guarantee the payment and performance of all liabilities, obligations and duties (including, but not limited to, payment of rent) imposed upon Lessee under the terms of the Lease, as if the undersigned has executed the Lease as Lessee hereunder.

The undersigned hereby waives notice of acceptance of this Guarantee and all other notices in connection herewith or in connection with the liabilities, obligations and duties guaranteed hereby, including notice of default by Lessee under the Lease, and waives diligence, presentment and suit on the part of Lessor in the enforcement of any liability, obligation or duty guaranteed hereby.

The undersigned further agrees that Lessor shall not be first required to enforce against Lessee or any other person any liability, obligation or duty guaranteed hereby before seeking enforcement thereof against the undersigned. Suit may be brought and maintained against the undersigned by Lessor to enforce any liability, obligation or duty guaranteed hereby without joinder of Lessee of any other person. The liability of the undersigned shall not be affected by an indulgence, compromise, settlement or variation of terms which may be extended to Lessee by Lessor or agreed upon by Lessor and Lessee, and shall not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of Lessee of its estate in bankruptcy, or of any remedy for the enforcement thereof, resulting from the operation of any present or future provisions of the U. S. Bankruptcy Code, or any similar law or statute of the United States of any State thereof. Lessor and Lessee, without notice to or consent by the undersigned, may at any time or times enter into such extensions, amendments, assignments, subleases, or other covenants respecting the Lease as they may deem appropriate; and the undersigned shall not be released thereby, but shall continue to be fully liable for the payment and performance of all liabilities, obligations and duties of Lessee under the Lease as to extended, amended, assigned or otherwise modified.

It is understood that other agreements similar to this guarantee may, at Lessor's sole option and discretion, be executed by other persons with respect to the Lease. This guarantee shall be cumulative of any such agreements and the liabilities and obligations of the undersigned hereunder shall in no event be affected or diminished by reason of such other agreements. Moreover, in the event Lessor obtains another signature of more than one guarantor on this page or by obtaining additional guarantee agreements, or both, the undersigned agrees that Lessor, in Lessor's sole discretion, may (i) bring suit against all guarantors of the Lease jointly and severally or against any one or more of them, (ii) compromise or settle with any one or more of the guarantors for such consideration as Lessor may deem proper, and (iii) release one or more of the guarantors from liability. The undersigned further agrees that no such action shall impair the rights of the Lessor to enforce the Lease against any remaining guarantor or guarantors, including the undersigned.

If the party executing this guarantee is a corporation, then the undersigned officer personally represents and warrants that the Board of Directors of such corporation, in a duly held meeting, has authorized this guarantee and has determined that this guarantee may reasonably be expected to benefit the corporation.

The undersigned agrees that if Lessor shall employ an attorney to present, enforce or defend all of Lessor's rights of remedies hereunder, the undersigned shall pay any reasonable attorney's fees incurred by Lessor in such connection.

This Agreement shall be binding upon the undersigned and the successors, heirs, executors, administrators and assigns of the undersigned, and shall inure to the benefit of Lessor and Lessee's successors, heirs, executors, administrators and assigns.

EXECUTED, this _____ day of _____ 2014.

J. Micheal Sykes

GUARANTOR'S ADDRESS:

J. Micheal Sykes
4850 Spartan Drive
Denton, Texas 76207

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____ 2014, by J. Micheal Sykes.

Notary Public, State of Texas

RMA BOARD AGENDA

ITEM NUMBER: Six
MEETING DATE 09-18-14

ITEM TITLE: Consideration of approval of a building lease with Jani-King International, Inc for Hangar 5513, Suite 3.

SUBMITTED BY: Mike Shahan, Director

DATE SUBMITTED: September 12, 2014

SUMMARY:

A request has been made by Jani-King International, Inc. Chief Pilot, Don Kell, to lease the north hangar bay (suite 3) at Hangar 5513. The rent is \$2,250.00 per month. The term of the lease is five years with one five year option, with mutual consent. The airport will be required to construct an office area that would also include space for a toilet, sink and shower.

The Airport Policy Committee met and reviewed the application and financials and is recommending the RMA Board approve this lease agreement.

ATTACHMENTS (LIST)

Resolution 14-19

Building Lease Agreement with Jani-King International, Inc.

ALTERNATIVES/RECOMMENDATIONS:

Approve the lease agreement with Jani-King International, Inc. for Hangar 5513, Suite 3



RESOLUTION No. 14-19

WHEREAS, the Grayson County Regional Mobility Authority ("GCRMA") was created pursuant to the request of Grayson County and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the GCRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, the Grayson County Commissioners Court entered into an interlocal agreement with the GCRMA dated October 31, 2008, for the purposes of operation, regulation, and protection of the North Texas Regional Airport ("NTRA") and its facilities; and

WHEREAS, the Board of Directors of the GCRMA finds that it is in the best interest of NTRA to approve a lease agreement with Jani-King International, Inc. for the lease of Building #5513 Suite #3; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves the Lease Agreement between NTRA and Jani-King International, Inc., for the lease of Building #5513, Suite #3.

APPROVED THIS 18th day of September, 2014, by the Board of Directors of the Grayson County Regional Mobility Authority.

Submitted and reviewed by:

Approved:

Mike Shahan
Executive Director for the Grayson
County Regional Mobility Authority

W. R. Hubbard, Jr.
Chairman, Board of Directors
Resolution Number 14-19
Date Passed 09/18/14

THE STATE OF TEXAS
COUNTY OF GRAYSON

§
§
§

KNOW ALL PERSONS BY THESE PRESENTS:

**BUILDING LEASE AGREEMENT
BY AND BETWEEN
NORTH TEXAS REGIONAL AIRPORT
AND
Jani-King International, Inc.**

This Lease is entered into and effective the ____ day of October, 2014, between GRAYSON COUNTY, "Lessor", a body politic existing under the Constitution and laws of the STATE OF TEXAS, acting by and through the GRAYSON COUNTY REGIONAL MOBILITY AUTHORITY, (the "Board") pursuant to a Resolution dated October 20, 2008, of the Commissioners Court of Grayson County, the governing body of said County and the true and lawful owner of THE NORTH TEXAS REGIONAL AIRPORT, (the "Airport"), acting by and through the Director, (the "Director") and Jani-King International, Inc., 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 that certain land and building as stated herein.

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

SECTION 1. LEASED BUILDING:

1. Lessor does hereby lease to Lessee Building No. 5513, Suite #3, containing approximately 11,560 square feet of space and approximately 52,500 square feet of adjacent land located at 227 Woodruff Road, Denison, Texas 75020, located on the Airport, more particularly described on Exhibit "A" as Leased Premises together with all improvements located thereon, and as shown on the "Airport Layout Plan" which is attached hereto as Exhibit B and incorporated herein, all hereinafter referred to as the "Leased Premises". Lessee hereby leases the Leased Premises from Lessor subject to the terms, covenants and conditions stated below.
2. Lessee has inspected the Leased Premises and accepts it in its present "as-is" condition unless expressly noted otherwise in this Lease. Neither Lessor nor any agent has made any express or implied warranties as to the condition or permitted use of the Leased Premises. Lessee must satisfy itself that the Leased Premises may be used as Lessee intends by independently investigating all matters related to the use of the Leased Premises. Lessee agrees that it is not relying on any warranty or representation made by Lessor, Lessor's agent or any broker concerning the use of the Leased Premises.
3. Lessor shall deliver possession of the Leased Premises to Lessee as of the Effective Date hereof (the "Commencement Date").

SECTION 2. TERM:

1. This Lease shall be for five (5) years (the "Term") from the Commencement Date.
2. At the end of the original term upon mutual agreement, Lessee shall have the option to renew the lease for an additional five-year term. Should Lessee decide to exercise this option, Lessee shall notify the Lessor in writing 30 days in advance of the expiration of the original lease term. This shall be the first option period.
3. Any holding over after the expiration of the Term of this Lease or any written extension thereof shall be construed to be a tenancy from month to month, at a Lease Payment equal to one and one-half times the Lease Payment then currently in effect, and shall otherwise be on the terms and conditions herein provided, as far as applicable.

SECTION 3. CONSIDERATION:

1. Lease Payments - Subject to adjustment as herein below provided, Lessee agrees to pay to Lessor, without offset or deduction, payment for the Leased Premises at the initial rate of \$2,250.00 per month, in advance, (the "Lease Payment"). The first such Lease Payment shall be due and payable on or before the first day of October 2014, with successive Lease Payments being due and payable on the first day of each month thereafter during the Term hereof.
2. Adjustment of Lease Payment – Commencing in January following the first full calendar year of the Lease Commencement Date and on every January of even numbered years thereafter (the "Adjustment Date") the Lease Payment shall be adjusted as follows:
 - A. A comparison shall be made between the Consumer Price Index – All Items for the Dallas, Texas Metropolitan Area (the "Price Index") as it existed on the Commencement Date and as it exists on the first day of October preceding the then applicable Adjustment Date.
 - B. After the first twelve (12) months of the term of this Lease, the Lease Payment for each year period beginning with and following each Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Commencement Date and October 1 of the current year, but in no event shall such Lease Payment ever be decreased below the initial Lease Payment.
 - C. In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefore.
3. Improvements – Subject the terms of this Agreement, the Lessor agrees to construct, at a minimum, a 10' X 10' office area and restroom. The restroom area shall include a sink, toilet and a shower. .
4. Payment Method - All Lease Payments shall be paid as the same become due, without demand, in lawful currency of the United States made payable to the North Texas Regional Airport, by mail to 4700 Airport Drive, Denison, Texas 75020, or by hand-delivery to the Administration Office in the Terminal Building.
5. Late Payments - In the event Lessor fails to receive any Lease Payment within 10 days after the same is due, a Late Payment penalty equal to 10% of such payment shall be charged to Lessee. In the event Lessee shall remain delinquent for more than 10 days, Lessee shall be in default as described in

Section 17 – Events of Default and Lessee’s right of occupancy and/or this Lease may be terminated by Lessor as further described in Section 18 - Remedies.

SECTION 4. MAINTENANCE AND REPAIRS:

1. Lessee shall throughout the Term of this Lease, at its own cost without expense to Lessor, be responsible for all maintenance and repair of the Leased Premises. By way of illustration but not limitation, such maintenance and repairs shall include exterior walls, interior/exterior paint, floor coverings, wall coverings, fixtures, doors, door locks and glass. Lessee shall also be responsible for payment of utility service charges for all utility service provided to the Leased Premises. Lessee shall be responsible for maintaining all mechanical systems including heating ventilation and air conditioning systems. Lessor shall be responsible for replacing mechanical systems deemed non-repairable by a certified technician. Lessee shall maintain all utility lines and conduits running to and away from the buildings and is responsible for repair or replacement of taxiway areas, parking areas and driveways located within the Leased Premises.
2. Lessee shall also be responsible for the repair of building foundation, structural members, roof areas, plumbing, pipe and conduits if damage to the Leased Premises is caused by Lessee, its agents or assigns or by the operation of Lessee’s business.

SECTION 5. TAXES AND FEES:

Lessee shall be liable for all taxes and fees owed on or by its personal business or itself. Under no circumstances shall Lessor be liable for or be required to pay any tax or fee owed by Lessee.

SECTION 6. INSURANCE:

Lessee shall during the Term hereof maintain at Lessee’s sole cost and expense insurance relating to the Leased Premises as follows:

1. Insurance against loss or damage to improvements by fire, lightning, and other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, all in amounts sufficient to prevent Lessor or Lessee from becoming co-insurers of any loss under the applicable policies but in any event in amounts not less than eighty percent (80%) of the full insurable value of the Leased Premises. The term “full insurable value” as used herein means actual replacement value at the time of such loss. Upon request, such replacement value shall be determined by a qualified appraiser, a copy of whose findings shall be submitted to Lessor, and, thereafter, proper adjustment in the limits of insurance coverage shall be effected. The cost for any such appraisal/replacement value determined shall be borne by Lessee.
2. General public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Leased Premises, such insurance to afford protection to Lessor as set forth in the North Texas Regional Airport Minimum Standards and Rules and Regulations as amended by the Board from time to time.
3. Worker’s compensation insurance covering all persons employed by Lessee in connection with any work done on or about the Leased Premises with respect to which claims for death or bodily injury could be asserted against Lessor or the Leased Premises, or in lieu of such workmen’s compensation insurance, a program of self-insurance complying with the rules, regulations and requirements of the appropriate state agency of the State of Texas.

4. If applicable, boiler and pressure vessel insurance on all steam boilers, parts thereof and appurtenances attached or connected thereto which by reason of their use or existence are capable of bursting, erupting, collapsing, imploding or exploding, in the minimum amount of \$100,000.00 for damage to property resulting from such perils.
5. Such other insurance in improvements in such amounts and against such other insurable hazards, which at the time are commonly obtained in the case of property similar to such improvements.
6. All such policies of insurance (A) shall be issued by insurance companies acceptable to Lessor, (B) shall name Lessor as an additional insured or loss payee, as the case may be, and (C) shall provide for at least ten (10) days written notice to Lessor prior to cancellation or modification. Lessee shall provide Lessor with duplicate originals of all insurance policies required by this Section. 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 to those certificates must have the prior written approval of Lessor.

SECTION 7. CASUALTY DAMAGE OR DESTRUCTION:

1. In case of any damage to or destruction of the buildings, structures and equipment on the Leased Premises, or any part thereof, Lessee will promptly give written notice thereof to Lessor, generally describing the nature and extent of such damage and/or destruction.
2. In case of any damage to or destruction of the buildings, structures and equipment on the Leased Premises, or any part thereof, Lessee, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction shall be sufficient for such purpose, at Lessee's sole cost, risk and expense, will promptly commence and complete the restoration, repair and replacement of said buildings, structures and equipment as nearly as possible to their value, condition and character immediately prior to such damage and/or destruction, with such alterations in and additions thereto as may be approved in writing by Lessor (hereinafter sometimes referred to as the "Restoration").
3. All insurance proceeds, if any, payable on account of such damage to or destruction of the buildings, structures and equipment on the Leased Premises shall be held by Lessor. Lessor shall be protected in acting upon any certificate believed by Lessor to be genuine and to have been executed by the proper party and shall receive such certificate as conclusive evidence of any fact or as to any matter therein set forth. Such certificate shall be full warranty, authority and protection to Lessor in acting thereon, and Lessor shall be under no duty to take any action other than as set forth in this Section.
4. Insurance proceeds received by Lessor on account of any damage to or destruction of the buildings, structures and equipment on the Leased Premises, or any part thereof (less the costs, fees and expenses incurred by Lessor and Lessee in the collection thereof, including, without limitation, adjuster's and attorney's fees and expenses) shall be applied as follows:
 - A. Net insurance proceeds as above defined shall be paid to Lessee or as Lessee may direct from time to time as Restoration progresses to pay (or reimburse Lessee for) the cost of Restoration, upon written request of Lessee to Lessor accompanied by: (1) a certificate of a supervising architect or engineer approved by Lessor, describing in reasonable detail the work and material in question and the cost thereof, stating that the same were necessary or appropriate to the Restoration and constitute a complete part thereof, and that no part of the cost thereof has theretofore been reimbursed, and specifying the additional amount, if any, necessary to complete the Restoration; and (2) an opinion of counsel satisfactory to Lessor that there exist no

mechanics', materialmen's or similar liens for labor or materials except such, if any, as are discharged by the payment of the amount requested.

- B. Upon receipt by Lessor of evidence of the character required by the foregoing paragraphs (A)(1) and (2) that Restoration has been completed and the cost thereof paid in full, and that there are no mechanics', materialmen's or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall be paid to Lessee or as Lessee may direct.
5. In the event that Lessee does not promptly commence Restoration, or after commencement Lessee does not diligently proceed to the completion of same, Lessee shall be in default as described in Section 17 of this Lease and Lessor shall have the right to commence or complete Restoration after Lessor has given Lessee thirty (30) days prior written notice requesting the commencement of Restoration or that Lessee diligently proceed to the completion of same if Lessee during such thirty (30) day period does not so commence or proceed to diligently complete Restoration. In such event, Lessor shall retain the insurance proceeds, and Lessee shall pay any deficiency if such proceeds are not sufficient for Restoration.

SECTION 8. HOLD HARMLESS:

1. Lessor shall not be liable to Lessee or Lessee's employees, agents, servants, customers, invitees, or to any other person whomsoever, for any injury to persons or damages to property on or about the Leased Premises or any adjacent area owned by Lessor caused by Lessee, Lessee's employees, servants, customers, invitees, licensees or any other person entering the Leased Premises and the conduct Lessee's business thereon, or arising out of any breach or default by Lessee in the performance of Lessee's obligations hereunder; and Lessee hereby agrees to indemnify Lessor and hold Lessor harmless from any loss, expense or claim arising out of such damage or injury.
2. 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.

SECTION 9. CONDITIONS OF USE:

1. Condition of Premises: Compliance With Law - Lessee agrees that it will at all times keep the Leased Premises, including the inside and the outside of any building, clean and free of trash, litter, tall grass, weeds, junked automobiles, and scrap parts. Any outside storage of non-active vehicles (30 days storage), parts, inventory or non-aviation related equipment must be contained within a minimum 6-foot fence that has screening (slats, wood fence, etc). Any variances to these standards can be appealed to the Board for consideration. Lessee shall abide by the Minimum Standards and Rules and Regulations of the Airport and all applicable laws and rules 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 manufacture's directions in regard to the use, storage and disposal of all pesticides, herbicides and other chemicals including their containers used at the Airport.
2. Clean-Up By Lessor: Charge Against Lessee - Should Lessee fail to keep the Leased Premises clean and free of hazards, Lessee shall be in default as described in Section 17 of this Lease and Lessor may, after thirty (30) days written notice, arrange for the clean-up of the littered or hazardous area. Such clean up shall be charged to Lessee and payable upon demand.

3. Compliance with Laws, Rules and Regulations - Lessee will comply with all laws, rules and regulations now existing or hereafter established by the United States of America, the State of Texas, the County of Grayson, and their respective agencies, including the Federal Aviation Administration, the Texas Department of Transportation Aviation Division (TxDOT Aviation), and the Board. Lessee acknowledges receipt of a copy of the current Rules and Regulations and Minimum Standards of the Airport. The Rules & Regulations and Minimum Standards are incorporated by reference as if written verbatim herein, and Lessee agrees to comply fully at all times with the Rules & Regulations and Minimum Standards. Lessor shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Lessor, Lessee and all other Lessees and customers of the Airport.
4. Requirements of U.S.A. - It is expressly understood and agreed that this Lease is subject to and subordinate to and controlled by provisions, stipulations, covenants, and agreements contained in those certain contracts, agreements, resolutions and actions of Lessor constituting agreements between Lessor and the United States of America and its agents, including, but not limited to, the Federal Aviation Administration (FAA), and the Texas Department of Transportation Aviation Division (TxDOT Aviation) and all regulations now and hereafter imposed upon Lessor and that Lessor shall not be liable to Lessee on account of any of the foregoing matters and all of such contracts, agreements, resolutions, and regulations are incorporated herein by reference, and if any provision of this Lease is determined to be at variance with same, such provision is unilaterally reformable at Lessor's option.
5. FAA Requirements - Lessor and Lessee recognize and agree this Lease shall be subject to; such regulations and approvals as required by the FAA and TxDOT Aviation and in particular those FAA regulations which provide that the property subject to this Lease shall be used for Airport purposes and in such a manner so as not to materially and adversely affect the development and improvement, operation or maintenance of the Airport; and to the requirements of national emergency. Lessee agrees to cooperate and assist Lessor in complying with such regulations and conditions of approval. All runways and Airport facilities shall be open to the general traveling public for the landing and operation of aircraft therefrom without hindrance or interference on the part of Lessee.
6. National Emergencies - This Lease is subject to the right of temporary reentry and use of certain portions of the Airport by the Armed Forces of the United States Government during wartime involving the United States and in other national emergencies. In the event of any such re-entry, Lessee shall be entitled to receive the entire amount of any award made for such re-entry whether such award is paid by way of damages, rent or otherwise, unless such period of re-entry shall extend beyond the expiration date of the Term of this Lease, in which case such award, after payment to Lessor therefrom of the estimated cost of restoration of the Leased Premises to the extent that any such award is intended to compensate for damage to the Leased Premises shall be apportioned by Lessor and Lessee as of such date of expiration in the same ratio that the part of the entire period for which such compensation is made falling before the date of expiration and that part falling after, bear to such entire period.

SECTION 10. PERMITTED USE:

1. Except as otherwise provided herein, Lessee will use the Leased Premises for aircraft storage and maintenance, as defined in the North Texas Regional Airport Minimum Standards and in any lawful manner necessary or incidental to the conduct thereof. Any activity Lessee wishes to perform that is not authorized herein may be approved by Lessor upon written request by Lessee, which approval shall not be unreasonably withheld.

2. Lessee will not make or permit any use of the Leased Premises, which would interfere with landing or taking off of aircraft at the Airport, or otherwise constitute an Airport hazard or impair the future development of the Airport. This includes such items as electrical or electronic equipment, creation of smoke or dust or glaring or misleading lights.
3. Lessor hereby grants, assigns and conveys to Lessee reasonable non-exclusive, non-discriminatory use, as defined by the FAA, of the runways, landing and taxiing ways, and common use portions of the Airport and related facilities (collectively referred to as "Common Areas") at all times, subject, however, to the right of others entitled to use thereof. Lessee shall pay reasonable and customary fees for the use of such portions of the Airport. In the event that reasonable availability of the Airport for use by Lessee is discontinued for any cause or reason, Lessor shall use its best efforts to restore such availability at the earliest possible date.
4. Lessor reserves for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace over the Leased Premises and for such noise as may be inherent in the operation of aircraft in said airspace, and for landing on, taking off from or operating on the Airport.

SECTION 11. RESTRICTED USE:

1. Lessee agrees not to make any additions or modifications to the Leased Premises unless agreed upon by both parties in writing. In the 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 Lessor and Lessee shall have no further rights therein and may not remove any part thereof.
2. All automobiles, buses, trucks or other transportation modes must be parked or stored in approved automobile parking areas unless Lessor agrees in writing to allow parking or storage in another area. Non-aviation related vehicles may be parked under roof of any building or hangar for no more than one week without written permission from Lessor.
3. Lessee agrees that it will not operate any nonaviation-related business or activity on the Leased Premises without the express written consent of Lessor in advance. Any such nonaviation related business or activity must be so established by a separate contract with a term of no more than 18 months.
4. Lessee agrees Lessor and Lessor's authorized representatives shall have the right, during normal business hours, to enter the Leased Premises: (a) to inspect the general condition and state of repair thereof, (b) to make repairs permitted under this Lease, (c) to show the Leased Premises to any prospective Lessee or purchaser or (d) for any other reasonable and lawful purpose.
5. Lessee agrees that during the final one hundred eighty (180) days of the Term hereof, Lessor and Lessor's authorized representatives shall have the right to erect and maintain on or about the Leased Premises customary signs advertising the Leased Premises for lease or for sale.

SECTION 12. SUBLEASE, ASSIGNMENT OR SALE:

Other than a transfer of ownership as a result of death, operation of law, or court decree, Lessee may not change more than 51% of its ownership, assign this Lease in its entirety or any rights of Lessee hereunder (except to a leasehold mortgagee as herein below provided) without the prior written consent of Lessor as provided herein, (which consent shall not be unreasonably withheld), provided however, the Lessee may sub-lease or sub-rent office, hangar, and/or tie-down spaces as part of its business. Any assignment or

subletting shall be subject to all the terms and provisions of this Lease, including the provisions of Sections 6, 7 and 8 pertaining to the use of the Leased Premises. Other than as set out above in this paragraph, Lessee shall not transfer ownership, assign Lessee's rights hereunder or sublet the Leased Premises without first obtaining a written agreement from each such new owner assignee or sublessee whereby each such owner, assignee or sub-lessee agrees to be bound by the terms and provisions of this Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an Event of Default while the Leased Premises are assigned or sublet, Lessor, in addition to any other remedies provided herein or by law, may at Lessor's option, collect directly from such assignee or sub-Lessee all rents becoming due under such assignment or subletting and apply such rent against any sums due to Lessor hereunder. No direct collection by Lessor from any such assignee or sub-Lessee shall release Lessee from the payment or performance of Lessee's obligations hereunder. Lessor shall respond to Lessee's request for change of ownership, assignment, sublease, or transfer within 30 days after receipt of a written request outlining all terms and conditions of such transaction. If the Lessor does not respond to Lessee's request within such 30-day period, then Lessor's consent will be conclusively presumed to be given.

SECTION 13. TERMINATION:

1. Termination for Cause – Lessee's right of occupancy and/or this Lease Agreement may be terminated by Lessor upon the occurrence of an Event of Default by Lessee as set forth in Section 18 - Remedies.
2. Termination by Mutual Consent - This Lease may be terminated by mutual agreement and consent of both parties in writing.
4. Requirements at Termination – At the termination of this Lease, either by normal expiration, premature termination or mutual agreement, Lessee shall peaceably vacate the Leased Premises.
5. Move Out Conditions and Forfeiture of Lessee's Personal Property:
 - A. At the time this Lease ends, Lessee will surrender the Leased Premises in the same condition as when received, except for normal wear and tear. Lessee will leave the Leased Premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.
 - B. If Lessee leaves any personal property in the Leased Premises after Lessee surrenders possession of the Leased Premises, Lessor may: (1) require Lessee, at Lessee's expense, to remove the personal property by providing written notice to Lessee; or (2) retain such personal property as forfeited property to Lessor.
 - C. "Surrender" means vacating the Leases Premises and returning all keys and access devices to Lessor. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.

SECTION 14. CONDEMNATION:

1. If during the Term hereof, any part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or are sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Leased Premises is not susceptible to efficient and economic occupation and operation by Lessee, this Lease shall automatically terminate as of the date that said condemning

authority takes possession of the Leased Premises, and Lessor shall refund to Lessee any prepaid but unaccrued rental less any sum then owing by Lessee to Lessor.

2. If after such taking by or sale to said condemning authority the remainder of the Leased Premises is susceptible to efficient and economic occupation and operation by Lessee, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Lessee shall be required to pay for the remainder of the Term the sum obtained by multiplying each Lease Payment installment due hereunder, as adjusted from time to time pursuant to Section 3, (2), by a fraction, the numerator of which shall be the number of square feet remaining in the Leased Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Leased Premises. The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the Leased Premises.
3. If this Lease is not terminated pursuant to Paragraph 1, Lessee shall promptly restore the improvements on the Leased Premises, and the condemnation proceeds to which Lessor and Lessee are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Leased Premises to a condition susceptible to efficient and economic occupation and operation by Lessee, and any remaining proceeds to which Lessor and Lessee are entitled shall be awarded and paid to Lessor and Lessee, as their interest may appear. If this Lease is terminated pursuant to Paragraph 1, condemnation proceeds to which Lessor and Lessee are entitled shall be awarded and paid to Lessor and Lessee as their interests may appear.

SECTION 15. 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 and/or TxDOT Aviation. 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 Lease and no damages or monies or other compensation will be owed to Lessee by Lessor.

SECTION 16. ENVIRONMENTAL COMPLIANCE

1. NO STORAGE OR DISPOSAL – LESSEE SHALL NOT INSTALL, STORE, USE, TREAT, TRANSPORT OR DISPOSE (OR PERMIT OR ACQUIESCE IN THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTATION, DISCHARGE OR DISPOSAL BY LESSEE, ITS AGENTS, EMPLOYEES, INDEPENDENT CONTRACTORS, OR SUB-LESSEES ON THE LEASED PREMISES, ANY:
 - A. ASBESTOS IN ANY FORM;
 - B. UREA FORMALDEHYDE FOAM INSULATION;
 - C. TRANSFORMERS OR OTHER EQUIPMENT WHICH CONTAIN DIELECTRIC FLUID CONTAINING LEVELS OF POLYCHLORINATED BIPHENYLS IN EXCESS OF 50 PARTS PER MILLION;
 - D. OR ANY OTHER CHEMICAL, MATERIAL, AIR POLLUTANT, TOXIC POLLUTANT WASTE OR SUBSTANCE WHICH IS REGULATED AS TOXIC OR HAZARDOUS OR EXPOSURE TO WHICH IS PROHIBITED, LIMITED OR REGULATED BY THE RESOURCE CONSERVATION RECOVERY ACT, THE COMPREHENSIVE AND ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCES CONTROL ACT,

THE CLEAN AIR ACT, AND/OR THE CLEAN WATER ACT OR ANY OTHER FEDERAL, STATE, COUNTY, REGIONAL, LOCAL OR OTHER GOVERNMENTAL AUTHORITY OR WHICH, EVEN IF NOT SO REGULATED, MAY OR COULD POSE A HAZARD TO THE HEALTH AND SAFETY OF THE OCCUPANTS OF THE LEASED PREMISES, AND WHICH IS EITHER:

I. IN AMOUNTS IN EXCESS OF THAT PERMITTED OR DEEMED SAFE UNDER APPLICABLE LAW;
OR

II. IN ANY MANNER WHICH IS PROHIBITED OR DEEMED UNSAFE UNDER APPLICABLE LAW.

(THE SUBSTANCES REFERRED TO IN (A), (B), (C) OR (D) ARE COLLECTIVELY REFERRED TO HEREINAFTER AS ("HAZARDOUS MATERIALS")).

2. CLEANUP LAWS - LESSEE SHALL, AT LESSEE'S OWN EXPENSE, COMPLY WITH ANY PRESENTLY EXISTING OR HEREAFTER ENACTED LAWS RELATING TO HAZARDOUS MATERIALS (COLLECTIVELY, "CLEANUP LAWS"); PROVIDED, HOWEVER THAT LESSEE SHALL NOT BE RESPONSIBLE FOR CORRECTING ANY VIOLATION OF THE CLEANUP LAWS UNDER THIS SECTION THAT EXISTED PRIOR TO THE COMMENCEMENT DATE. IN FURTHERANCE AND NOT IN LIMITATION OF THE FOREGOING, LESSEE SHALL, AT LESSEE'S OWN EXPENSE, MAKE ALL SUBMISSIONS TO, PROVIDE ALL INFORMATION TO, AND COMPLY WITH ALL REQUIREMENTS OF THE APPROPRIATE GOVERNMENTAL AUTHORITY (THE "AUTHORITY") UNDER THE CLEANUP LAWS. SHOULD ANY AUTHORITY REQUIRE THAT A CLEANUP PLAN BE PREPARED AND THAT A CLEANUP BE UNDERTAKEN BECAUSE OF THE EXISTENCE OF HAZARDOUS MATERIALS WHICH WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED ON THE LEASED PREMISES, BY LESSEE, ITS AGENTS, EMPLOYEES, INDEPENDENT CONTRACTORS OR SUB-LESSEES DURING THE TERM OF THIS LEASE, LESSEE SHALL, AT LESSEE'S OWN EXPENSE, PREPARE AND SUBMIT THE REQUIRED PLANS AND FINANCIAL ASSURANCES AND CARRY OUT THE APPROVED PLANS IN ACCORDANCE WITH SUCH CLEANUP LAWS AND TO LESSOR'S SATISFACTION. AT NO EXPENSE TO LESSOR, LESSEE SHALL PROMPTLY PROVIDE ALL INFORMATION REQUESTED BY LESSOR FOR PREPARATION OF AFFIDAVITS OR OTHER DOCUMENTS REQUIRED BY LESSOR TO DETERMINE THE APPLICABILITY OF THE CLEANUP LAWS TO THE LEASED PREMISES, AS THE CASE MAY BE, AND SHALL SIGN THE AFFIDAVITS PROMPTLY WHEN REQUESTED TO DO SO BY LESSOR. LESSEE SHALL INDEMNIFY, DEFEND, SAVE AND HOLD LESSOR HARMLESS FROM AND AGAINST, AND REIMBURSE LESSOR FOR, ANY AND ALL OBLIGATIONS, DAMAGES, INJUNCTIONS, FINES, PENALTIES, DEMANDS, CLAIMS, COSTS, EXPENSES, ACTIONS, LIABILITIES, SUITS, PROCEEDINGS AND LOSSES OF WHATEVER NATURE, (INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES AND COURT COSTS), AND ALL CLEANUP OR REMOVAL COSTS AND ALL ACTIONS OF ANY KIND ARISING OUT OF OR ANY WAY CONNECTED WITH THE INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE LEASED PREMISES BY LESSEE, ITS AGENTS, EMPLOYEES, INDEPENDENT CONTRACTORS OR SUB-LESSEES DURING THE LEASE TERM; AND FROM ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF LESSEE'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY THE AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW. LESSEE'S OBLIGATIONS AND LIABILITIES UNDER THIS SECTION SHALL CONTINUE SO LONG AS LESSOR AND ANY OF LESSOR'S AFFILIATES REMAIN RESPONSIBLE FOR HAZARDOUS MATERIALS AT THE LEASED PREMISES, THAT WERE INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OF OR DISCHARGED DURING THE LEASE TERM BY LESSEE, ITS AGENTS, EMPLOYEES, INDEPENDENT CONTRACTORS OR SUB-LESSEES. IN ADDITION TO AND NOT IN LIMITATION OF LESSOR'S OTHER RIGHTS AND REMEDIES, LESSEE'S FAILURE TO ABIDE BY THE TERMS OF THIS SECTION SHALL BE RESTRAINABLE BY INJUNCTION.

3. ENVIRONMENTAL NOTICES - LESSEE SHALL PROMPTLY SUPPLY LESSOR WITH COPIES OF ANY NOTICES, CORRESPONDENCE AND SUBMISSIONS MADE BY LESSEE TO OR RECEIVED BY LESSEE FROM ANY GOVERNMENTAL AUTHORITIES OF THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, THE UNITED STATES OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, OR ANY OTHER LOCAL, STATE OR FEDERAL AUTHORITY THAT REQUIRES SUBMISSION OF ANY INFORMATION CONCERNING ENVIRONMENTAL MATTERS OR HAZARDOUS MATERIALS.
4. SURVIVAL - LESSEE'S LIABILITY PURSUANT TO THE TERMS OF THIS ARTICLE SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

SECTION 17. EVENTS OF DEFAULT BY LESSEE:

Each of the following events shall be deemed to be an Event of Default by Lessee under this Lease:

1. Failure of Lessee to do such things as Lessee should do or discontinue doing which create a danger to or hinder aviation activities immediately upon delivery of written notice thereof to Lessee.
2. Failure of Lessee to pay any Lease Payment or any other sum payable to Lessor hereunder within 10 days of the date that same is due.
3. Failure of Lessee to comply with a term, condition or covenant of this Lease other than the Lease Payment or other sum of money within 30 days after delivery of written notice thereof to Lessee.
4. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Lessee or any guarantor of Lessee's obligations.
5. Filing of a petition under any section or chapter of the United States Bankruptcy Code, as amended or under any similar law or statute of the United States of any State thereof by Lessee or any guarantor of Lessee's obligations, or adjudication as bankrupt or insolvent in proceedings filed against Lessee or such guarantor.
6. Appointment of a receiver or trustee for all or substantially all of the assets of Lessee or any guarantor of Lessee's obligations.
7. Abandonment by Lessee of any substantial portion of the Leased Premises or cessation of use of the Leased Premises for the purposes leased.

SECTION 18. REMEDIES:

Upon the occurrence of any Event of Default specified in Section 17 hereof, Lessor shall have the option to pursue any one or more of the following remedies after written notice or demand:

1. Terminate this Lease, in which event Lessee shall immediately surrender the Premises to Lessor. If Lessee fails to so surrender the Leased Premises, Lessor may, without prejudice to any other remedy which Lessor may have for possession of the Leased Premises or arrearages in Lease Payments, enter upon and take possession of the Leased Premises and expel or remove Lessee and any other person who may be occupying the Leased Premises or any part thereof, without being liable for prosecution or any claim for damages thereof; and Lessee shall pay to Lessor on demand the amount of Lease Payment due hereunder as it comes due plus attorneys fees or costs incurred in obtaining possession of the Leased Premises, less the proceeds of any reletting.

2. Enter upon and take possession of the Leased Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefore, and expel or remove Lessee and any other party who may be occupying the Leased Premises or any part thereof. Lessor may (but shall not be required to) relet the Leased Premises and receive the Lease Payment therefore. Lessee agrees to pay to Lessor monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of the Lease Payment received under such reletting.
3. Enter upon the Leased Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefore, and do whatever Lessee is obligated to do under the terms of this Lease. Lessee agrees to pay Lessor on demand for expenses, which Lessor may incur in thus effecting compliance with Lessee's obligations under this Lease, together with interest thereon at the rate of the lesser of the maximum lawful contractual rate of interest or eighteen percent (18%) per annum from the date expended until paid. Lessor shall not be liable for any damages resulting to Lessee from such action, whether caused by negligence of Lessor or otherwise.
4. No re-entry or taking possession of the Leased Premises by Lessor shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention be given to Lessee. Notwithstanding any such reletting or re-entry or taking possession, Lessor may at any time thereafter elect to terminate this Lease for a previous uncured Event of Default. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Lease Payment due to Lessor hereunder of any damages accruing to Lessor by reason of the violation of any of the terms, provisions and covenants herein contained. Lessor's acceptance of a Lease Payment following an Event of Default hereunder shall not be construed as Lessor's waiver of such Event of Default. No waiver by Lessor of any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, and covenants herein contained. Forbearance by Lessor to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of any other violation or Event of Default. The loss or damage that Lessor may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expense of repossession and any repairs undertaken by the Lessor following repossession. If any of Lessee's property ("Lessee Property") remains upon the Leased Premises upon the expiration of the Term of this Lease or any earlier termination of this Lease or any repossession of the Leased Premises by Lessor because of Lessee's default under this Lease, Lessor shall have the right to remove such Lessee Property from the Leased Premises and store such Lessee Property, and Lessee shall be obligated to reimburse Lessor for all of the costs incurred by Lessor in removing and storing such Lessee Property. Lessor shall not be required to release any Lessee Property to Lessee until Lessee has paid Lessor all costs incurred by Lessor in removing and storing such Lessee Property and all other amounts owed by Lessee to Lessor pursuant to this Lease, including without limitation, unpaid Lease Payments and costs incurred by Lessor to repair the Leased Premises.

SECTION 19. GENERAL PROVISIONS:

1. Force Majeure – In the event performance by Lessor of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Lessor, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Lessor is so delayed or hindered.

2. Entire Agreement - This Lease embraces the entire agreement of the parties mentioned herein pertaining to the Leased Premises 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 Leased Premises, except that this Lease Agreement may be modified by written amendment agreed to and signed by all pertinent parties and attached hereto.
3. Use of Terms - For the purpose of this Lease, the singular number shall include the plural and the masculine shall include the feminine and visa-versa, whenever this Lease so admits or requires.
4. Headings and Captions - 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.
5. Authority - The parties to this Lease hereby acknowledge and agree that they are the principals to this Lease and have the power, right, and authority to enter into this Lease 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 Grayson.
6. Governing Law - This Lease shall be governed by the laws of the State of Texas and construed thereunder and venue of any action brought under this Lease shall be in Grayson County, Texas.
7. Severability - If any section, Section, sentence or phrase entered in this Lease is held to be illegal or unenforceable by a court of competent jurisdiction, such illegality or unenforceability shall not affect the remainder of this Lease and, to this end, the provisions of this Lease are declared to be severable.
8. Legal Fees and Expenses - In the event of any dispute or legal action relating to this Lease Agreement, the prevailing party shall be entitled to receive from the other party, reimbursement for reasonable attorney's fees, costs and expenses incurred.

IN WITNESS WHEREOF the said Lessor and Lessee have executed this instrument this _____ day of _____, 2014.

Lessee: Jani-King International, Inc.

Lessor: Grayson County
By Grayson County Regional Mobility
Authority

By _____
Jerry L. Crawford, President

By _____
Mike Shahan, Executive Director

Approved as to Form:

William B. Munson, Attorney

LESSEE'S ADDRESS:
Jani-King International, Inc.
16885 Dallas Parkway
Addison, Texas 75001

LESSOR'S ADDRESS:
North Texas Regional Airport
4700 Airport Drive
Denison, Texas 75020

STATE OF TEXAS }

COUNTY OF _____ }

This instrument was acknowledged before me on the _____ day of _____, 2014, by Jerry L. Crawford, the duly authorized President of Jani-King International, Inc.

Notary Public, State of Texas

STATE OF TEXAS }

COUNTY OF GRAYSON }

This instrument was acknowledged before me on the _____ day of _____, 2014, by Mike Shahan, Executive Director, Grayson County Regional Mobility Authority.

Notary Public, State of Texas

EXHIBIT "A"

Situated in the County of Grayson, State of Texas, being a part of the Northeast Quarter and a part of the Southeast Quarter of Section Twelve of the Subdivision of University Leagues 1, 11, 15 and 16, said Quarter Sections Patented in the names of J. S. Teague Abstract No. 1270 and Y. S. Hughes Abstract No. 577, respectively and further being a part of that tract of land described on Attachment "B" of Indenture, dated October 6, 1972 between The United States of America and The County of Grayson, Texas, recorded in Volume 1231, Page 569, Deed Records, Grayson County, Texas.

- 110-5501 Airport Drive
- 111-5318 Airport Drive
- 201-5401 Airport Drive
- 202-5503 Airport Drive
- 205-526 Goussnell Street
- 301-4603 Airport Drive
- 303-4700 Airport Drive
- 305-4717 Airport Drive
- 401-4601 Airport Drive
- 501-4301 Airport Drive
- 502-4331 Airport Drive
- 504-4213 Airport Drive
- 604-370 South King Street
- 702-9914 North Grayson Drive
- 703-5100 Airport Drive
- 802-10,000 North Grayson Dr.
- 804-4900 Airport Drive
- 1201-5401 Airport Drive
- 2101-5600 Airport Drive
- 2801-96 Thorsen Street
- 2901-107 Thorsen Street
- 3701-152 Thorsen Street
- 3801-14 Robert Avenue
- 3803-Same address as above
- 3904-111 Anderson Street
- 3908-Same address as above
- 4001-19 East Warehouse Road
- 4004-4209 Airport Drive
- 4005-107 East Warehouse Road
- 4006-4114 Airport Drive
- 4007-4214 Airport Drive
- 4009-121 East Warehouse Road
- 5006-277 Anderson Street
- 5010-261 Anderson Street
- 5015-278 Anderson Street
- 5409-185 North Warehouse Road
- 5506-3004 Airport Drive
- 5507-3340 Airport Drive
- 5509-143 Hitchcock Drive
- 5510-22 Fielder Street
- 5511-15 Fielder Street
- 5513-227 Woodruff Road
- 5523-3100 Airport Drive
- 5528-39 Woodruff Road
- 5530-(Fuel Farm No Address)
- 10003-7195 North 68th St
- Hangar #1-5103 Airport Drive
- 1E-170 Executive Hangar Dr
- 2E-154 Executive Hangar Dr
- 3E-116 Executive Hangar Dr
- 4E-110 Executive Hangar Dr
- 5E-114 Executive Hangar Dr
- 6E-98 Executive Hangar Dr
- 7E-171 Executive Hangar Dr
- 8E-161 Executive Hangar Dr
- Lot #1-137 & 147 Olmstead Dr
- Lot #2-129, 169 & 179 Olmstead Dr
- Lot #3-199 & 209 Olmstead Dr
- Doyle Hangar-164 Goussnell St.
- Wolter Hangar-180 Goussnell St.
- GVI Hangar-5211 Airport Drive
- Four Winds Enterprises-214 Connell St
- Tradewinds-5453 Airport Drive
- Lake Texoma Hangar-3743 Airport Drive
- T-Hangar-100 Series-149 Fielder Street
- T-Hangar-200 Series-96 Fielder Street
- T-Hangar-300 Series-95 Fielder Street
- T-Hangar-400 Series-88 Fielder Street
- Engine Test Cell-7195 North 68th St
- Museum-436 McCullum Ave
- Restaurant-5300 Airport Drive
- Boat Camp-24 Dyess St.
- Detention Center-5503 Airport Drive
- Sheriff's Office-5503 Airport Drive



LEGEND

— Airport Property Line

— Airport Property Line

SCALE IN FEET

Date of Aerial: April 2008

504 is now the Thomas Scott Hangar

NORTH TEXAS REGIONAL AIRPORT EXHIBIT B EXISTING LANDSIDE FACILITIES

Insert #1 Hangar 5513

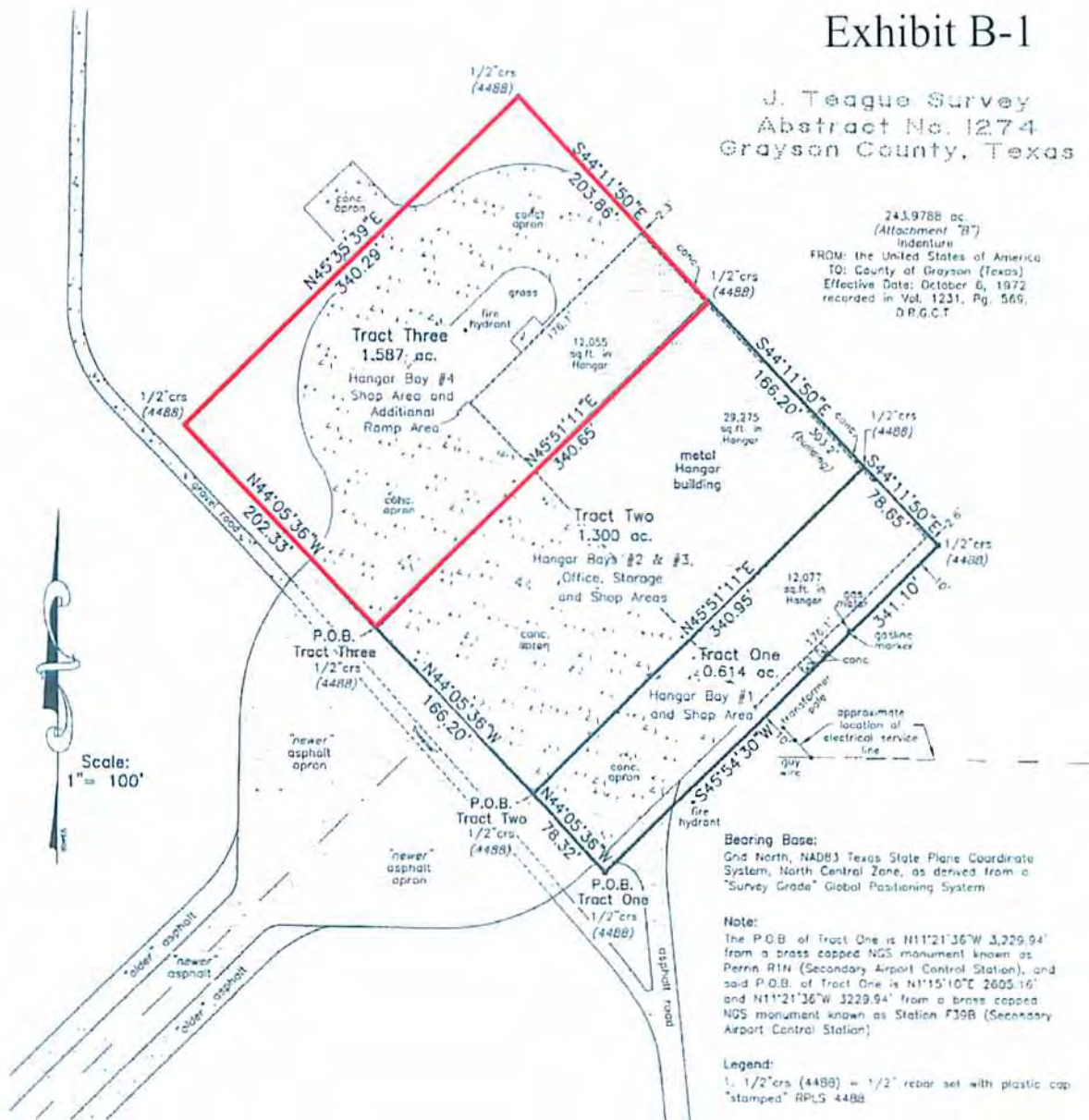
To 5513 (see inset #1)

To 10003 & Engine Test Cell (see inset #2)

Page 16

Exhibit B-1

J. Teague Survey
Abstract No. 1274
Grayson County, Texas



I, Billy F. Helvey, Registered Professional Land Surveyor, do hereby certify that a survey was performed on the ground of the property shown hereinabove under my personal and direct supervision, that visible and observable evidence of easements or rights-of-way that were detected during the course of this survey are shown hereon, that the plat substantially complies with the Current Minimum Standards for Professional Land Surveyors, as adopted by the Texas Board of Professional Land Surveying and is a true and correct representation of the property shown hereon.

The subject property shown hereon does not lie within the limits of any designated 100-year Flood Hazard Areas, as shown on the "FEMA" Flood Insurance Rate Map for Grayson County, Texas, Map No. 48181C0275 F, Effective Date: September 29, 2010.

Helvey & Associates Surveying, Inc.
222 W. Main St.
Denison, Texas 75020
Ph (903) 463-6191 Fax (903) 463-4088

Billy F. Helvey
Billy F. Helvey, R. P. L. S. No. 4488
Copyright Date: December 19, 2011

VICE PRESIDENT
KENNETH N. RUSSELL, R. P. L. S.

PRESIDENT
BILLY F. HELVEY, R. P. L. S.



Boundary Surveys - Topographic Surveys - Sub-Divisions
Residential - Commercial - Oil Well Site Locations
Construction Staking

Helvey And Associates Surveying, Inc.

222 WEST MAIN STREET, DENISON, TEXAS 75020 PHONE (903)463-6191 FAX (903)463-4088

**FIELD NOTES
TRACT THREE 1.587 ACRES**

SITUATED in the County of Grayson, State of Texas, being a part the J. Teague Survey. Abstract No. 1274, being a part of the 243.9788 acre tract of land described as Attachment "B", in the Indenture from the United States of America, to County of Grayson (Texas), dated October 6, 1972, recorded in Volume 1231, Page 569, Deed Records, Grayson County, Texas, and being more particularly described as follows, to-wit:

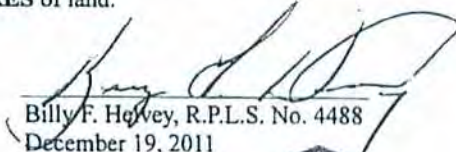
BEGINNING at a ½ inch rebar with plastic cap "stamped" RPLS 4488, set at the Southeast corner of the herein described tract, at the South edge of a concrete apron and the North edge of an asphalt apron, **SAID** beginning rebar being North 11 deg. 21 min. 36 sec. West, 3229.94 ft. and North 44 deg. 05 min. 36 sec. West, 244.52 ft. from a brass capped NGS monument known as Perrin R1N (Secondary Airport Control Station), **SAID** beginning rebar also being North 1 deg. 15 min. 10 sec. East, 2605.16 ft., North 11 deg. 21 min. 36 sec. West, 3229.94 ft. and North 44 deg. 05 min. 36 sec. West, 244.52 ft. from a brass capped NGS monument known as Station F39B (Secondary Airport Control Station).

THENCE North 44 deg. 05 min. 36 sec. West, along the South edge of said concrete apron and the North edge of said asphalt apron, passing the Southwest corner of said concrete and the Northwest corner of said asphalt at 68.4 ft., and continuing for a **TOTAL** distance of 202.33 ft. to a ½ inch rebar with plastic cap "stamped" RPLS 4488, set at the Southwest corner of the herein described tract;

THENCE North 45 deg. 35 min. 39 sec. East, passing the South edge of the Western portion of said concrete apron at 164.9 ft., passing the North edge of said concrete apron at 224.8 ft., and continuing for a **TOTAL** distance of 340.29 ft. to a ½ inch rebar with plastic cap "stamped" RPLS 4488, set at the Northwest corner of the herein described tract;

THENCE South 44 deg. 11 min. 50 sec. East, intersecting the North edge of said concrete apron at 109 ft., and continuing along the North edge of said concrete apron, passing 2.3 ft. North of the Northwest corner of a metal "Hangar" building at 135.5 ft., and continuing along the North edge of a concrete sidewalk, for a **TOTAL** distance of 203.86 ft. to a ½ inch rebar with plastic cap "stamped" RPLS 4488, set at the Northeast corner of the herein described tract;

THENCE South 45 deg. 51 min. 11 sec. West, passing through the North face of said metal building at 2.4 ft., passing through the South face of said building at 178.5 ft., and continuing over and across the first said concrete apron, for a **TOTAL** distance of 340.65 ft. to the **PLACE OF BEGINNING** and containing **1.587 ACRES** of land.


Billy F. Helvey, R.P.L.S. No. 4488
December 19, 2011



GUARANTEE

In order to induce The County of Grayson, Texas, acting by and through The Grayson County Regional Mobility Authority ("Lessor") to execute the foregoing LEASE AGREEMENT (the "Lease") with Jani-King International, Inc. ("Lessee") for certain demised premises as more fully described in the Lease (the "Leased Premises") the undersigned has guaranteed and by this instrument does hereby guarantee the payment and performance of all liabilities, obligations and duties (including, but not limited to, payment of rent) imposed upon Lessee under the terms of the Lease, as if the undersigned has executed the Lease as Lessee hereunder.

The undersigned hereby waives notice of acceptance of this Guarantee and all other notices in connection herewith or in connection with the liabilities, obligations and duties guaranteed hereby, including notice of default by Lessee under the Lease, and waives diligence, presentment and suit on the part of Lessor in the enforcement of any liability, obligation or duty guaranteed hereby.

The undersigned further agrees that Lessor shall not be first required to enforce against Lessee or any other person any liability, obligation or duty guaranteed hereby before seeking enforcement thereof against the undersigned. Suit may be brought and maintained against the undersigned by Lessor to enforce any liability, obligation or duty guaranteed hereby without joinder of Lessee or any other person. The liability of the undersigned shall not be affected by an indulgence, compromise, settlement or variation of terms which may be extended to Lessee by Lessor or agreed upon by Lessor and Lessee, and shall not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release, or limitation of the liability of Lessee or its estate in bankruptcy, or of any remedy for the enforcement thereof, resulting from the operation of any present or future provisions of the U. S. Bankruptcy Code, or any similar law or statute of the United States of any State thereof. Lessor and Lessee, without notice to or consent by the undersigned, may at any time or times enter into such extensions, amendments, assignments, subleases, or other covenants respecting the Lease as they may deem appropriate; and the undersigned shall not be released thereby, but shall continue to be fully liable for the payment and performance of all liabilities, obligations and duties of Lessee under the Lease as to extended, amended, assigned or otherwise modified.

It is understood that other agreements similar to this guarantee may, at Lessor's sole option and discretion, be executed by other persons with respect to the Lease. This guarantee shall be cumulative of any such agreements and the liabilities and obligations of the undersigned hereunder shall in no event be affected or diminished by reason of such other agreements. Moreover, in the event Lessor obtains another signature of more than one guarantor on this page or by obtaining additional guarantee agreements, or both, the undersigned agrees that Lessor, in Lessor's sole discretion, may (i) bring suit against all guarantors of the Lease jointly and severally or against any one or more of them, (ii) compromise or settle with any one or more of the guarantors for such consideration as Lessor may deem proper, and (iii) release one or more of the guarantors from liability. The undersigned further agrees that no such action shall impair the rights of the Lessor to enforce the Lease against any remaining guarantor or guarantors, including the undersigned.

If the party executing this guarantee is a corporation, then the undersigned officer personally represents and warrants that the Board of Directors of such corporation, in a duly held meeting, has authorized this guarantee and has determined that this guarantee may reasonably be expected to benefit the corporation.

The undersigned agrees that if Lessor shall employ an attorney to present, enforce or defend all of Lessor's rights of remedies hereunder, the undersigned shall pay any reasonable attorney's fees incurred by Lessor in such connection.

This Agreement shall be binding upon the undersigned and the successors, heirs, executors, administrators and assigns of the undersigned, and shall inure to the benefit of Lessor and Lessee's successors, heirs, executors, administrators and assigns.

EXECUTED, this _____ day of _____ 2014.

James A. Cavanaugh, Jr.

Guarantor's Address:
16885 Dallas Parkway
Addison, Texas 75001

STATE OF TEXAS }

COUNTY OF GRAYSON }

This instrument was acknowledged before me on the _____ day of _____ 2014, by James A. Cavanaugh, Jr.

Notary Public, State of Texas

RMA BOARD AGENDA

ITEM NUMBER: Seven
MEETING DATE: 09-18-14

ITEM TITLE: Director's Update to include discussion of Monthly Reports, Facility Upgrades and GCRMA and Airport Events/News

SUBMITTED BY: Mike Shahan, Airport Director

DATE SUBMITTED: September 12, 2014

SUMMARY:

Monthly Reports:

1. Fuel Flowage Report for August 2014
2. ATC Operations Report for August 2014
3. NTRA Revenue & Expense Report July 2014

Facility Upgrades:

1. Drive Lane between the Fire Station and Hangar 201
2. Hangar 5513 Suite 2 & 3 hangar bay enhancements

GCRMA/Airport Events/News:

1. US National Aerobatic Championship – September 21-26, 2014
2. Kemps Kustom Kars Drag Race – Sunday, September 28, 2014

ATTACHMENTS (LIST)

Fuel Flowage Report – August 2014

ATC Operations Report – August 2014

NTRA Revenue & Expense Report – July 2014

ALTERNATIVES/RECOMMENDATIONS:

Take action as necessary

**North Texas Regional Airport
Fuel Flowage Report
FY: 2014**

Total Fuel Flowage in Gallons for FY 2014 as reported by Lake Texoma Jet Center

*** Total Fuel Flowage in Gallons for FY 2014 as reported by U.S. Aviation Academy**

	Avgas	Jet-A	Total	Last Year's Total
Oct. 2013	15,578.0	23,391.0	38,969.0	31,633.0
Nov. 2013	16,758.0	24,008.0	40,766.0	32,878.0
Dec. 2013	12,389.0	31,078.0	43,467.0	31,603.0
Jan. 2014	15,703.0	20,448.0	36,151.0	25,111.0
Feb. 2014	8,150.0	22,932.0	31,082.0	29,025.0
Mar. 2014	7,683.0	21,388.0	29,071.0	25,090.0
Apr. 2014	15,878.0	15,986.0	31,864.0	43,784.0
May. 2014	20,050.0	36,620.0	56,670.0	32,162.0
Jun. 2014	7,817.0	23,685.0	31,502.0	47,584.0
Jul. 2014	8,863.0	15,308.0	24,171.0	47,325.0
Aug. 2014	14,790.0	27,597.0	42,387.0	39,033.0
Sep. 2014			-	35,312.0
Total:	143,659.0	262,441.0	406,100.0	420,540.0
Last Year's To Date Gallons Received Total:				385,228.0
Percent Change Over Last Year by Month:				8.59%
Percent Change Over Last Year:				5.42%

	Avgas	Jet-A	Total	Last Year's Total
Oct. 2013	8,701.9	-	8,701.9	7,636.0
Nov. 2013	9,248.0	4,483.0	13,731.0	8,142.1
Dec. 2013	6,659.1	9,952.0	16,611.1	5,287.9
Jan. 2014	9,409.8	5,689.0	15,098.8	3,606.6
Feb. 2014	6,659.4	7,095.0	13,754.4	5,394.1
Mar. 2014	7,990.3	1,549.0	9,539.3	7,531.6
Apr. 2014	9,637.4	1,943.0	11,580.4	9,244.6
May. 2014	9,191.5	11,444.0	20,635.5	6,841.8
Jun. 2014	7,634.0	8,452.0	16,086.0	17,432.9
Jul. 2014	6,007.1	5,867.0	11,874.1	21,453.2
Aug. 2014	7,740.6	10,376.0	18,116.6	10,602.6
Sep. 2014			-	9,313.4
Total:	88,879.1	66,850.0	155,729.1	112,486.8
Last Year's To Date Gallons Received Total:				103,173.4
Percent Change Over Last Year by Month:				70.87%
Percent Change Over Last Year:				50.94%

% of Avgas:	35.38%
% of Jet-A:	64.62%

Percent of Fuel used by flight school			
% of Avgas:	61.87%	% of Jet-A:	25.47%

% of Avgas:	57.07%
% of Jet-A:	42.93%

* Fuel usage totals for US Aviation Academy are included in Lake Texoma Jet Center's total

NORTH TEXAS REGIONAL AIRPORT
Airport Traffic Record
FY 2014

Month	ITINERANT										LOCAL			IFR/VFR Overflight Count	FY 2014 Airport Ops	FY 2013 Airport Ops
	IFR					VFR					CIVIL	MI	TOTAL LOCAL			
	AC	AT	GA	MI	TOTAL	AC	AT	GA	MI	TOTAL						
Oct-13	0	8	308	0	316	0	0	2,446	0	2,446	4,742	36	4,778	154	7,694	7,788
Nov-13	0	4	240	7	251	0	6	2,308	0	2,314	3,219	0	3,219	188	5,972	6,565
Dec-13	0	15	291	0	306	0	0	1,818	0	1,818	1,997	0	1,997	176	4,297	4,254
Jan-14	0	11	220	9	240	0	0	2,624	1	2,625	2,853	24	2,877	200	5,942	4,607
Feb-14	0	1	295	0	296	0	1	1,588	6	1,595	2,094	0	2,094	100	4,085	3,511
Mar-14	0	0	236	1	237	0	0	2,435	0	2,435	1,736	0	1,736	197	4,605	4,255
Apr-14	0	4	250	0	254	0	0	2,484	1	2,485	1,991	3	1,994	336	5,069	4,612
May-14	0	8	333	2	343	0	2	2,603	0	2,605	2,786	0	2,786	227	5,961	4,848
Jun-14	0	8	291	4	303	0	0	2,042	2	2,044	3,186	4	3,190	209	5,746	8,374
Jul-14	0	9	251	6	266	0	15	1,984	7	2,006	2,031	12	2,043	340	4,655	7,867
Aug-14	0	7	243	0	250	0	1	2,687	0	2,688	3,636	0	3,636	303	6,877	8,480
Sep-14					0					0			0	0	0	12,470
Total	0	75	2,958	29	3,062	0	25	25,019	17	25,061	30,271	79	30,350	2,430	60,903	77,631

OVERFLIGHT COUNT											
Month	IFR OVERFLIGHTS					VFR OVERFLIGHTS					TOTAL OVERFLIGHTS
	AC	AT	GA	MI	TOTAL	AC	AT	GA	MI	TOTAL	
Oct-13	0	1	2	0	3	0	19	132	0	151	154
Nov-13	0	0	4	0	4	0	8	174	2	184	188
Dec-13	0	0	5	0	5	2	20	145	4	171	176
Jan-14	0	0	4	0	4	0	22	174	0	196	200
Feb-14	0	0	2	0	2	2	10	86	0	98	100
Mar-14	0	0	1	0	1	0	26	170	0	196	197
Apr-14	0	0	0	0	0	0	36	300	0	336	336
May-14	0	6	0	0	6	4	47	170	0	221	227
Jun-14	0	0	3	0	3	0	10	196	0	206	209
Jul-14	0	0	0	0	0	0	32	306	2	340	340
Aug-14	0	0	1	0	1	0	34	268	0	302	303
Sep-14					0					0	0
Total	0	7	22	0	29	8	264	2,121	8	2,401	2,430

% Change Last Year/Same Time:	
Itinerant	0.88%
Local	-13.60%
Overflight	12.76%
Total	-6.53%

% Change Last Year by Month:	
Itinerant	-5.13%
Local	-29.85%
Overflight	51.50%
Total	-18.90%

Peak Day was 376 operations on AUGUST 23, 2014
Slowest day was 107 operation on August 2, 2014
Average daily operation for June: 221.8 ops

Daily Summary of Ops:	# / Days	# / Ops	Avg.
1-99 Daily Ops	0	0	-
100 - 199 Daily Ops	13	2,163	166.4
200 - 299 Daily Ops	14	3,317	236.9
300 - 399 Daily Ops	4	1,397	349.3
400 - Plus Daily Ops	0	0	-

FAA CONTRACT TOWER - AIRPORT OPERATIONS COUNT RECORD

Facility Name: North Texas Tower						Location: Denison, TX					Mo.	Yr.	Location Ident.					
											O	8	1	4		G	Y	I
Airport Operations Count										Facility Operating Hours →				1	2	O		
ITINERANT											LOCAL			Total Airport Operations				
IFR					VFR													
Day	AC	AT	GA	MI	Total IFR Ininerant Ops	AC	AT	GA	MI	Total VFR Itinerant Ops	Civil	Military	Total Local Ops					
01			9		9			56		56	70		70	135				
02			4		4			41		41	40		40	85				
03			3		3			77		77	74		74	154				
04			4		4			87		87	74		74	165				
05			9		9			108		108	124		124	241				
06			14		14			74		74	107		107	195				
07			11		11			80		80	100		100	191				
08			9		9			103		103	50		50	162				
09			4		4			112		112	106		106	222				
10		2	6		8			62		62	102		102	172				
11			8		8			61		61	126		126	195				
12			15		15			102		102	138		138	255				
13			12		12		1	87		88	136		136	236				
14			8		8			95		95	84		84	187				
15			7		7			90		90	80		80	177				
16			5		5			59		59	36		36	100				
17			2		2			55		55	60		60	117				
18		2	6		8			72		72	120		120	200				
19			13		13			110		110	98		98	221				
20			12		12			86		86	86		86	184				
21			13		13			79		79	112		112	204				
22		1	4		5			81		81	86		86	172				
23			6		6			134		134	226		226	366				
24		1	4		5			115		115	104		104	224				
25		1	6		7			107		107	236		236	350				
26			10		10			92		92	138		138	240				
27			10		10			73		73	156		156	239				
28			8		8			110		110	230		230	348				
29			11		11			72		72	168		168	251				
30			6		6			98		98	194		194	298				
31			4		4			109		109	175		175	288				
Total		7	243		250		1	2687		2688	3636		3636	6574				

FAA CONTRACT TOWER OVERFLIGHT SUMMARY RECORD

Facility Name		Location:				Mo.	Yr.	Loc Ident.			
North Texas Tower		Denison, TX				0 8	1 4	<input type="checkbox"/> G	<input type="checkbox"/> Y	<input type="checkbox"/> I	
OVERFLIGHT COUNT											
Day	IFR OVERFLIGHTS					VFR OVERFLIGHTS					Total Overflights
	AC	AT	GA	MI	Total	AC	AT	GA	MI	Total	
01								18		18	18
02								22		22	22
03								24		24	24
04								16		16	16
05								16		16	16
06								4		4	4
07								6	6	12	12
08								10	18	28	28
09								6		6	6
10								8		8	8
11											
12								6		6	6
13								6		6	6
14								6	8	14	14
15								4	4	8	8
16								8		8	8
17								6		6	6
18								10		10	10
19								8		8	8
20								2		2	2
21								8		8	8
22								4	2	6	6
23								2	8	10	10
24								10		10	10
25								10		10	10
26								8		8	8
27								2		2	2
28								6		6	6
29								4		4	4
30			1		1			8		8	9
31								2	6	8	8
Total			1		1		34	268		302	303

YEAR TO DATE FINANCIAL UPDATE
AS OF JULY 31, 2014

YTD REVENUE:	\$ 1,138,194.53
YTD EXPENSES:*	\$ 1,369,985.04
DIFFERENCE IN REVENUE & EXPENSE:	\$ (231,790.51)

*YTD Expenses minus depreciation

TYD FY 2014 Expenses:	\$ 1,369,985.04
Expenses for West Side Hangar:	\$ 218,141.55
Current Expenses Minus West Side Hangar:	\$ 1,151,843.49
Difference in Revenue & Expenses minus West Side Hangar:	\$ (13,648.96)

**NORTH TEXAS REGIONAL AIRPORT
REVENUE REPORT
JULY, 2014**

Budget Code	Adopted Amount	Current Month Collected	Actual YTD Collected	YTD % of Budget Collected
800.000.43000 State Grant Revenue	50,000.00	44,112.15	44,112.15	88.22%
800.000.41500 Aviation Facilities	482,278.00	34,692.93	336,868.73	69.85%
800.000.41520 Revenue Producing Facilities	332,639.00	26,191.79	280,540.01	84.34%
800.000.41530 Land - Agriculture	4,625.00	0.00	4,625.00	100.00%
800.000.41540 Land - Industrial	33,419.00	5,118.59	38,246.96	114.45%
800.000.41550 Land - Aviation	87,687.00	7,265.58	81,227.99	92.63%
800.000.41560 Insurance	50,646.00	3,528.68	35,141.25	69.39%
800.000.41570 Oil Lease	3,108.00	0.00	0.00	0.00%
800.000.49500 Sale of Fixed Assets	0.00	0.00	3,879.29	0.00%
800.000.49530 Fuel Flowage Fee	49,000.00	2,417.10	36,371.30	74.23%
800.000.49900 Insurance Proceeds	127,427.00	0.00	172,574.78	135.43%
800.000.49950 Miscellaneous	7,000.00	60.98	3,949.78	56.43%
800.000.49000 Interest Income	1,000.00	81.60	657.29	65.73%
800.000.4900 Donations	0.00	0.00	0.00	0.00%
800.000.49970 Transfer In	133,645.00	0.00	100,000.00	74.83%
GRAND TOTAL	1,362,474.00	123,469.40	1,138,194.53	

**NORTH TEXAS REGIONAL AIRPORT
EXPENSE REPORT
JULY, 2014**

Budget Code	Account Name	Adopted Amount	Current Month Expenditures	Encumbered Amount	YTD Expenditures	% Budget Remaining
800.710.51030	Assistants	160,819.00	12,156.38	-	130,441.99	18.89%
800.710.1080	Part-Time	45,094.00	4,110.10	-	34,164.91	24.24%
800.710.52010	Social Security Taxes	15,752.00	1,203.04	-	12,125.99	23.02%
800.710.52020	Group Hospital Insurance	29,064.00	2,421.00	-	24,210.00	16.70%
800.710.52030	Retirement	27,881.00	1,409.29	-	16,244.40	41.74%
800.710.52031	457 Deferred Comp Expense	-	614.88	-	4,601.39	0.00%
800.710.52040	Unemployment Compensation	927.00	72.58	-	746.98	19.42%
800.710.52050	Workers Compensation	4,115.00	242.33	-	2,675.32	34.99%
800.710.52060	Other Post Employment Benefits	50,000.00	-	-	-	100.00%
800.710.53100	Office Supplies	3,000.00	34.18	-	1,992.89	33.57%
800.710.53200	Postage	1,000.00	21.85	-	518.74	48.13%
800.710.53300	Operating Expenses	9,330.00	732.99	-	7,941.42	14.88%
800.710.53350	Janitorial Supplies	700.00	145.33	-	897.20	-27.17%
800.710.53560	Gas, Oil, Etc.	16,000.00	2,306.16	-	10,678.65	33.26%
800.710.53570	Tires, Batteries & Accessories	3,300.00	206.51	-	3,248.03	1.57%
800.710.53580	Parts	6,000.00	597.44	-	4,063.56	32.27%

Budget Code	Account Name	Adopted Amount	Current Month Expenditures	Encumbered Amount	YTD Expenditures	% Budget Remaining
800.710.53590	Repair & Maintenance Supplies	30,000.00	885.72	4,157.75	21,244.47	15.33%
800.710.53750	Small Equipment	1,000.00	-	-	1,032.77	-3.28%
800.710.54000	Professional Services	233,420.00	20,867.34	11,158.00	187,542.90	14.87%
800.710.54030	Training & Education	5,130.00	-	-	4,708.62	8.21%
800.710.54040	Business Development	33,333.00	918.79	-	9,868.22	70.40%
800.710.54080	Local Travel	200.00	30.24	-	183.69	8.15%
800.710.54200	Printing	2,000.00	58.40	-	2,081.79	-4.09%
800.710.4220	Dues & Publications	3,550.00	11.25	-	3,169.08	10.73%
800.710.54255	Attorney Fees	10,000.00	900.00	-	5,450.00	45.50%
800.710.54300	Liability Insurance	41,867.00	-	-	33,434.02	20.14%
800.710.54340	Contract Services	4,725.00	366.98	-	3,177.82	32.74%
800.710.54520	Telephone	6,000.00	628.08	-	5,575.93	7.07%
800.710.54540	Utilities	60,000.00	6,597.82	-	61,040.19	-1.73%
800.710.54550	Repairs & Maintenance	100,000.00	7,558.28	11,292.99	62,175.47	26.53%
800.710.54552	Hangar Repairs	100,000.00	1,440.00	-	100,038.07	-0.04%
800.710.54580	Airport Equipment Maintenance	30,720.00	2,560.00	5,780.00	24,940.00	0.00%
800.710.54555	Casualty Loss Repairs	137,427.00	-	-	182,355.64	-32.69%

Budget Code	Account Name	Adopted Amount	Current Month Expenditures	Encumbered Amount	YTD Expenditures	% Budget Remaining
800.710.54600	Office Equipment Rental	1,540.00	184.30	88.75	1,454.24	-0.19%
800.710.54930	Property Taxes	15,000.00	(886.81)	-	10,897.23	27.35%
800.710.54940	Depreciation Internal Funds	470,000.00	-	-	378,246.52	19.52%
800.625.5100	Improvements	320,000.00	-	1,441.00	295,564.13	
800.710.55150	Machinery	-	-	-	-	0.00%
800.710.55250	Vehicles	-	-	-	-	0.00%
800.710.53530	Communications Equipment	-	-	-	-	0.00%
800.710.55521	Utility Relocation	-	-	-	-	0.00%
800.710.55570	RAMP Grant Expenditures	100,000.00	9,415.00	495.00	99,499.29	0.01%
TOTAL		2,078,894.00	77,809.45		1,748,231.56	

TOTAL EXPENSES (MINUS DEPRECIATION):

\$ 1,369,985.04

RMA BOARD AGENDA

ITEM NUMBER: Eight
MEETING DATE: 09-18-14

ITEM TITLE: Public Comment.
SUBMITTED BY: Mike Shahan, Director
DATE SUBMITTED: September 12, 2014

SUMMARY:

This item has been added so that the public may address the Board. Each person will be limited to three minutes.

ATTACHMENTS (LIST)

ALTERNATIVES/RECOMMENDATIONS: