CITY COUNCIL REGULAR AGENDA

Tuesday, January 27, 2026

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, January 27, 2026, at 5:30 PM at the City Council Chambers Located at 307 East 4th Street, Big Spring, Texas. **We welcome the public to attend the meeting via telecommunication. Citizens will be able to view the City Council Meeting on Our Local Channel 17 through Optimum or on Our Website http://mybigspring.com/224/Channel-17-Live.**

CITY COUNCIL MEETING ETIQUETTE
Gentlemen are requested to remove their hats inside the City Council Chambers. As a courtesy to those in attendance, please place your cell phone on "Silent" or "Vibrate." Please, no talking during the meetings. Take all conversations outside so that others can hear. Thank you!

Open Session

1.	Call to Order	Moore
2.	Invocation	Moore
3.	Pledge of Allegiance to the United States Flag and to the Texas State Flag	Moore

Public Comment

Public Comment – Members of the public are entitled to speak on any topic. Additionally, members of the public may comment on any action item before or during its consideration. Speakers are Requested to Stand at the Podium and State Their Name and Address. Speakers Should Fill out the Form at the Podium and Turn it into the City Secretary. Please Do Not Exceed Five (5) Minutes.

4.	**Public Comment**	Moore

Announcements, Presentations and Public Hearings

Public Hearings – The Council will take Input on Items Requiring Public Hearing Items **Prior** to any Action.

City Manager's Report

5. City Manager's report on the following items: Darden

   - Update - Large Item Pickup, District 1
   - Update - Water Office Drive-Thru Window
   - Update - Street Lights

Consent Items

6.	Approval of the City Council Minutes of the Regular Meeting of January 13, 2026	6-13	Davis
7.	Acknowledge Receipt of the Big Spring Economic Development Corporation Board of Directors Minutes for the Regular Meeting of December 16, 2025	14-15	Medina
8.	Final Reading of a Resolution Supporting the Proposed Project for the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for the Lantern at Big Spring Project; Finding and Determining that the Meetings at Which the Resolution was Discussed were Open to the Public as Required by Law; and Providing an Effective Date	16-17	Medina
9.	Final Reading of a Resolution Supporting the Proposed Project for the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for the Lofts at Randolph Project; Finding and Determining the the Meetings at Which the Resolution was Discussed were Open to the Public as Required by Law; and Providing an Effective Date	18-19	Medina
10.	Final Reading of a Resolution to Vote in the Election of the Board of Directors of the Ports to Plains Alliance; Finding and Determining that the Meetings at Which the Resolution were Discussed were Open to the Public as Required by Law; and Providing an Effective Date	20-22	Medina
11.	Final Reading of an Ordinance Amending Ordinance Number 024-2025 Which Adopted the Annual Budget for the City of	23-25	Smith

	Big Spring, Texas for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026, by Increasing the General Fund Budget for the Purpose of Appropriation of Funds to the Demolition Account Due to the Collapse and Emergency Demolition of the Texas Building; Proving for Severability; and Providing an Effective Date.		
12.	Final Reading of an Ordinance Amending Ordinance Number 024-2025 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026, By Increasing the General Fund Budget to Authorize the Purchase of a Brush Truck for the Fire Department to Support TIFMAS (Texas Intrastate Fire Mutual Aid System) Emergency Deployment Operations; Providing for Severability; and Providing an Effective Date	26-28	Smith
13.	Final Reading of an Ordinance Amending Ordinance Number 024-025 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026 Authorizing the Transfer of Appropriations Within the Airpark Fund to Cover Changer Orders Associated with the Fitness Center Remodel Project; Providing for Severability; Providing for Publication; and Providing an Effective Date.	29-30	Smith

Vouchers

14.	Vouchers for 01/09/26	$ 1,397,776.07		Ornelas
	Vouchers for 01/16/26	$ 490,472.19		

Bids

15.	Consideration and Possible Action to Award a Bid for a Mini Excavator for the Distribution and Collection Department and Authorizing the City Manager or His Designee to Execute any Necessary Documents	31-32	Medina

New Business

16.	Acknowledge Receipt of the First Quarter Financial Report	Handout	Smith
17.	Acknowledge Receipt of the First Quarter FY 2025-2026 Investment Report	Handout	Smith
18.	Consideration and Possible Action to Accept a Donation from Tates Place to Purchase and Install a Safe Haven Baby Box	33	Holt

19.	First Reading of a Resolution Calling for a General Election to be Held on May 2, 2026 for the Purpose of Election One Person to Serve as City Council Member for District One and One Person to Serve as City Council Member for District Three; Providing for the Conduct of the Election; Designating Several Polling Places; Authorizing the Mayor to Execute Notice and Have the Notice Posted for the Purpose of Notifying the Public of Said Election; and Providing for Severability	34-35	Davis
20.	First Reading of a Resolution to Adopt Reasonable Monthly and Annual Time Limits for Requestors of Public Information; Providing for the Repeal of Conflicting Legislation; Providing for Severability; and Finding and Determining that the Meetings as Which the Resolution were Discussed were Open to the Public as Required by Law; and Establishing an Effective Date	36-41	Darden
21.	First Reading of an Ordinance Repealing Chapter 36, Section 36-65(a) and Chapter 48, Section 48-1 of the Big Spring City Code; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance was Discussed were Open to the Public as Required by Law; and Providing an Effective Date	42-45	Darden
22.	First Reading of an Ordinance Amending Chapter 22 of the Big Spring City Code Entitled "Fees," Article VII by Adopting Section 22-12 to Impose a Fee on Cash Transactions Involving Making Change in Amounts Less than Five Cents, not Involving a Customer Account, and Excluding Municipal Court; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance was Discussed were Open to the Public as Required by Law; and Providing an Effective Date	46-48	Smith
23.	Consideration and Possible Action of a Joint Election Agreement with Big Spring Independent School District and Authorizing the Mayor to Execute any Necessary Documents	49-51	Darden
24.	Consideration and Possible Action to Enter into a Lease Agreement with Black Forest Ventures Aviation RE, LLC with a 40-Year Term for Airport Premises, Specifically Three Community Hangars, Fuel Farm, and the Airport Terminal Building, an Option to Lease from the City Approximately 31 Acres on the Airport's West Side, and the Right of First	52-132	Darden

	Refusal for Leases of Developable Property in the Airport Operations Area of McMahon-Wrinkle Airport and Authorizing the City Manager or His Designee to Execute any Necessary Documents.		
25.	Consideration and Possible Action to Amend the Right of Way Agreement with Medallion Pipeline in or near Sections 34, 35 Near the Big Sandy Landfill and Authorizing the City Manager or His Designee to Execute any Necessary Documents	133-138	Darden
26.	Consideration and Possible Action to Appoint Members to Create a Charter Review Committee		Mayor

Council Input

27.	Input		Moore
28.	Adjourn		Moore

The City Council reserves the right to meet in executive session on any agenda item should the need arise pursuant to Chapter 551, Subchapter D of the Texas Government Code, or the Texas Disciplinary Rules of Professional Conduct.

I hereby certify that this agenda was posted on the official bulletin board at the City of Big Spring, City Hall Building, located outside 310 Nolan Street. Given by order of the City Council and Posted on Wednesday, January 21, 2026 in accordance with Title 5, Texas Government Code and Chapter 551.

In addition, this agenda and supporting documents are posted on the City of Big Spring's Website, www.mybigspring.com, in accordance with legal requirements.

Tami L. Davis

Tami L. Davis, City Secretary

THE MEETING FACILITY IS ACCESSIBLE TO DISABLED PERSONS. ANY DISABLED PERSON NEEDING SPECIAL ACCOMMODATION OR A HEARING IMPAIRED PERSON WISHING TO HAVE AN INTERPRETER SHOULD REQUEST SERVICES AT LEAST 48 HOURS PRIOR TO THE SCHEDULED MEETING BY CONTACTINGTAMI DAVIS AT 432-264-2513 OR EMAIL: TDAVIS@MYBIGSPRING.COM.

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a Regular Meeting in the City Council Chambers located at 307 E. 4th St., Big Spring, Texas, at 5:30 PM, January 13, 2026, with the following members present in person:

MAYOR ROBERT MOORE
COUNCIL MEMBER NICK ORNELAS
COUNCIL MEMBER DIANE YANEZ
MAYOR PRO TEM CODY HUGHES
COUNCIL MEMBER HOMER WILKERSON
COUNCIL MEMBER DANIEL MORENO
COUNCIL MEMBER GLORIA BLACKBURN

Same and constituting a quorum, for which four Council Members must be present; and the following staff in person;

TODD DARDEN	City Manager
JOHN MEDINA	Assistant City Manager
ANDREW HAGEN	City Attorney
SHANE BOWLES	Public Works Director
CHAD WILLIAMS	Police Chief
JAY HOLT	Fire Chief
MIKE FEELEY	Airpark Director
SANDY SMITH	Finance Director
SUSAN HIMES	Community Services Director
TAMI DAVIS	City Secretary
MANDY HAYNES	Municipal Judge

Open Session

Call to Order

Mayor Moore called the City Council meeting to order at 5:30 p.m.

Invocation

Glenn Farris, Crossroads Baptist Association, gave the invocation.

Pledge of Allegiance to the United States Flag and to the Texas State Flag

Mayor Moore led the Pledge of Allegiance to the United States Flag and to the Texas State Flag.

Public Comment

Public Comment

Glenn Farris invited everyone to the 3rd Annual State Park Pray over Big Spring and a couple of citizens voiced concerns over the naming of a park pavilion and the conditions of the ballfields at Roy Anderson Sports Complex.

<u>Announcements, Presentations and Public Hearings</u>

Presentations Regarding Proposal Projects for Affordable Senior Housing Rentals as Listed Below:

Lantern at Big Spring (Phase II)

Lofts at Randolph
Michael Beard, a representative with Gyani Capital, presented a power point presentation for the above listed housing projects.

<u>City Manager’s Report</u>

City Manager's report on the following items:

- Update - Large Item Pickup, District 6
- Large Item Pickup, District 1, Jan. 21st
- City Holiday - Martin Luther King Jr. Day, Jan. 19th
- Trash Schedule for City Holiday
- Charter Committee Appointments
- Ltr from the Office of the Governor - Certified Film Friendly Texas Community

Todd Darden, City Manager, reported on the above captioned items as follows: The worship service that was held at the Municipal Auditorium was a great turnout the past weekend; District 6 picked up 5.2 tons of items and the total for the year 2025 was 160 tons; Large item pickup for District 1 will be on January 21st; City offices will be closed on Monday, January 19th in observance of Martin Luther King Jr. Day and the trash schedule will be one day late for Monday and Tuesday's route; Charter Committee appointments will be on the next agenda; and the City received a letter from the Governor's office certifying Big Spring as a Film Friiendly Texas Commuity.

<u>Consent Items</u>

Approval of the City Council Minutes of the Two Regular Meetings of December 13, 2025

Acknowledge Receipt of the Big Spring Economic Development Board of Directors Minutes for the Regular Meeting of November 18, 2025 and of the Special Meeting of December 1, 2025.

MOTION WAS MADE BY Council Member Ornelas to approve the above captioned minutes, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Vouchers

Vouchers for 12/05/25 $ 801,047.97
Vouchers for 12/12/25 $ 769,357.01
Vouchers for 12/19/25 $ 542,583.93

Council Member Moreno reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Moreno to approve the above captioned vouchers, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Vouchers for 01/02/26 $ 378,625.87

Council Member Ornelas reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Ornelas to approve the above captioned vouchers, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Bids

Consideration and Possible Action Associated with the Award of a Bid to M. Hasty Construction Company for the Demolition of the Flight Academy, SWAT Building, Shop Building, Pump Building, and Water Tank on McMahon-Wrinkle Airport and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Wilkerson to award the above captioned bid to M. Hasty Construction Company in the total amount of

$90,000.00, seconded by Mayor Pro Tem Hughes.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Consideration and Possible Action to Award a Bid for a John Deere Gator for the Parks Department and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Wilkerson to award the above captioned bid to John Deere in the amount of $21,102.84, seconded by Council Member Blackburn.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Consideration and Possible Action to Award a Bid For Twenty Electric Powered Golf Carts for the Comanche Trail Golf Course and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Hughes to award the above captioned bid to Textron/EZ Go in the total amount of $163,520.00, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **6**

NAYS: Council Member Ornelas **1**

MOTION PASSED

Consideration and Possible Action to Award a Proposal for a Brush Truck for the Fire Department and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Wilkerson to award the above captioned bid to Rebel Strike in the amount of $278,500.00, seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Consideration and Possible Action to Award a Bid for a Belt Press for the WasteWater

Treatment Plant and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Hughes to award the above captioned bid to The Alfa Laval USA in the amount of 344,264.00, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

New Business

Acknowledge Receipt of the Quarterly Claims and Litigation Report from the City Attorney

City Council Members acknowledged receipt of the above captioned claims and litigation report. No action necessary.

First Reading of a Resolution Supporting the Proposed Project for the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for the Lantern at Big Spring Project; Finding and Determining that the Meetings at Which the Resolution was Discussed were Open to the Public as Required by Law; and Providing an Effective Date

First Reading of a Resolution Supporting the Proposed Project for the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for the Lofts at Randolph Project; Finding and Determining the the Meetings at Which the Resolution was Discussed were Open to the Public as Required by Law; and Providing an Effective Date

MOTION WAS MADE BY Mayor Pro Tem Hughes to approve the 2 above captioned resolutions, seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

First Reading of a Resolution to Vote in the Election of the Board of Directors of the Ports to Plains Alliance; Finding and Determining that the Meetings at Which the Resolution were Discussed were Open to the Public as Required by Law; and Providing an Effective Date

MOTION WAS MADE BY Council Member Wilkerson to approve the above captioned resolution, seconded by Mayor Moore.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**
NAYS: None **0**

MOTION PASSED

First Reading of an Ordinance Amending Ordinance Number 024-2025 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026, by Increasing the General Fund Budget for the Purpose of Appropriation of Funds to the Demolition Account Due to the Collapse and Emergency Demolition of the Texas Building; Proving for Severability; and Providing an Effective Date.

MOTION WAS MADE BY Council Member Ornelas to approve the above captioned ordinance, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**
NAYS: None **0**

MOTION PASSED

First Reading of an Ordinance Amending Ordinance Number 024-2025 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026, By Increasing the General Fund Budget to Authorize the Purchase of a Brush Truck for the Fire Department to Support TIFMAS (Texas Intrastate Fire Mutual Aid System) Emergency Deployment Operations; Providing for Severability; and Providing an Effective Date

MOTION WAS MADE BY Mayor Pro Tem Hughes to approve the above captioned ordinance, seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**
NAYS: None **0**

MOTION PASSED

Consideration and Possible Action Associated with Accepting Change Orders 6, 10, and 11 from ONYX Solutions for Project Improvements Associated with the First Responder Fitness Center at McMahon-Wrinkle Airport and Authorizing the City Manager or his Designee to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Hughes to approve the above captioned change order, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**
NAYS: None **0**

MOTION PASSED

First Reading of an Ordinance Amending Ordinance Number 024-025 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2025 and Ending September 30, 2026 Authorizing the Transfer of Appropriations Within the Airpark Fund to Cover Changer Orders Associated with the Fitness Center Remodel Project; Providing for Severability; Providing for Publication; and Providing an Effective Date.

MOTION WAS MADE BY Mayor Pro Tem Hughes to approve the above captioned ordinance, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Consideration and Possible Action to Enter into a Lease Agreement with Enterprise Fleet Management for the Replacement of Twenty-Five Vehicles and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Hughes to approve the above captioned lease agreement, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Consideration and Possible Action on an Interlocal Agreement as Authorized by the Interlocal Cooperation Act, Government Code, Chapter 791, this Interlocal Agreement (Agreement) is Made By and Between the Texas Park and Wildlife Department ("TPWD"), an agency of the State of Texas, and City of Big Spring ("City"), a home rule city, Regarding City Support for the Continued Operation of the Big Spring State Park and Authorizing the Mayor to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Hughes to approve the above captioned agreement, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Mayor Pro Tem Hughes, Council Member Wilkerson, Council Member Moreno, Council Member Blackburn **7**

NAYS: None **0**

MOTION PASSED

Consideration and Possible Action to Authorize a Payment Refund of $19.86 to David Roman Regarding an Annual Green Fee at the Comanche Trail Golf Course

MOTION WAS MADE BY Council Member Moreno to approve the above captioned payment request. There was no second. This motion dies for lack of second.

YEAS: None **0**
NAYS: None **0**

MOTION DIES

<u>Council Input</u>

Input

Council Member Ornelas requested that the golf course post ordinances regarding golf fees to inform golfers of any changes; Mr. Ornelas also asked for an update on some issues in his district

Council Member Yanez is happy to see that the water office is getting a drive thru window and would like for the front door of the water office to also be fixed

Mayor Pro Tem Huges thanked staff for answering all of his questions

Council Member Wilkerson also thanked staff

Council Member Blackburn also appreciates the staff and reminded citizens that the city provides bins for card board and asked them to only use it for that purpose

Council Member Moreno also thanked staff

Adjourn

Mayor Moore adjourned the City Council meeting at 7:07 p.m.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

Minutes of the Board of Director's Regular Meeting
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
Tuesday, December 16, 2025, 5:15 p.m.
Offices of the Big Spring Economic Development Corporation
215 West Third Street, Big Spring, Texas

The Regular Meeting of the December 16, 2025, in the offices of the Big Spring Economic Development Corporation. The following notice was sent on December 10, 2025, to the Board of Directors, the news media, and duly posted, by Teresa Morris in compliance with the Open Meeting's Act by posting it on the outside door of the Big Spring Economic Development Corporation and on the outside of City Hall.

"The Board of Directors of the Big Spring Economic Development Corporation will hold a Regular Board Meeting on Tuesday December 16, 2025, at 5:15 p.m. in the offices of the Big Spring Economic Development Corporation, 215 West Third Street, Big Spring, Texas. The purpose of the meeting is Public Comment, Action on Minutes of the November 18, 2025 Regular Meeting and December 1, 2025 Special Meeting, Consideration/Action to Approve November Investment Report and Financials, Consideration/Action to Approve Estimate for the Master Plan for the Crossroads Business Park and Authorize the President to sign all Necessary Documents, Associate Directors Report, Executive Session, Action as a Result of Executive Session, Board Comment, and Adjourn".

Directors Present:
Mr. Terry McDaniel- President
Mr. Taylor Parks- Vice President
Mr. Nolan Dominguez- Secretary/Treasurer
Mr. Gary Fuqua
Mr. Mundy Weeks
Mr. Scott Emerson

Directors Absent:
Mr. Chad Wash

Staff Present:
Ms. Teresa Morris

Guests that signed in: Cameron Walker, Shane Bowles, Carolyn Shott, Mike Feeley

AGENDA ITEM #1 – Call to Order/Invocation and Pledge:
Mr. McDaniel called the meeting to order at 5:18 p.m. Mr. Weeks led the invocation and pledge.

AGENDA ITEM #2- Public Comment:
None

AGENDA ITEM #3- Action on the Minutes of the November 18, 2025, Regular Meeting and December 1, 2025, Special Meeting:
Mr. McDaniel presented the Minutes. Mr. Emerson made a motion to approve the minutes seconded by Mr. Fuqua. The motion passed 6 to 0 with all members present voting "aye" in favor of the motion.

AGENDA ITEM #4- Consideration/Action to Approve November Investment Report and Financials:
Mr. Dominguez presented the investment report and financials. Mr. Dominguez made a motion to approve seconded by Mr. Fugua. The motion passed 6 to 0 with all members present voting "aye" in favor of the motion.

AGENDAT ITEM #5- Consideration/Action to Approve Estimate for the Master Plan for the Crossroads Business Park and Authorize the President to sign all Necessary Documents:
Airpark Director, Mike Feeley gave a presentation on the RFQ from Woolpert for the airport rebranding and multi-modal master plan. Discussions were to have the EDC partner with the airpark to do one complete master plan of the area. City and EDC staff agreed that it would be most effective. Mr. Emerson made a motion to table the item until the next meeting, giving for more time to receive the fee schedule from Woolpert, seconded by Mr. Dominguez. The motion passed 6 to 0 with all members present voting "aye" in favor of the motion.

AGENDAT ITEM #6- Associate Directors Report:
Projects:
Crossroads Business Park: Survey should begin 1st week in January with preliminary work already started. Staff continue to discuss foreign trade zone status for the entire area with the Midland Foreign Trade Zone administrators to facilitate the inclusion of the park as a subzone of that entity. Staff continue to work with the county and college on potential projects. Staff continue to work with potential expansion projects, one working closely with city staff. Meetings: The Associate Director attended and participated in: Interview Panel for International Economic Development, CEcD exam, IEDC Marketing and Attraction Webinar, Business Roundtable, School to Industry, The Auditor begin work on Annual Audit, Howard College Lineman Rodeo, The next Board meeting is tentatively scheduled for January 20th.

AGENDA ITEM #7- Adjourn into Executive Session in Accordance with Texas Government Code, Section 551.087 to Discuss or Deliberate Prospect Activity and in accordance with Texas Government Code, Section 551.074 to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

- **Prospective Activity**
- **Deliberation of Employment- Executive Director**

Mr. McDaniel adjourned the Board into Executive Session at 6:11 pm, December 16, 2025. Mr. McDaniel called the Executive Session to order at 6:12 pm. Mr. McDaniel adjourned out of executive session at 7:38 pm, December 16, 2025. Mr. McDaniel reconvened into open session at 7:38 pm., December 16, 2025.

AGENDA ITEM #8- Action as a Result of Executive Session:
Mr. Dominguez made a motion to close the Executive Director job posting effective December 17, 2025, seconded by Mr. Weeks. The motion passed 6 to 0 with all members present voting "aye" in favor of the motion.

AGENDA ITEM #9-Board Comments:
The Board expressed their appreciation to staff and extended warm holiday wished to everyone.

AGENDA ITEM #10- Adjourn:
Mr. McDaniel called for a motion to adjourn. The motion to adjourn was made by Mr. Parks seconded by Mr. Dominguez. The motion passed 6 to 0 with all members present voting "aye" in favor of the motion. The meeting adjourned at 7:47 pm on December 16, 2025.

Mr. McDaniel, ~~Vice~~ President

ATTEST:

Mr. Nolan Dominguez, Secretary/Treasurer

RESOLUTION NO.____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS SUPPORTING THE PROPOSED PROJECT FOR THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2026 COMPETITIVE 9% HOUSING TAX CREDITS FOR THE LANTERN AT BIG SPRING PROJECT; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE RESOLUTION WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Lantern at Big Spring LP has proposed a development for affordable Senior (55+) rental housing at approx. NWC of Sunset Ave. & Birdwell Lane named Lantern at Big Spring in the City of Big Spring, Howard County; and

WHEREAS, Lantern at Big Spring LP has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for Lantern at Big Spring.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS, THAT:

SECTION 1. The City of Big Spring, acting through its governing body**,** hereby confirms that it supports the proposed Lantern at Big Spring located at approximately NWC of Sunset Ave. & Birdwell Ln. and that this formal action has been taken to put on record the opinion expressed by the City of Big Spring on January 27, 2026**.**

SECTION 2. The City of Big Spring, acting through its governing body, hereby confirms that, upon successful award of 2026 Competitive 9% Housing Tax Credits, the city commits to providing reduced fees or a contribution of other value that equals a minimum of $250.00 for the benefit of Lantern at Big Spring.

SECTION 3. On behalf of the Governing Body, City Manager is hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

SECTION 4. It is hereby officially found and determined that the meetings at which this Resolution was passed were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 5. This Resolution shall become effective immediately upon its second passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _________ day of __________________, ___________ with all members of the Council present voting “aye for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ________ day of __________________, ___________ with all members of the Council present voting “aye for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

RESOLUTION NO. ____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS SUPPORTING THE PROPOSED PROJECT FOR THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR 2026 COMPETITIVE 9% HOUSING TAX CREDITS FOR THE LOFTS AT RANDOLPH PROJECT; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE RESOLUTION WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Lofts at Randolph LP has proposed a development for affordable rental housing at approx. NEQ of Wasson Rd. & Randolph Blvd. named Lofts at Randolph in the City of Big Spring, Howard County; and

WHEREAS, Lofts at Randolph LP has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs for 2026 Competitive 9% Housing Tax Credits for Lofts at Randolph.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS, THAT:

SECTION 1. The City of Big Spring, acting through its governing body, hereby confirms that it supports the proposed Lofts at Randolph located at approximately NEQ of Wasson Rd. & Randolph Blvd. and that this formal action has been taken to put on record the opinion expressed by the City of Big Spring on January 27, 2026.

SECTION 2. The City of Big Spring, acting through its governing body, hereby confirms that, upon successful award of 2026 Competitive 9% Housing Tax Credits, the city commits to providing reduced fees or a contribution of other value that equals a minimum of $250.00 for the benefit of Lofts at Randolph; and

SECTION 3. On behalf of the Governing Body, City Manager is hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

SECTION 4. It is hereby officially found and determined that the meetings at which this Resolution was passed were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 5. This Resolution shall become effective immediately upon its second passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _________ day of __________________, ___________ with all members of the Council present voting "aye for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ________ day of __________________, ___________ with all members of the Council present voting "aye for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

NOTICE OF ANNUAL MEETING
AND
ELECTION OF BOARD OF DIRECTORS

Pursuant to the current Bylaws of the Ports-to-Plains Trade Corridor Coalition, Section 2.7 Annual Meetings of Members, this email shall serve as notice of the Annual Meeting of Members as designated by the Board of Directors at its regular Board Meeting on December 3, 2025.

Date: January 30, 2026
Time: 2:00 pm CT
Place: Ports-to-Plains Alliance
PO Box 16226
Lubbock, TX 79490

The Agenda shall consist of the following item:

Election of Board of Directors

This notice includes the "Ballot" approved by the Board of Directors at its regular meeting on December 3, 2025 for the Election of the Board of Directors. Pursuant to the Bylaws, Section 2.14 Limited Proxies, "Members may vote by proxy only as provided in this Section." A Member may vote by mailing or emailing the completed and signed Ballot. To be counted, a Ballot must be received at the address or email address indicated on the Ballot at or prior to the time and day specified therein. Ballots not received by the required date and time will not be counted. A Member who has submitted a Ballot pursuant to Section 2.14 shall be counted as present for purposes of a quorum for the business.

Each Member shall be entitled to one vote for dues payments of up to $10,000, one additional vote for dues payments up to $20,000, and one vote for each additional $10,000 dues payments up to a maximum of 10 votes. Each Member who receives more than one vote based on dues payments will only need to submit the one signed and completed ballot. This one ballot will be counted as the number of votes provided to each respective member.

Please mail in your signed and completed ballot to the address above or email to Tina Scarborough, Business Manager at tina.scarborough@portstoplains.com.

No additional business shall take place at the Annual Meeting. Returning the completed and signed ballot will serve as your presence at this meeting. **There is no actual in-person meeting.**

Please contact, Tina Scarborough at tina.scarborough@portstoplains.com or 806-777-4162 or Joe Kiely at joe.kiely@portstoplains.com or 719-740-2240 with questions.

RESOLUTION NO. ___________

A RESOLUTION OF THE CITY CONCIL OF THE CITY OF BIG SPRING, TEXAS TO VOTE IN THE ELECTION OF THE BOARD OF DIRECTORS OF THE PORTS TO PLAINS ALLIANCE; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE RESOLUTION WERE DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1. The City of Big Spring is Member of the Ports to Plains Alliance, each Member may vote in the Election of the Board of Directors, and on behalf of the City of Big Spring the City Council casts its vote for __________________ of ______________________.

SECTION 2. It is hereby officially found and determined that the meetings at which this Resolution was adopted were open to the public and that public notice of the time, place and purpose of said meetings were given as required by law.

SECTION 3. The City Secretary is hereby directed to send by electronic mail and US Mail the ballot to the Ports to Plains Alliance.

SECTION 4. This resolution takes effect immediately after the second passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _____day of ________, ______, with all members of the Council voting "aye" for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the _____day of _________, _______, with all members of the Council voting "aye" for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

Voting Ballot

Ports-to-Plains Alliance Board of Directors
Two -Year Term: 2026 - 2027

Milton Pax - Dumas, TX	☐
John Bertsch - Plainview, TX	☐
Terry Jaques - Limon, CO	☐
Deb Cottier – Chadron, NE	☐
Lori Chatterley - Raton, NM	☐
Bobby Gonzales - Lamesa, TX	☐
Gloria McDonald - Big Spring, TX	☐
Cole Stanley - Amarillo, TX	☐
Victoria Vara - Sonora, TX	☐
	☐
Write-In Candidate:	

Vote for no more than nine candidates.

Please mail or email the completed ballot to: Ports-to-Plains Alliance
PO Box 16226
Lubbock, TX 79490
tina.scarborough@portstoplains.com

BIG SPRING
TEXAS

Memorandum

Date: January 13, 2026

From: Sandy Smith, Finance Director

To: Mayor and City Council

Re: Budget Amendment for the Appropriation of Funds for the Emergency Demolition of the Texas Building

The demolition account is currently overbudget by approximately ($424,000.00), due to the collapse of the Texas Building. The demolition is complete, we do not anticipate any additional expenditures related to the Texas Building.

We currently have approximately 58 buildings on the list for abatements. The approximate average cost of abatement is $1,050.00 for an estimated total of $60,900.00, for the current list, and allow for additional demo's for the remainder of the year.

Total Deficit in Demo Acct	$ (425,000.00)
Budget Amendment	$ 550,000.00
Balance for Substandard	$ 125,000.00

It is staff's recommendation to approve the budget amendment to fund the deficit in the Demolition Account.

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 024-2025 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026 BY INCREASING THE GENERAL FUND BUDGET FOR THE PURPOSE OF APPROPRIATION OF FUNDS TO THE DEMOLITION ACCOUNT DUE TO THE COLLAPSE AND EMERGENCY DEMOLITION OF THE TEXAS BUILDING; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2025-26 budget for the City of Big Spring, Texas on September 23, 2025 ("Budget"); and

WHEREAS the City Manager and the Finance Director recommend that the City Council increase the General Fund budgeted expenditures and amend the Budget previously approved;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS THAT:

SECTION 1. The General Fund Budget of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2025 and ending September 30, 2026 is hereby increased by the amount of $550,000.00 to account 002-001-170-5311-015, for the purpose of an appropriation of funds for the emergency demolition of the Texas Building due to its collapse. The appropriation will be funded through the Fund Balance.

SECTION 2. The remaining portions of Ordinance Number 024-2025 shall remain in full force and effect.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the reminder of this ordinance shall not be affected thereby.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. This ordinance shall become effective immediately upon its second reading.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ______day of __________**, 2026** with all members of the Council present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ______ day of ________**, 2026** with all members of the council present voting “aye” for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

Big Spring Fire Department

Memorandum

Date: 01/06/2026
To: Mayor Robert H. Moore and Big Spring City Council
CC: Todd Darden, City Manager
From: Jay Holt, Fire Chief
Subject: Request for Budget Amendment

Big Spring Fire Department Requests City Council approval to amend the budget to purchase a new brush truck at a total cost of $278,500 from Rebel Brush Trucks, GSA Contract Number 47QSMA18DO8QH. By equipping the new apparatus to TIFMAS standards and registering it for TIFMAS deployments, the city can both provide important statewide mutual aid and recover deployment costs via TIFMAS reimbursements — a model already used successfully by other Texas fire departments. TIFMAS deployment reimbursements (labor, equipment, vehicle usage, etc.) provide a mechanism to offset acquisition and lifecycle costs. BSFD reports to TIFMAS Region 7 weekly on availability of equipment. By having a truck available BSFD has the potential to deploy and be reimbursed for an average of 10 deployments a year. With an estimated payment to the city of $16,000 for each deployment, the brush truck could be fully financed within a period of 2 to 4 years with this program, contingent upon the actual frequency of deployments each year. These deployments aren't just wildfire, they also include All Hazard deployments that include floods, tornadoes, hurricanes, etc.

Staff Recommendation: Approve budget amendment to purchase brush truck from Rebel Brush Trucks.

1401 APRON DR, BIG SPRING, TX 79720
T 432-264-2304

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 024-2025 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026 BY INCREASING THE GENERAL FUND BUDGET TO AUTHORIZE THE PURCHASE OF A BRUSH TRUCK FOR THE FIRE DEPARTMENT TO SUPPORT TIFMAS (TEXAS INTRASTATE FIRE MUTUAL AID SYSTEM) EMERGENCY DEPLOYMENT OPERATIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2025-26 budget for the City of Big Spring, Texas on September 23, 2025 ("Budget"); and

WHEREAS the City Manager and the Finance Director recommend that the City Council increase the General Fund budgeted expenditures and amend the Budget previously approved;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS THAT:

SECTION 1. The General Fund Budget of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2025 and ending September 30, 2026 is hereby increased by the amount of $278,500.00 to account 002-012-210-6402-000, purchasing a brush truck for the Fire Department to support TIFMAS (Texas Intrastate Fire Mutual Aid System) emergency deployment operations. The purchase will be funded through the Fund Balance.

SECTION 2. The remaining portions of Ordinance Number 024-2025 shall remain in full force and effect.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the reminder of this ordinance shall not be affected thereby.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. This ordinance shall become effect immediately after the second passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ______day of __________**, 2026** with all members of the Council present voting "aye" for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ______ day of ________**, 2026** with all members of the council present voting "aye" for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 024-2025 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026 AUTHORIZING THE TRANSFER OF APPROPRIATIONS WITHIN THE AIRPARK FUND TO COVER CHANGE ORDERS ASSOCIATED WITH THE FITNESS CENTER REMODEL PROJECT; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2025-26 budget for the City of Big Spring, Texas on September 23, 2025 ("Budget"); and

WHEREAS the City Manager and the Finance Director recommend that the City Council increase the Airpark Fund budgeted expenditures and amend the Budget previously approved;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS THAT:

SECTION 1. The Airpark Fund Budget of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2025 and ending September 30, 2026 is hereby increased by the amount of $100,000.00 to account 410-021-610-6201-000 Buildings, and a decrease to account 410-021-610-6100-000 Property Acquisition to fund the change orders for the fitness center remodel. There is no impact to the fund balance.

SECTION 2. The remaining portions of Ordinance Number 028-2024 shall remain in full force and effect.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the reminder of this ordinance shall not be affected thereby.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. The City Secretary is hereby authorized and directed to cause the publication of this ordinance in accordance with law.

SECTION 6. This ordinance shall be in full force and effective after the second passage.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ______ day of **____________, 2026** with all members of the Council present voting "aye" for the passage of same.

PASSED AND APPROVED on second and final reading at a second regular meeting of the City Council on the ________ day of **____________, 2026** with all members of the council present voting "aye" for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

MEMORANDUM

Date:	January 27, 2026
To:	Mayor Robert H. Moore and Big Spring City Council, and Todd Darden, City Manager
CC:	John Medina, Assistant City Manager
From:	Albert Belez, Purchasing Agent
Subject:	Purchase Approval for Kubota Mini Excavator

Background Information: This unit will be an addition to the current fleet. The unit will help access smaller spaces where larger equipment cannot.

Financial Considerations:

Expenditure amount requested:	$23,894.29
What fund/department account will this amount be drawn from?	Utility Fund/Distribution & Collection (710)
Budgeted amount:	$35,000
Would this expenditure be made within the budget for the current fiscal year?	No
Does this commit the City to spending funds beyond the current fiscal year? Explain.	No

Vendor Bids/Quotations: We received three formal quotes. Kubota of Odessa submitted a quote for $23,894.29. John Deere of Tornillo, Texas, submitted a quote for $33,490.47. Terry County Tractor of Lubbock submitted a quote for $24,779.52.

Budget: The current approved budget shows that $35,000 has been allocated for this purchase.

Staff Opinion as to Feasibility and Timeline: City staff respectfully request that council approve the submitted Kubota of Odessa quote and proceed with the purchase. It is important to note that this unit would be available within ten days.

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DETAILED SPECIFICATIONS

Kubota

K Series K008-5

* * * EQUIPMENT IN STANDARD MACHINE * * *

FEATURES
Rubber Tracks
2-Post Foldable ROPS
Variable Width Track Frame
2 Gear Type Pumps
Two Operating Pattern Selection System
Standard Front Dozer Blade
360 Degree Full Rotation
55º Left And 55º Right Boom Swing Angle
5.5 GPM Auxiliary Hydraulics Port
Five Second Quick Preheat System
Key Switch Stop System
Self Bleed Fuel System
Two Speed Travel

DIMENSIONS AND OPERATING WEIGHT
K008-5:
Overall Length 9' 0"
Overall Width 2' 4" ~ 2' 10"
Overall Height 7' 4"
Operating Weight * 2315 lbs.
Ground Clearance 5.9"
* Includes operator's weight, 175 lbs.

Selected Kubota Attachments

(1) 10" PIN ON TRENCHING BKT (WELDED TEETH)
K9775-10" PIN ON TRENCHING BKT (WELDED TEETH)

2Yr K008-5 Extended Warranty

ENGINE
D722 Kubota E-TVCS Tier 4 Diesel Engine
3 Cylinder, 4 Cycle
10.3 Gross HP (SAE J1995) @ 2050 RPM
10.1 Net HP (SAE J1349) @ 2050 rpm

OPERATIONAL DIMENSIONS
Max Digging Depth 5' 8"
Max Digging Radius @ Ground Level 9' 11"
Max Vertical Digging Depth 4' 6"
Max Dumping Height 6' 8"

DOZER BLADE DIMENSIONS
Width 28" / 34"
Height 7.9"
Lift Above Ground 7.9"
Drop Below Ground 7.1"

PERFORMANCE
Digging Force @ Bucket (K9776) 2205 Lbs.
Digging Force @ Dipper Arm 1010 Lbs.
Travel Speed (Low/High) 1.2 / 2.5 Mph
Climbing Ability 27% / 15°
Ground Pressure 4.2 psi
Lift Capacity 660 Lbs.

- Over End
- Blade Grounded
- 2 Ft. Load Point Height
- 6 Ft. Load Radius

Big Spring Fire Department

Memorandum

Date: January 21, 2026
To: Mayor Robert H. Moore and Big Spring City Council
CC: Todd Darden, City Manager
From: Jay Holt, Fire Chief
Subject: Safe Haven Baby Box Donation

Big Spring Fire Department is requesting approval to accept a donation from Tates Place to purchase and install a Safe Haven Baby Box at Fire Station 3. The total cost donated is estimated to be around $20,000 for the box, shipping and installation. In accepting this donation, the City would be responsible for a $600/year service fee as well as a term renewal fee of $600 every 5 years. Additionally, there will be an approximately $30/mth alarm system monitoring fee.

We also request Council approval to allow the City Manager or his Designee to execute any necessary contract documents associated with this donation.

1401 APRON DR, BIG SPRING, TX 79720
T 432-264-2304

RESOLUTION NO. ____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, CALLING FOR A GENERAL ELECTION TO BE HELD ON MAY 2, 2026 FOR THE PURPOSE OF ELECTING ONE PERSON TO SERVE AS CITY COUNCIL MEMBER FOR DISTRICT ONE AND ONE PERSON TO SERVE AS CITY COUNCIL MEMBER FOR DISTRICT THREE; PROVIDING FOR THE CONDUCT OF THE ELECTION; DESIGNATING SEVERAL POLLING PLACES; AUTHORIZING THE MAYOR TO EXECUTE NOTICE AND HAVE THE NOTICE POSTED FOR THE PURPOSE OF NOTIFYING THE PUBLIC OF SAID ELECTION; AND PROVIDING FOR SEVERABILITY.

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

SECTION 1. A General Election shall be held on the 2nd day of May, 2026 for the purpose of electing of electing one person to serve as City Council Member for District One and one person to serve as City Council Member for District Five in accordance with the Constitution and Laws of the State of Texas and the Charter of the City of Big Spring, Texas, and the manner of holding said election shall be governed by the laws of the State regulating general elections, the City Charter, and this Resolution.

SECTION 2. Each candidate shall make application in writing to the City Secretary for the candidate's name to appear on the official ballot no later than 5:00 p.m. of the sixty-second (62nd) before election day but no earlier than the thirtieth (30th) day before the date of the filing deadline, as required by sections 1.007 and 143.007 of the Texas Election Code. The application shall clearly designate the residence address of the candidate. Each candidate must reside in the city limits of the City of Big Spring and must reside within the District in which they are filing for and shall have been a resident citizen of the City of Big Spring for a period of one (1) year immediately preceding the date of the election as required by Art. IV, Sec. 5 of the City Charter.

SECTION 3. Only qualified electors under the general laws of the state who reside in the City District One (1) shall be qualified to vote for the office of District One (1); and only qualified electors under the general laws of the state who reside in the City District Three (3) shall be qualified to vote for the office of District Three (3).

SECTION 4. Voting by personal appearance during early voting and on election day shall be by a ballot scanning system, DRE (Direct Recording Electronic) System for curbside voting and by official paper ballot for early voting by mail and for provisional ballots. Early voting by personal appearance will be conducted at the Election Center for Howard County located at 2006 FM 700. Early voting will be held on weekdays beginning April 20, 2026 and ending April 28, 2026 (4th day before election day). The early voting polling place shall be open to the public from 8:00 a.m. to 5:00 p.m. every day with extended hours from 7:00 a.m. to 7:00 p.m. on Monday, April 27, 2026 and Tuesday, April 28, 2026.

SECTION 5. The polling places on election day will be at the following vote center locations:

Dorothy Garrett Coliseum 1001 Birdwell Lane	Ryan Hall 605 North Main
Sand Springs Baptist Church 201 East 24th Street	Coahoma Community Center 306 North Ave. Coahoma, TX

The polling places shall be open to the public from 7:00 a.m. to 7:00 p.m.

SECTION 6. Mayor Robert H. Moore III is hereby authorized to execute and have posted notice of said election in accordance with the law.

SECTION 7. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Resolution are severable and if any phrase, clause, sentence, paragraph or section be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, said unconstitutionality or invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _________ day of ____________, **2026**, with all members present voting "aye" for passage of same.

PASSSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ____________ day of ____________, **2026**, with all members present voting "aye" for passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

Staff Report

To: The Honorable Mayor and City Council
From: The City Manager
Date: January 27, 2026
Subject: First Reading of a Resolution to Adopt Reasonable Monthly and Annual Time Limits for Requestors of Public Information; Providing for the Repeal of Conflicting Legislation; Providing for Severability; and Finding and Determining that the Meetings as Which the Resolution were Discussed were Open to the Public as Required by Law; and Establishing an Effective Date

RECOMMENDATION:
Staff recommends approval of the resolution.

BACKGROUND:
Citizens have a right to make public information requests. State law places a duty on the City to fulfill the requests without regard to other priorities of the City. State law allows the City to set monthly and/or annual time limits for requestors who use more than 15 hours of staff time in a month or 36 hours of staff time in a year. Without setting the time limit, however, the City's ability to charge for staff time is very limited. State law makes exceptions for the press, elected officials, and nonprofits.

FISCAL IMPACT:
The resolution should result in compensating the City related to public information requests by requestors who use large amounts of staff time.

ATTACHMENTS:
resolution for reasonable time limits for public information requests

REPORT PREPARED BY:
Andrew Hagen, City Attorney

APPROVED BY:
Todd Darden, City Manager

RESOLUTION NO. ____________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS TO ADOPT REASONABLE MONTHLY AND ANNUAL TIME LIMITS FOR REQUESTORS OF PUBLIC INFORMATION; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; AND FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE RESOLUTION WERE DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND ESTABLISHING AN EFFECTIVE DATE;

WHEREAS, the City Council of Big Spring is the governing body of the City of Big Spring; and

WHEREAS, City Council adopted Resolution 020-2025 to specify the mailing address, e-mail address and official methods for accepting public information requests; and

WHEREAS, under state law, specifically, Section 552.275, Government Code, the City may adopt reasonable monthly and annual time limits that apply to requestors of public information, and should requestors use more personnel time than are set by the reasonable monthly and annual time limits, the requestor must pay for personnel's time to proceed with the request; and

WHEREAS, under state law, a reasonable monthly time limit is fifteen (15) hours and a reasonable annual time limit is thirty-six (36) hours; and

WHEREAS, state law provides certain exceptions for the press; for elected officials of the United States, the State of Texas, and political subdivisions of Texas; and for nonprofits exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, City Council, finds it advisable to proceed as follows;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

<u>SECTION 1.</u> The facts and matters set forth in the preamble of this Resolution are hereby found to be true and correct.

<u>SECTION 2.</u> Responding to Public Information Requests that Use a Large Amount of Personnel Time.

(a) *Annual time limit.* Pursuant to Texas Government Code § 552.275, thirty-six (36) hours is the reasonable limit on the amount of time that personnel of the City are required to spend producing public information for inspection or duplication by a requestor or providing copies of public information to a requestor in any given twelve-month period commencing on October 1 of each year, without recovering the City's costs attributable to that personnel time.

(b) *Monthly time limit.* Pursuant to Texas Government Code § 552.275, fifteen (15) hours is the reasonable limit on the amount of time that personnel of the City are required to spend producing public information for inspection or duplication by a requestor or providing copies of public information to a requestor in any given monthly period commencing on the first (1st) date of each month, without recovering the City's costs attributable to that personnel time.

(c) *Records of time spent fulfilling requests.* The City Secretary or a person designated by the City Manager shall be responsible for maintaining records of the cumulative amount of personnel time spent complying with requests for public information from each individual requestor.

(d) *Charges for personnel time spent in excess of time limits.* Notwithstanding any provision of this section to the contrary, any requestor of public information will be charged personnel costs in accordance with Texas Government Code § 552.275 for all time in excess of thirty-six (36) hours in any given twelve-month period commencing on October 1 of each year or fifteen (15) hours in a given monthly period commencing on the 1st date of each month, spent by personnel of the City in producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor. The City Secretary or the designee of the City Manager shall be responsible for providing all notices to the requestor as required by law, including written statements of accrued time required by Texas Government Code § 552.275(d) and written estimates of charges required by Texas Government Code § 552.275(e).

(e) *"Requestor" defined.* For purposes of this section, "requestor" shall have the meaning set forth in Texas Government Code § 552.003(6).

(f) *State law.* This policy is subject to state law, and specifically Section 552.275, Texas Government Code.

SECTION 3. The City Secretary is directed to place the information in Exhibit A, attached and incorporated herein, on the web site of the City, intended to make clear to requestors the public policies adopted by City Council in Resolution 020-2025 and this Resolution.

SECTION 4. All resolutions or parts of resolutions and minute orders in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. Should any one or more sections or clauses of this Resolution be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

SECTION 6. It is hereby officially found and determined that the meetings at which this Resolution was adopted were open to the public and that public notice of the time, place and purpose of said meetings were given as required by law.

SECTION 7. This Resolution shall become effective immediately.

SECTION 8. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _____day of ________, ______, with all members of the Council voting "aye" for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the _____day of _________, _______, with all members of the Council voting "aye" for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

EXHIBIT A

Public Information Request Procedures

City of Big Spring and Big Spring Police Department

How written requests for public information are received

Portal:	https://bigspringtx.justfoia.com/publicportal
E-mail:	records@mybigspring.com
United States Mail:	City of Big Spring ATTN: City Secretary 310 Nolan Steet Big Spring, Texas 79720
Hand delivery	

Responding to Public Information Requests that Use a Large Amount of Personnel Time

Annual time limit. Thirty-six (36) hours is the reasonable limit on the amount of time that personnel are required to spend producing public information for inspection or duplication by a requestor or providing copies of public information to a requestor in any given twelve-month period commencing on October 1 of each year, without recovering costs attributable to that personnel time.

Monthly time limit. Fifteen (15) hours is the reasonable limit on the amount of time that personnel are required to spend producing public information for inspection or duplication by a requestor or providing copies of public information to a requestor in any given monthly period commencing on the first (1st) date of each month, without recovering costs attributable to that personnel time.

Charges for personnel time spent in excess of time limits. Any requestor of public information will be charged personnel costs in accordance with state law for all time in excess of thirty-six (36) hours in any given twelve-month period commencing on October 1 of each year or fifteen (15) hours in a given monthly period commencing on the 1st date of each month, spent by personnel in producing public information for inspection or duplication by a requestor, or providing copies of public information to a requestor. You will receive written statements of accrued time and written estimates of charges.

State law. This policy is subject to state law, and specifically Section 552.275, Texas Government Code.

Staff Report

To: The Honorable Mayor and City Council
From: The City Manager
Date: January 27, 2026
Subject: First Reading of an Ordinance Repealing Chapter 36, Section 36-65(a) and Chapter 48, Section 48-1 of the Big Spring City Code; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance was Discussed were Open to the Public as Required by Law; and Providing an Effective Date

RECOMMENDATION:
Staff recommends adoption of the ordinance.

BACKGROUND:
Severability is important to the Big Spring City Code. Severability is provided for in Chapter 1 of the Big Spring City Code, but also in two other places. The provision in Chapter 1 is sufficient. The other two instances are unnecessary. This draft ordinance would eliminate the unnecessary instances.

FISCAL IMPACT:
None.

ATTACHMENTS:
Ordinance on severability

REPORT PREPARED BY:

APPROVED BY:
Todd Darden, City Manager

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS REPEALING, CHAPTER 36, SECTION 36-65(a) AND CHAPTER 48, SECTION 48-1 OF THE BIG SPRING CITY CODE; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Big Spring is a Texas home-rule municipality; and

WHEREAS, it is the sense of the City Council of Big Spring that Section 1-2(4), Big Spring City Code should govern when an ordinance conflicts with another ordinance, and the aforesaid section states as follows: "It is declared to be the intention of the city council that the sections, paragraphs, sentences, clauses and phrases of this Code are severable, and if any phrase, clause, sentence, paragraph or section of this Code shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Code. If any phrase, clause, sentence, paragraph or section of this Code shall be declared inapplicable in any situation by the valid judgment or decree of any court of competent jurisdiction, such judgment or degree shall not affect the applicability of such phrase, clause, sentence, paragraph, and section to other situations.; and

WHEREAS, Section 1-7, Big Spring City Code should govern when an ordinance conflicts with superior law; and

WHEREAS, adopting this ordinance is in the public interest and is necessary to protect health, life and property, and to preserve the good government, order, and security of the municipality and its inhabitants;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

<u>SECTION 1.</u> The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

<u>SECTION 2.</u> Section 36-65(a), Big Spring City Code, Article III, "Vermin Control," Chapter 36, "Nuisances," is hereby amended in part as follows:

Big Spring City Code
Chapter 36, Nuisance
Article III, Vermin Control

Section 36-65. Enforcement

(a) Reserved. ~~In this event that this article conflicts with any other ordinance or law, the stricter law shall prevail.~~

SECTION 3. Section 48-1, Big Spring City Code, Property Maintenance Code of Big Spring, Article I, "In General," Chapter 48, "Traffic and Vehicles," is hereby amended in part as follows:

Big Spring City Code
Chapter 48, Traffic and Vehicles
Article I, In General

Section 48-1. Reserved. ~~Conflicts between chapter and state law or state and federal rules, regulations, etc.~~

~~If there is a conflict between any of the provisions of this chapter and the Texas Transportation Code, as amended, or any orders, rules, regulations and requirements of the Interstate Commerce Commission or the railroad commission of the state, compliance by the owners or operators of vehicles with such statutes, orders, rules and regulations of the Interstate Commerce Commission and the railroad commission of the state shall be deemed in compliance with this chapter, except that any requirement of this chapter, in addition to, but not in conflict with, such statute of the requirements of the Interstate Commerce Commission or the railroad commission shall be complied with.~~

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 4. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 5. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 6. All provisions of any ordinance in conflict with this Ordinance are hereby repealed to the extent they are in conflict; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent a prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of said ordinances shall remain in full force and effect.

SECTION 7. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 8. This Ordinance is ordered to be codified.

SECTION 9. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _____day of ________, ______, with all members of the Council voting "aye" for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the _____day of _________, _______, with all members of the Council voting "aye" for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

Memorandum

Date: January 27, 2026

From: Sandy Smith, Finance Director

To: Mayor and City Council

Re: Ordinance to Impose a Fee on Cash Transactions Involving Making Change with Pennies

The U.S. Mint has struck its final batch of pennies, which will enter circulation in early 2026, marking the effective end of penny production. The Treasury Department has confirmed that penny manufacturing will cease in early 2026, after final blanks are used. The cost of making a single penny now exceeds its face value — approximately 3.7 cents per penny, creating long-term unsustainability and driving the federal decision to discontinue minting. Retailers nationwide are already experiencing penny shortages as supply dwindles. Some businesses have been forced to round transactions or request exact change due to the lack of available pennies. Because pennies will no longer be replenished and will gradually disappear from circulation, the City must prepare for increasing difficulty in processing exact-change cash transactions involving 1 and 2 cent, 3 cent and 4 cent amounts.

Inconsistent rounding practices could create accounting discrepancies, audit issues, or public complaints.
Clear rounding rules ensure:

- uniformity across all departments
- transparent handling of cash payments
- compliance with state and local financial reporting requirements

It is staff's recommendation that we pass this "Rounding Fee" Ordinance when the customer does not have the exact change, and that the policy would be to round up to the nearest nickel increment.

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING CHAPTER 22 OF THE BIG SPRING CITY CODE ENTITLED "FEES," ARTICLE VII BY ADOPTING SECTION 22-12 TO IMPOSE A FEE ON CASH TRANSACTIONS INVOLVING MAKING CHANGE IN AMOUNTS LESS THAN FIVE CENTS, NOT INVOLVING A CUSTOMER ACCOUNT, AND EXCLUDING MUNICIPAL COURT; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Big Spring is a Texas home-rule municipality; and

WHEREAS, in 2025, the United States Mint stopped issuing pennies, and while pennies remain in circulation, it is expected that they will dwindle in number, and soon it will be difficult for the City to obtain them, even for the purpose of making exact change; and

WHEREAS, adopting this ordinance is in the public interest and is necessary to protect health, life and property, and to preserve the good government, order, and security of the municipality and its inhabitants;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

<u>SECTION 1.</u> The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

<u>SECTION 2.</u> The Section 22-12, Chapter 22, "Fees," Big Spring City Code," is hereby adopted as follows:

Big Spring City Code
Chapter 22, Fees

<u>Section 22-12. Making change in increments of less than 5 cents fee.</u>

<u>(a) For cash transactions in which there is no related customer account, the City of Big Spring hereby imposes a fee for making change in currency when in increments of less than 5 cents. The fee is in the amount necessary to round up the amount owed to the City to the nearest increment of five cents. Thus, the fee is 0 cents, 1 cent, 2 cents, 3 cents, or 4 cents, depending on the transaction. This fee does not apply to Municipal Court. The fee is imposed after all fees other than this fee are imposed and after sales and use tax is imposed. The fee is imposed once per transaction. The fee is not part of the sales price. Proceeds from the fee shall be applied to the fund associated with the transaction.</u>

(b) For purposes of interpreting (a), this subsection is provided. For example, if a person owes the City $6.41 including all fees and taxes, and the person presents seven dollars in currency for payment, the change would initially be 59 cents before the imposition of this fee. A fee of four cents would be imposed by this fee to bring the total owed by the person to the City to $6.45 and the City would make change to the person in the amount of 55 cents, and the transaction is final. If the person presents seven dollars and one cent in currency, the change would be 60 cents and the person would not be assessed the fee as change is in an increment of five cents. The fee shall be applied to the same fund used for the service.

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 3. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 4. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 5. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 6. This Ordinance is ordered to be codified.

SECTION 7. This Ordinance shall become effective upon its second publication according to law.

SECTION 8. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the _____day of ________, ______, with all members of the Council voting "aye" for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the _____day of _________, _______, with all members of the Council voting "aye" for the passage of same.

____
Robert H. Moore III, Mayor

ATTEST:

____
Tami L. Davis, City Secretary

JOINT ELECTION AGREEMENT
BETWEEN
BIG SPRING INDEPENDENT SCHOOL DISTRICT
AND
THE CITY OF BIG SPRING, TEXAS

In compliance with 271.002(a) of the Texas Election Code, the Big Spring Independent School District and the City of Big Spring hereby agree to hold a joint election in conformance with the provisions set forth below.

1. Scope

   This Agreement covers the conduct of the City's regular election and the District's general trustee election, which are to be held on May 2, 2026 ("Election Day") as well as any special election which may be called by either Party which will be held on the above noted election day, jointly for the voters in the City of Big Spring and the Big Spring Independent School District.

2. Legal Documents

   The Parties shall each be responsible for the preparation, adoption, and publication (including bilingual publications) of their respective required election orders, resolutions, notices, Department of Justice pre-clearance submission (as required by the Civil Rights Act), and any other pertinent documents required by law, unless otherwise set forth herein.

3. Polling Places

   The Parties shall share common polling places as set forth in their respective election orders, and in accordance with Election Code §271.003 and Chapter 43 of the Election Code.

4. Conducting the Election

   a. The Parties have each entered into an Election Services Agreement with Howard County wherein the Elections Administrator has agreed to perform election duties ordinarily contemplated in a Joint Election Agreement. Accordingly, the terms of each Party's respective Election Service Contract shall bind the conduct of the election for each Party.
   b. In the event a conflict regarding the conduct of the election (with the exception of polling places) arises between this Agreement and the Election Services Agreement, the Election Services Agreement provision prevails.

5. Election Records Retention

Both Parties will be responsible for the retention of their respective records, in accordance with the Texas Election Code.

6. Order, Resolution, or Other Official Action

The Parties agree to state the terms of the Joint Election Agreement in an order, resolution, or other official action adopted by the governing body of each Party, at a lawfully called meeting, as required by Texas Election Code § 271.002(d).

7. Cancellation of Election

Should either Party cancel its election, this Agreement will become void upon notification to the other Party.

8. Preservation

An executed copy of this Agreement shall be preserved by each party for the period for preserving the precinct election records, as required by Texas Election Code §271.002(e), or longer as determined by each Party's records retention schedules.

9. Miscellaneous Provisions

a. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties created hereunder are performable in Howard County, Texas.
b. In the event one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
c. The Parties shall comply with all applicable laws, ordinances, and codes of the State of Texas, all local governments, and any other entities with local jurisdiction.
d. The waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.
e. Any amendment of this Agreement shall be of no effect unless in writing and signed by both Parties hereto.
f. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes.

CITY OF BIG SPRING

Robert Moore, Mayor

ATTEST:

BIG SPRING INDEPENDENT SCHOOL DISTRICT

Fabian Serrano,
School Board President

ATTEST:

CITY OF
Big Spring

MEMORANDUM

Date: January 27, 2026

To: Mayor Moore, Big Spring City Council Members

From: Todd Darden, City Manager

Re: Authorization to execute a lease with Black Forest Ventures Aviation RE, LLC at McMahon-Wrinkle Airport

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Staff received a proposal on October 29, 2025, from Black Forest Ventures Aviation RE, LLC who operates FBO's at Houston Hobby, Addison, and Conroe-North Houston Regional Airports. The proposed term is for a 40-year period consistent with aviation leases in the state of Texas. The proposal included the assumption of FBO Services currently being provided by the City of Big Spring Airpark Department as well as leasing the terminal building, fuel farm and the three community hangars currently operated by the city. They also proposed leasing approximately 31 acres for a phased development and requested right of first refusal for future lease proposals at the airport.

Staff brought the item forward for City Council action on December 9, 2025, and the City Council authorized the City Manager to negotiate and execute a lease with Black Forest Ventures Aviation RE, LLC. I decided that there were some changes that needed to be made to the draft lease. Staff determined that for full disclosure the item was to be brought back to city council to discuss the right of first refusal language that was not presented in the December 9th meeting.

Black Forest Ventures Aviation RE, LLC. has been working in good faith with the city throughout the lease negotiations and is very excited about moving forward with this development proposal. Staff are equally as excited about the opportunity as this is the most significant event the airport and city have entertained for our airport in over 40 years.

Staff most strongly recommend approval of this opportunity.

LEASE AGREEMENT

This Lease Agreement (this "Lease") is made and entered in Big Spring, Howard County, Texas, into as of January ___, 2026 (the "Effective Date"), by and among the City of Big Spring, Texas, a Texas home-rule municipality (hereinafter sometimes referred to as "Landlord" or the "City"), and Black Forest Ventures Aviation RE, LLC, a Texas limited liability company (hereinafter referred to as "Tenant") (Landlord and Tenant are sometimes referred to herein together as the "Parties or individually as a "Party"").

WITNESSETH:

WHEREAS, the City is the record title owner of the airport development, a public use airport, presently known as "Big Spring McMahon-Wrinkle Airport," a description of which is set forth in Exhibit "1" attached hereto and incorporated herein (the "Big Spring Airport" or "Airport");

WHEREAS, the Airport is subject to the Indenture ("Original Indenture"), dated October 6, 1978, between the United States of America and the City of Big Spring, filed for record on October 6, 1978, recorded in Volume 475 at Page 729, as amended by the Amendment to Indenture, dated October 26, 1978, filed for record on November 6, 1978 in Volume 476 at Page 293, and as amended in all subsequent agreements, amendments, and instruments to such Original Indenture (the Original Indenture, as amended, is the "Indenture"); the initial description of the Airport was specified in the Indenture;

WHEREAS, the City anticipates developing the Airport generally in accordance with the City's Master Plan, as amended from time to time;

WHEREAS, Tenant desires to lease from the City, and the City desires to lease to Tenant, the interior space within (a) the Terminal containing approximately 4,500 square feet of floor space, (b) Hangar 1 containing approximately 15,100 square feet of floor space, (c) Hangar 2 containing approximately 15,100 square feet of floor space, and (d) Hangar 3 containing approximately 23,100 square feet of floor space (together, the "Initial Demised Premises") depicted and described in Exhibit "2" attached hereto and incorporated herein (The Terminal, Hangar 1, Hangar 2, and Hangar 3 buildings, together, are the "Initial Buildings"), all located on the Airport, in accordance with the terms and conditions of this Lease;

WHEREAS, Tenant desires to have (a) the right to use the parking lot, driveways, sidewalks, fences, gates, and signs located in the area shown as "Initial Common Area" ("Initial Common Area"), depicted and described in Exhibit "3" attached hereto and incorporated herein, all located on the Airport, in accordance with the terms and conditions of this Lease, and (b) the exclusive right to use, occupy, and control the Fuel Farm (depicted in Exhibit "3") located in the Initial Common Area ("Fuel Farm") and the aircraft parking apron area located on the Initial Common Area and the aircraft maneuvering area west of Taxi Way Bravo adjacent to the Initial Common Area, including all related tie downs and aircraft parking spots (together, the "Apron Area") located in the Initial Common Area;

WHEREAS, Tenant desires an option to expand the area subject to this Lease in accordance with Section 49 of this Lease, and any "Expansion Space Portion", as defined in Section 49, at the Airport leased by Tenant under this Lease, from time to time, shall be deemed to be "Expansion Demised Premises";

WHEREAS, Tenant desires a right of first refusal with respect to lease certain land in accordance with Section 50 of this Lease, and any "Offered Portion", as defined in Section 50, at the Airport leased by Tenant under this Lease, from time to time, shall be deemed to be "ROFR Demised Premises";

WHEREAS, the Initial Demised Premises, each Expansion Demised Premises hereafter leased by Tenant (if any), and each ROFR Demised Premises hereafter leased by Tenant (if any) shall, together, be the "Demised Premises"; all current and future buildings, hangars, ramps, parking areas, and other improvements from time to time located, constructed, or installed on the Demised Premises shall be the "Demised Premises Improvements"; and

WHEREAS, for reference purposes, Exhibit "7" with its drawings labeled "Exhibit 7-1", "Exhibit 7-2", "Exhibit 7-3", and "Exhibit 7-4" depicting the Airport, Initial Demised Premises, and Expansion Space are hereby attached and incorporated into this Lease.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

Section 1. Demise of the Initial Demised Premises:

A. In consideration of and subject to the terms, covenants and conditions set forth in this Lease, effective as of the Commencement Date, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Initial Demised Premises.

B. This Lease is entered into and shall be governed by, and subject to: (i) all applicable "Laws", as defined in Section 7(A), whether in existence or hereafter enacted, adopted or imposed, any and all grant agreements or grant assurances, and the "Airport Governing Documents", as defined in Section 17 below, now existing or as hereafter agreed to, adopted, or imposed, (ii) all restrictive covenants affecting the Demised Premises, (iii) all restrictions, easements, and other encumbrances on or matters of record affecting the Demised Premises, and (iv) and all of the terms, conditions, and provisions of this Lease. In furtherance of the foregoing, Landlord represents to Tenant that, to the best of Landlord's actual knowledge, there are no mortgages, deeds of trust or monetary liens affecting the Demised Premises which are not filed of record. Landlord shall hold title to all current and future Demised Premises Improvements, and the use of the Demised Premises Improvements shall be of a public nature supportive of airport operation so that it will remain exempt from all statutory ad valorem taxes, subject to Section 9.

C. Landlord does hereby grant to Tenant, effective as of the Commencement Date, the right to use the Initial Common Area, including, but not limited to, the parking lot, driveways, sidewalks, fences, gates, and signs, from time to time, located in the Initial Common Area during the Term for their respective intended purposes of such area and improvements. Tenant shall have the right to install signs on the face of the Initial Buildings and in the parking lots and other portions of the Initial Common Area from time to time, as approved by Landlord, which approval shall not be unreasonably withheld, delayed, or conditioned. Except as otherwise provided in this Lease, Landlord shall operate the Initial Common Area in a manner so as not to materially and adversely affect Tenant's use, occupancy, or operations in the Demised Premises for the uses specified in Section 5(A) of this Lease. Subject to the terms and conditions of this Lease, Landlord agrees to make available to Tenant, at no cost to Tenant, at least seventy-five percent (75%) of the parking spaces located in the parking facilities on the Initial Common Area on the Effective Date. Additionally, subject to the terms and conditions of this Lease, Tenant shall have the right to access the Initial Demised Premises and the Initial Common Area on a 24-hour-per-day, 7-day-per-week, basis.

D. Landlord does hereby additionally grant to Tenant, effective as of the Commencement Date, the exclusive right to use, occupy, operate, and control (a) the Fuel Farm, and the aviation fuel storage, dispensing, and distribution facilities located at such Fuel Farm, and all appurtenant equipment, tanks, piping, filtration systems, monitoring systems, containment areas, and related improvements now or hereafter installed at the Fuel Farm, in accordance with Section 5(F), and (b) the Apron Area, in accordance with Section 5(G). Additionally, subject to the terms and conditions of this Lease, Tenant shall have the right to access the Fuel Farm and the Apron Area on a 24-hour-per-day, 7-day-per-week, basis.

E. Mineral rights are not included in this Lease.

F. Except as otherwise provided in this Section 1(F), Landlord does hereby grant and convey to Tenant, effective as of the Commencement Date, at no cost to Tenant, the "Conveyed Personal Property", as defined in Section 2(B). Landlord conveys all Conveyed Personal Property in an "as is" condition, without any representation or warranty. For the period commencing on the Commencement Date through the expiration of the "Tenant Termination Right", as defined in Section 2(g), (a) Tenant shall maintain the Conveyed Personal Property in good condition and repair, as reasonably necessary, and (b) if any item of Conveyed Personal Property is damaged, broken, stolen, or lost, Tenant shall promptly replace such item with a comparable item with a value equal to or greater value than the item of Conveyed Personal Property that was damaged, broken, stolen, or lost. After the expiration of the Tenant Termination Right, Tenant shall have no obligations under the preceding sentence regarding the Conveyed Personal Property. Tenant shall pay all personal property taxes associated with the Conveyed Personal Property and include coverage of such Conveyed Personal Property under Tenant's applicable insurance policy(ies). If Tenant exercises its Tenant Termination Right, then (i) Tenant shall be deemed to grant and convey to Landlord, at no cost to Landlord, the Conveyed Personal Property effective as of the date of the Lease termination, and (ii) shall leave all the Conveyed Personal Property in the Initial Demised Premises or Initial Common Area, in good condition, reasonable wear and tear excepted, subject to this Section 1(F).

Section 2. Term; Inspection Period; Tenant Termination Right:

A. Subject to the termination and all other provisions of this Lease, the term hereof (the "Term") shall commence on the date (the "Commencement Date") that is the day after the expiration of the "Inspection Period", as defined in Section 2(B), and shall end on the last day of the Four

Hundred Eightieth (480th) full calendar month (which is the fortieth (40th) year) following the month in which the Commencement Date occurs (the "Expiration Date").

B. For a period ("Inspection Period") commencing on the Effective Date and ending on the date that is the earlier to occur of (a) one hundred twenty (120) days after the Effective Date, and (b) such earlier date agreed to by the Parties, Tenant shall be allowed to perform, at its sole cost and expense, commercially reasonable due diligence including, but not be limited to, property condition assessments, environmental site assessments, geotechnical investigations, property appraisals, obtain and review property survey, ad valorem (real and personal property) and sales tax impact studies, title exceptions, utility availability, drainage, local Laws affecting the Initial Demised Premises and the Expansion Demised Premises, preliminary project cost estimations (e.g. demolition and other site preparation estimates), test marketing, pre-leasing, and site planning and design. Within three (3) business days after the Effective Date, Landlord shall provide copies of all geotechnical, environmental, structural, asbestos, and HVAC assessments, studies, reports, appraisals, and surveys in Landlord's possession or within Landlord's reasonable control concerning the Initial Demised Premises or the Expansion Demised Premises (together, the "Landlord Inspection Reports"). Except as otherwise agree to in writing between the parties, Tenant shall retain full interest in, right to, and ownership of all assessments, studies, reports, appraisals, surveys, and other documentation related to the due diligence Tenant conducts or has conducted on its behalf. Within three (3) business days after Landlord's written request, Tenant shall provide copies of all third party geotechnical, environmental, structural, asbestos, and HVAC assessments, studies, reports, appraisals, surveys ("Tenant Inspection Reports") that Tenant receives concerning the Initial Demised Premises or the Expansion Demised Premises. Tenant has not made and does not make any warranty or representation regarding the truth or accuracy of the Tenant Inspection Reports. Notwithstanding the foregoing, Tenant shall use commercially reasonable efforts to: (i) treat such Landlord Inspection Reports and Tenant Inspection Reports as confidential, (ii) maintain the confidentiality of such Landlord Inspection Reports and Tenant Inspection Reports to the same degree and extent as Tenant treats its own confidential information, (iii) to use such Landlord Inspection Reports and Tenant Inspection Reports for Tenant's own knowledge and information, and (iv) not to disclose, reveal, sell, or otherwise avail such Landlord Inspection Reports and Tenant Inspection Reports to any third party without Landlord's express consent. Notwithstanding anything in this Section to the contrary, however, Tenant shall have the right to disclose the Landlord Inspection Reports and Tenant Inspection Reports (and information contained in such reports), without Landlord's consent, to: (A) Tenant's directors, officers, employees, agents, attorneys, accountants, and consultants, (B) Tenant's current and proposed lenders, insurers, and purchasers (and the employees, agents, attorneys, accountants, and consultants of such parties), and (C) any proposed assignee of the Lease or subtenant of the Demised Premises (and the employees, agents, attorneys, accountants, and consultants of such parties). Additionally, notwithstanding anything in this Lease to the contrary, the foregoing confidentiality obligations in this Section 2(B) shall not apply to any information that (1) becomes or has become publicly known through no wrongful act of Tenant, (2) is required by law or court or administrative order to be disclosed, or (3) is disclosed in a dispute arising out of this Lease. During the Inspection Period, the Parties shall review the furniture fixtures, and equipment of Landlord located in the Initial Demised Premises and the Initial Common Area and attempt to agree on which items of such furniture, fixtures, and equipment will remain in the Initial Demised Premises and the Initial Common Area for Tenant's use after the Commencement Date, if any;

such agreed upon items of furniture, fixtures, and equipment ("Conveyed Personal Property") shall remain in the Initial Demised Premises and the Initial Common Area for Tenant's use in accordance with Section 1(F). Landlord shall promptly remove from the Initial Demised Premises and the Initial Common Area after the Commencement Date all Landlord's furniture fixtures, and equipment that is not Conveyed Personal Property.

C. The Parties hereto mutually hereby understand and agree that the drawing contained in Exhibit "2" (a) shows the reasonable intent of the Parties as to the Initial Demised Premises, (b) is immediately enforceable and attached hereto for all intents and purposes, and (c) is legally sufficient for the purposes of supporting an action for specific performance or the enforcement of other remedies under this Lease or whether at law or equity. Accordingly, each Party hereby: (i) agrees and acknowledges that it is experienced in transactions of the nature provided for in this Lease; (ii) agrees and acknowledges that it is, in fact, specifically familiar with the configuration and location of the Initial Demised Premises; and (iii) waives any and all claims that the description of the Initial Demised Premises as shall be set out in Exhibit "2" is deficient as legal description or insufficient to support a cause of action for specific performance or for the enforcement of any other remedies under this Lease.

D. Landlord shall present all information necessary for approval of this Lease (including but not limited to the "Leasing ROFR", as defined in Section 50(A)) by the City Council ("City Council") of Big Spring, Texas to such City Council at its meeting scheduled for January 27, 2026 and shall have properly and timely noticed such information on a City Council agenda filed and posted prior to such date. If City Council fails to unconditionally approve this Lease at such City Council meeting on such date, then Landlord and Tenant shall each have the right, in each such Party's sole discretion, to terminate this Lease by delivered written notice of such termination to the other Party on or before February 16, 2026. If either Party terminates this Lease pursuant to the preceding sentence, then this Lease shall terminate upon delivery of such Lease termination notice, and the Parties shall have no further obligation hereunder. Neither Party shall have the right to terminate the Lease under this Section 2(D) after February 16, 2026.

E. During the Inspection Period, Landlord shall, at its sole cost, operate the Initial Demised Premises and the Initial Common Area in substantially the same manner as Landlord operated the Initial Demised Premises and the Initial Common Area immediately before the Effective Date, including, but not limited to, the sale of aircraft goods and services to the public and the dispensing of aviation fuel. During the Inspection Period, Tenant shall have reasonable access to the Initial Demised Premises and the Initial Common Area to perform the activities specified in Section 2(B) and activities reasonably related to the transition of the Initial Demised Premises and the Initial Common Area from Landlord operations to, commencing on the Commencement Date, Tenant operations under with this Lease.

F. If Tenant is unsatisfied with its findings resulting from its due diligence during the Inspection Period for any reason (or no reason at all), Tenant shall have the right to terminate the Lease, in its sole and absolute discretion, by giving written notice to Landlord on or before the expiration of the Inspection Period, in which case this Lease shall terminate and the Parties shall have no further obligation hereunder. Promptly after the end of the Inspection Period, the parties agree to execute, deliver, and record a Memorandum of Lease Agreement in the form attached hereto as Exhibit "5", and shall specify the Commencement Date in such Memorandum of Lease Agreement.

G. Additionally, Tenant shall have right ("Tenant Termination Right") to terminate this Lease, in its sole and absolute discretion, by written notice of termination delivered to Landlord within sixty (60) days after the first (1^{st}) day of the first full calendar month following the fifth (5^{th}) anniversary of the Commencement Date. If Tenant timely delivers such written notice of termination to Landlord, then this Lease shall terminate on the date that is two (2) months after the date of Tenant's delivery of such written termination notice to Landlord. If Tenant fails to timely deliver such written notice of termination, then the Tenant Termination Right shall terminate, and this Lease shall continue in full force and effect.

Section 3. Rental and Other Charges:

A. Subject to adjustment as provided for below in Section 3(B), Tenant agrees to and shall pay to Landlord, without notice, demand, offset or deduction, base rent ("Initial Premises Base Rent") for the Initial Demised Premises in the amounts for the following periods:

Months of Term	Monthly Initial Premises Base Rent
Commencement Date through 12	$0.00
13 through 60	$8,670.00

The first monthly payment or installment of Initial Premises Base Rent is due and payable on or before the first (1^{st}) day of the thirteenth (13^{th}) full month following the month in which the Commencement Date occurs (with no Initial Premises Base Rent due under this Lease prior to such date). Thereafter, each payment or installment of the Initial Premises Base Rent shall be due and payable on the first day of each calendar month during the Term. Except as provided in this Section 3(A), all Initial Premises Base Rent is due on the first of each month and is delinquent after the 10^{th} day of each month, subject to the provisions of Section 22 herein.

For purposes of this Lease, the term "Rent" means the Initial Premises Base Rent, rent specified in Section 49 for Expansion Demised Premises, rent specified in Section 50 for ROFR Demised Premises, and other sums that Tenant may owe to Landlord or otherwise be required to pay under this Lease.

B. Commencing on the first (1^{st}) day of the first full month following the fifth (5^{th}) anniversary of the Commencement Date, and on every anniversary thereafter (each hereinafter referred to as the "Adjustment Date"), the annual Initial Premises Base Rent for the Initial Demised Premises shall be increased by a rate equal to the lesser of (a) the "CPI Increase", if applicable, and (b) three percent (3%). "CPI Increase" means the increase, if any, in the "Consumer Price Index for the full calendar year preceding the calendar year in which the Adjustment Date occurs over the prior full calendar year. "Consumer Price Index" means the Consumer Price Index - All Items for Dallas, Texas Metropolitan Area, as quoted in the publication *Consumer Price Index for All Urban Consumers (CPI-U)* for the Dallas-Fort Worth Consolidated Metropolitan Statistical Area which is issued by the U.S. Department of Labor, Bureau of Labor Statistics, or, if no longer issued, then such comparable price index selected by Landlord, in its reasonable discretion.

C. Landlord may impose, by the adoption by City Council ordinance, a non-discriminatory charge upon aviation fuel delivered to or used by Tenant upon the Demised Premises or elsewhere at the Airport. Landlord shall not charge Tenant a discriminatory fuel flowage fee which differs from that charged to other corporate or general aviation aircraft operators or tenants. Such charge as of the Effective Date is at the rate of $.07 per gallon computed on all aviation fuel delivered to or taken by Tenant onto the Demised Premises and there used by it, which charge Landlord requires to be paid to it generally by all suppliers delivering aviation fuel to Landlord's various tenants at the Airport. The current rate of $.07 per gallon may be adjusted by ordinance throughout the Term of this Lease subject to the Airport Governing Documents (defined elsewhere herein). Tenant agrees to collect such fuel flowage fees each month and remit them to Landlord as additional Rent by the tenth (10^{th}) day of the following month. Neither this Lease nor anything contained herein shall ever prohibit or restrict Tenant from contracting for and purchasing its fuel from any other supplier of Tenant's choice.

Section 4. Initial Demised Premises Base Rent Prepayment Options:

A. Tenant shall have the right to elect to prepay the Initial Premises Base Rent for the Initial Demised Premises for the period commencing on the Commencement Date through the end of the sixtieth (60^{th}) full calendar month following the Commencement Date in advance by delivering written notice of such election to Landlord at least ten (10) days before the Commencement Date. If Tenant makes such election, then it shall pay the entire Initial Premises Base Rent that is then scheduled to accrue for such period to Landlord on or before the Commencement Date.

B. Additionally, Tenant shall have the right to elect to prepay the Initial Premises Base Rent for the Initial Demised Premises in advance for the remainder of the Lease Term after the period described in Section 4(A), in accordance with this Section 4(B), by delivering written notice of such election to Landlord at least ten (10) days before the first (1^{st}) day of the first full month following the fifth (5^{th}) anniversary of the Commencement Date. If Tenant makes such election, then it shall pay to Landlord on or before the first (1^{st}) day of the first full month following the fifth (5^{th}) anniversary of the Commencement Date an amount equal to the present value of the entire Initial Premises Base Rent that is then scheduled to accrue for such remainder of the Lease Term, discounted over such remaining period at a rate ("Discount Rate") equal to (i) the prime rate then published by Citibank, N.A., or its successors or assigns (or, if such rate is no longer published, then another major financial institution selected by Landlord, in its reasonable discretion), as of the date of delivery of the election notice, *plus* (ii) one percent (1%). For purposes of the calculation in the preceding sentence, the CPI Increase for each full calendar year during the period in which such calculation is being made shall be deemed to be two and one-half percent (2.5%).

Section 5. Use of Demised Premises; Fuel Farm and Apron Area Operations:

A. Permitted Uses: The Demised Premises shall be used and occupied by Tenant only for the following purposes:

1. Sale of aircraft and aircraft parts;

2. Aircraft maintenance and repair, aircraft storage; fuel storage;

3. Aircraft training, aircraft management and charter;

4. Aircraft rentals;

5. Fixed Base Operations ("FBO"): being the sale of aircraft goods and services to the public including, but not limited to, the dispensing of aviation fuel in accordance with and subject to the ordinances and regulations issued by the City of Big Spring from time to time and/or the Airport Governing Documents, or otherwise consistent with those uses listed in the Big Spring McMahon-Wrinkle Airport Minimum Standards, as adopted in Chapter 10, Article II, Division 2 of the City of Big Spring Code of Ordinances, as may be amended (the "Minimum Standards");

6. Constructing, owning and operating hangar facilities, public terminal, and restaurant(s), used directly in support of and in connection with the FBO services;

7. Office or administrative space used strictly in support of aeronautical operations or services, such as corporate flight operations offices and/or corporate aircraft management and charter services;

8. The storage of corporate aircraft owned, leased or exclusively controlled (i.e. the right to fly or possession of the power to directly or indirectly sell or otherwise dispose of said aircraft) by Tenant;

9. The storage of corporate aircraft owned, leased or exclusively controlled (i.e. the right to fly or possession of the power to directly or indirectly sell or otherwise dispose of said aircraft) by any sub-tenant under separate written agreement with Tenant;

10. Incidental support and services of various types in connection with aircraft stored or based at the Demised Premises and such aircraft's users, including general aircraft maintenance and repair as well as "auto spa" type services such as automobile detailing and storage;

11. Ground transportation for rent or hire (including taxi and limousine service);

12. Retail services including food sales; barber and valet services, alcoholic beverage sales, sales of pilot supplies; newsstands and gifts;

13. Hosting special events in support of Tenant, subtenants, their clientele, or charitable organizations subject to the Rules and Regulations, which may be amended from time to time pursuant to Section 17 below, and those ordinances, rules, standards and regulations of the City of Big Spring as may be adopted from time to time governing same; and

14. Private parking garages, subject to prior written approval of Landlord as part of the design plan approval, for automobiles used by Tenant, subtenants, their invitees and guests.

15. Those activities listed in the Minimum Standards; and

16. Any other uses as authorized in advance and in writing by Landlord.

B. The Demised Premises shall not, under any circumstance be used for any activity that (i) constitutes a violation of any Laws, (ii) creates or would create a nuisance or waste, or unreasonably disturb, annoy or interfere with other tenants or users of the Airport, (iii) materially increases insurance costs for Landlord, or (iv) would result in the Landlord being in violation of its grant assurances obligations to the federal government or the Indenture.

C. Tenant acknowledges that Landlord is bound by, and this Lease is subject to, the terms and conditions of the Federal Aviation Administration (and its successors) ("FAA"), Texas Department of Transportation (and its successors) ("TxDOT"), and other grant agreements, grant assurances and regulations regarding the Airport, including, without limitation, any grant, loan, regulation, or agreement under Section 22.055 if the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Tenant agrees not to act or fail to act in any way or manner that would cause Landlord to be in violation of any of the foregoing.

D. The nondiscrimination requirements attached hereto in Exhibit "8" are hereby attached to and incorporated into to this Lease and made a part hereof for all intents and purposes.

E. Tenant shall have the right to cease operations in the Demised Premises, subject to the terms and conditions of this Section 5(E). If Tenant ceases to operate in the Demised Premises for more than one hundred twenty (120) consecutive days other than due to a "Permitted Closure" (as defined below) (a "Closure"), then such cessation shall not be an Event of Default under Section 22 and Landlord shall have, as its sole right and remedy for such cessation, the right ("Recapture Right") to terminate the Lease and recapture the Demised Premises at any time thereafter on the terms set forth in this Section 5(E) until the date, if applicable, Tenant commences operating in the Demised Premises again. If Landlord chooses to exercise its Recapture Right, then Landlord shall deliver written notice to Tenant ("Exercise Notice") exercising the Recapture Right, which Exercise Notice may be delivered at any time before the date Tenant commences operating in the Demised Premises again. If Landlord timely delivers the Exercise Notice, this Lease shall terminate on the ninetieth (90^{th}) day ("Termination Date") following the date of the Exercise Notice. For purposes of this Section 5(E), the following shall be "Permitted Closures" and shall not constitute a Closure: (i) any period during which the normal operation of business at the Demised Premises is not practical as a result of damage by fire or other casualty, condemnation, interruption of any utility service or services to the Demised Premises, or any event of force majeure; and (ii) periods for renovations, alterations, additions, and repairs not to exceed the longest of (a) ninety (90) consecutive days, (b) if a building (or similar) permit or approval has been issued for any such renovations, alterations, additions, or repairs, then the time period for which such building (or similar) permit or approval is in effect, and (c) such other period as may be agreed to by the parties in writing.

F. Tenant shall have full operational control of the Fuel Farm, including the right to establish operating procedures, safety protocols, access controls, and hours of operation, provided such procedures comply with all applicable Laws. Tenant is expressly authorized to store, handle, dispense, and sell aviation fuel and related petroleum products from the Fuel Farm to (i) Tenant's own customers, (ii) transient aircraft, (iii) based aircraft, and (iv) any other Airport users to whom Tenant elects to provide fueling services, all at prices, terms, and conditions established solely by Tenant, subject only to applicable Laws and the Indenture. Tenant's right to sell aviation fuel shall be exclusive to the extent permitted by applicable Laws and shall not be limited, conditioned, or impaired by any Airport Governing Documents adopted or amended after the Effective Date that materially restricts Tenant's fueling operations. Landlord shall not impose any requirement that Tenant sell fuel at prescribed prices, maintain minimum or maximum pricing, or provide fueling services to any category of users except as required by applicable Laws. Nothing in this Lease shall be construed to grant Landlord any operational control over Tenant's fueling activities. Landlord shall not unreasonably interfere with or restrict Tenant's access to, or operation of, the Fuel Farm, and shall maintain the Initial Common Area and adjacent Common Facilities in a manner that does not impair Tenant's safe and efficient fuel operations. Tenant shall operate the Fuel Farm in compliance with all applicable Laws. Tenant shall obtain and maintain all permits and approvals required for the lawful operation of the Fuel Farm. Landlord shall cooperate, at no cost to Landlord, in executing any documents reasonably required for Tenant to obtain or maintain such permits. Landlord shall maintain, repair, and replace all equipment, tanks, piping, filtration systems, monitoring systems, containment areas, and related improvements now or hereafter installed at the Fuel Farm in accordance with Section 10(A)(1). Landlord shall, at is sole cost, perform capital improvements, upgrades, and replacements to the Fuel Farm as are reasonably necessary or to comply with applicable Law or industry standards for a fuel farm. Landlord shall ensure Tenant's uninterrupted access to the Fuel Farm, including access for fuel delivery vehicles, maintenance contractors, and emergency responders. Landlord shall provide or make available all necessary utility connections (electricity, water, communications) serving the Fuel Farm, and Tenant shall pay for utilities consumed in its operations. Except for the Rent and charges expressly set forth in this Lease, Tenant shall not be required to pay any additional fees, flowage charges, or surcharges to Landlord for Tenant's operation of the Fuel Farm, unless such charges are (i) uniformly applied to all similarly situated Airport fuel operators, and (ii) permitted under Applicable Laws and the Indenture. Landlord shall not have the right to adopt or amend any of the Airport Governing Documents in a manner that would materially impair Tenant's ability to operate the Fuel Farm or impose requirements inconsistent with the Indenture or applicable Laws. Promptly after Landlord's written request, from time to time, Tenant shall provide a copy of Tenant's latest fuel quality report for aviation fuel dispensed from the Fuel Farm. Additionally, Tenant shall have the duty of keeping accurate and complete fuel flowage records for aviation fuel dispensed from the Fuel Farm on forms the Landlord shall approve, in its reasonable discretion. Landlord shall have the right to conduct inspections of Tenant's fuel flowage records and conduct audits thereof, which inspection and audit shall occur promptly after Landlord's written request to Tenant for such inspection and audit.

G. Tenant shall have full operational control of the Apron Area, including the right to establish operating procedures, safety protocols, access controls, and hours of operation, provided such procedures comply with all applicable Laws. Tenant is expressly authorized to locate, park, and store on the Apron Area (i) the aircraft of Tenant's own customers, (ii) transient aircraft, (iii) based aircraft, and (iv) the aircraft of any other Airport users specified by Tenant, all at prices, terms, and conditions established solely by Tenant, subject only to applicable Laws and the Indenture. Tenant's right to locate, park, and store such aircraft on the Apron Area shall be exclusive to the extent permitted by applicable Laws and shall not be limited, conditioned, or impaired by any Airport Governing Documents adopted or amended after the Effective Date that materially restricts such location, parking, or storage. Landlord shall not unreasonably interfere with or restrict Tenant's access to, or operation of, the Apron Area. Landlord shall, at is sole cost, perform capital improvements, upgrades, and replacements to the Apron Area as are reasonably necessary or to comply with applicable Law or industry standards for the Apron Area. Landlord shall ensure Tenant's uninterrupted access to the Apron Area, including access for fuel delivery vehicles, maintenance contractors, and emergency responders. Landlord shall provide or make available all necessary utility connections (electricity, water, communications) serving the Apron Area, and Tenant shall pay for utilities consumed in its operations. Except for the Rent and charges expressly set forth in this Lease, Tenant shall not be required to pay any additional fees, flowage charges, or surcharges to Landlord for Tenant's operation of the Apron Area. Landlord shall not have the right to adopt or amend any of the Airport Governing Documents in a manner that would materially impair Tenant's ability to operate the Apron Area or impose requirements inconsistent with the Indenture or applicable Laws.

Section 6. Acceptance of Demised Premises:

TENANT ACKNOWLEDGES THAT UPON TENANT'S TAKING POSSESSION OF THE INITIAL DEMISED PREMISES AND, IF APPLICABLE, EACH PORTION OF THE EXPANSION DEMISED PREMISES, SUBJECT TO THE TERMS AND CONDITIONS OF THIS LEASE, (A) THE TENANT WILL BE DEEMED TO HAVE FULLY INSPECTED SUCH PORTION OF THE DEMISED PREMISES AND TO HAVE ACCEPTED SUCH PORTION OF THE DEMISED PREMISES AND THAT SUCH PORTION OF THE DEMISED PREMISES IS LEASED TO TENANT "AS IS, WHERE IS, AND WITH ALL FAULTS AND PATENT AND LATENT DEFECTS", AND (B) LANDLORD HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY DISCLAIMS, ANY REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, AS TO THE QUANTITY, QUALITY, CONDITION, SUITABILITY, HABITABILITY, OR FITNESS OF SUCH PORTION OF THE DEMISED PREMISES, INCLUDING, WITHOUT LIMITATION, THE IMPROVEMENTS THEREON, FOR ANY PURPOSE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES. TENANT WAIVES ANY EXPRESS OR IMPLIED WARRANTIES OF SUITABILITY, HABITABILITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 7. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant, at Tenant's sole cost and expense, shall obtain any and all governmental licenses, permits and approvals necessary for the construction of improvements and for the use and occupancy of the Demised Premises. This Lease is subject to and Tenant shall comply at all times with all of the following, which shall individually and collectively be referred to herein as the "Laws": federal, state, and local laws, statutes, constitutional provisions, the Charter of the City of Big Spring, ordinances, codes, rules, regulations, directives, policies, permits standards, and orders (including, without limitation, court orders) of any governmental authority, entity, or agency (including, without limitation, the City of Big Spring, Texas, the State of Texas, the FAA, the TxDOT, the United States Environmental Protection Agency, and the Texas Commission on Environmental Quality) applicable or related to, whether directly or indirectly the use and occupancy of the Demised Premises and whether in existence or hereafter enacted, adopted or imposed, and including, without limitation, any and all grant agreements or grant assurances, and the Indenture. For the avoidance of doubt and including in the event of any conflict between any one or more Laws, it is hereby understood and agreed that the strictest requirement shall apply to Tenant's obligations hereunder.

Tenant agrees that any new construction or modification of existing improvements on the Demised Premises will comply with all applicable Laws. Tenant recognizes that all Laws may be modified or amended from time to time and that compliance will be measured by such standards in effect at the time of a particular construction or modification of improvements.

B. Tenant shall comply with all noise abatement standards at the Airport at all times.

Section 8. Assignment, Subletting and Mortgaging of Leasehold Estate; Stored Aircraft Information:

A. Except as expressly provided in this Lease, without the prior written consent of Landlord, Tenant shall have no power to and shall not either voluntary or involuntary, by operation of law or otherwise:

1. assign, sell, pledge, encumber, mortgage, license, transfer, or otherwise convey (each being referred to herein as "assign" or "assignment," and the person or entity to whom an assignment is made being an "assignee") this Lease or any rights, duties, liabilities, or obligations of Tenant hereunder, without the consent of Landlord, in compliance with Section 46, which consent shall not be unreasonably withheld, delayed, or conditioned; or

2. sublet the whole or any part of the Demised Premises, without the consent of Landlord, in compliance with Section 46, which consent shall not be unreasonably withheld, delayed, or conditioned.

B. Notwithstanding anything in Section 8(A) to the contrary, however:

1. Tenant shall have the right to assign this Lease, and any rights, duties, liabilities, or obligations of Tenant hereunder from time to time without Landlord's consent to (i) a "Permitted Transferee", as defined below, (ii) a "Tenant Affiliate" as defined below, (iii) a "Laukien Affiliate" as defined below, and (iv) a leasehold mortgagee as hereinbelow provided and in accordance with and subject to all of the terms and conditions of this Lease; and

2. Tenant shall have the right from time to time without the consent of Landlord to (i) sublet the whole of the Demised Premises as provided in Section 8.I, and (ii) sublet the whole or any part of the Demised Premises to (I) a Permitted Transferee, (II) a Tenant Affiliate, or (III) a Laukien Affiliate.

C. Any assignment or sublease in violation of this Lease shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) a default under Section 22 of this Lease. An assignment of the Lease will be deemed to occur if the person or persons who own or have control of more than 50% of Tenant on the Effective Date of this Lease cease to own or have control of more than 50% of Tenant at any time during the Term.

D. If consent by Landlord to an assignment or sublease is required under this Section, then Tenant shall request, in writing, Landlord's consent to the proposed assignment or sublease and provide the following to Landlord: (a) the legal name of the proposed assignee or subtenant; (i-a) the state or jurisdiction of formation or organization of the proposed assignee or subtenant if the proposed assignee or subtenant is not an individual; (b) the nature and character of the business of the assignee or subtenant; (c) all material terms of the proposed assignment or sublease; and (d) financial statements or other evidence of the proposed creditworthiness or the assignee or subtenant. Landlord shall deliver written notice ("Election Notice") of its election, in accordance with this Section, to consent or not consent to the proposed assignment of sublease. With regard to any proposed assignment of this Lease or sublease of a portion of the Demised Premises that includes at least all of an entire aircraft hangar, Landlord must deliver its Election Notice to Tenant within sixty (60) days after receipt of the information listed in (a) through (d) in the preceding sentence. With regard to any proposed sublease of a portion of the Demised Premises that does not include at least an entire aircraft hangar, Landlord must deliver its Election Notice to Tenant within twenty (20) days after receipt of the information listed in (a) through (d) above. If Landlord fails to deliver its Election Notice within the applicable period specified above, then Landlord shall be deemed to have consented to such proposed assignment or sublease. If Landlord elects not to consent to a proposed assignment or sublease, then it must specify in reasonable detail in its Election Notice the reason(s) why it did not consent to the proposed assignment or sublease.

E. Notwithstanding anything in this Section to the contrary, however, any such person shall have the unencumbered right, without Landlord consent, to make from time to time gifts, sales or other transfers, upon death and/or *inter vivos* of part or all of his or her ownership interest in the Tenant to a Permitted Transferee.

F. As used in this Section, "Permitted Transferee" means: (i) a person who is a parent or descendant of the transferor; (ii) a trust, the primary beneficiaries of which are relatives of the transferor as described in (i) above; (iii) an entity, the voting or financial control of which is owned by the transferor and/or his relatives as described in (i) above; and (iv) a trust, the primary beneficiary of which is such transferor. As used herein, "Tenant Affiliate" means any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Tenant. For purposes of this Section 8, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. As used herein, "Laukien Affiliate" means (a) Dirk Laukien, currently a resident of Montgomery County, Texas, (b) any person that is a spouse or child of Dirk Laukien, (c) the trustee of any trust principally for the benefit of Dirk Laukien or any person described in (b) preceding, (d) any corporation, partnership, limited liability company, or other entity of which the controlling person or persons are any one or more of the persons or trustees described in (a), (b), or (c) preceding, and (d) any venture or other entity of which the controlling person or persons are any one or more of the persons, trustees, or entities described in (a), (b), or (c) preceding.

G. If consent by Landlord to an assignment or sublease is required under this Section, then, without limitation as to other grounds for Landlord withholding consent, it shall be reasonable for Landlord to withhold its consent to any such assignment of the Lease or sublease of the Premises when any one or more of the following apply:

1. the proposed assignee is of a character or of a reputation or is engaged in a business, which is not reasonably consistent with the master or strategic plan of Big Spring Airport as determined by Landlord;

2. the proposed assignee has not demonstrated sufficient financial responsibility or creditworthiness to the satisfaction of Landlord in light of the duties, obligations, and responsibilities of the Tenant under this Lease at the time when the consent is requested;

3. the proposed assignee's intended use of the Demised Premises is inconsistent with the Lease;

4. the proposed assignment would cause Landlord to be in violation of another lease or agreement to which Landlord is a party or to which Landlord or the Big Spring Airport is subject (including, without limitation, any grant agreements or grant assurances of the Federal Aviation Administration or any other governmental entity or agency);

5. if at any time consent is requested or at any time prior to the granting of consent, Tenant is in default under the Lease or would be in default under the Lease but for the pendency of a grace or cure period; or

6. the proposed assignee does not intend to occupy the entire Demised Premises as described in the Lease and conduct its business therefrom.

H. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Section 5 pertaining to the use of the Demised Premises. Tenant shall not assign this Lease or any right, duty, liability or obligation of Tenant hereunder or sublet the Demised Premises or any portion of the Demised Premises without first (i) obtaining a written agreement, with respect to an assignment, from each such assignee whereby each such assignee agrees to and shall be bound by and comply with all the terms and provisions of this Lease (and Tenant shall provide a copy of such written agreement to Landlord), or (ii) with respect to a sublease, each such sublessee agreeing in its sublease not to cause a breach of any the terms and provisions of this Lease; notwithstanding the foregoing, however, this sentence shall not apply to a change in control of Tenant. No assignment or subletting shall constitute a novation. In the event of the occurrence of an Event of Default while the Demised Premises are sublet, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such subtenant all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any assignment or subletting will not act as a waiver of any rights or remedies granted to or retained by Landlord under this Lease and shall not act as an election of remedies nor shall it prohibit Landlord from exercising its rights and remedies with respect to any other actual or proposed assignment or subletting, and Landlord's consent to any assignment shall not relieve Tenant of any liability to Landlord under this Lease or otherwise.

I. Tenant shall have the right to sublease the Demised Premises to Galaxy FBO Holdings, L.L.C., a Texas limited liability company ("Galaxy") without the consent of Landlord provided Galaxy subleases and takes possession of the entirety of the then-current Demised Premises. Additionally, Tenant shall have the right to sublease Expansion Demised Premises and ROFR Demised Premises that become part of the Demised Premises, from time to time, to Galaxy without the consent of Landlord provided Galaxy subleases and takes possession of the entirety of such Expansion Demised Premises or ROFR Demised Premises promptly after becoming part of the Demised Premises. Except as provided in the preceding two (2) sentences, any sublease shall require Landlord's prior written consent pursuant to the "Master Landlord Sublease Consent" to be substantially in the form attached hereto and incorporated herein by reference as Exhibit "4" to this Lease. Notwithstanding the foregoing, Landlord hereby acknowledges and consents to the subletting (if by Tenant) or sub-subletting (if by Galaxy) of portions of the Demised Premises for the purpose of renting aircraft storage space and related office space only, if evidenced by written agreement (to be made available for Landlord's review and inspection upon Landlord's written request within three (3) business days), signed and executed by Tenant or Galaxy, and the sublessee or sub-sublessee (each if which is a "Sublessee") as the case may be, and states:

1. each Sublessee agrees not to cause a breach of any of the terms and provisions of this Lease, including, without limitation, the provisions of Section 5 pertaining to the use of the Demised Premises, and in the event of any conflict between the terms of the Lease and the terms of the sublease, the terms of the Lease shall control;

2. no subletting shall constitute a novation;

3. in the event of occurrence of an Event of Default while the Demised Premises are sublet, Landlord, in addition to any other remedies provided herein or by law, in equity, or otherwise, may at Landlord's option, collect directly from such Sublessee all rents becoming due under such subletting and apply such rent against any sums due to Landlord hereunder;

4. Sublessee shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Lease;

5. any such sublease is to automatically terminate upon termination of this Lease notwithstanding any other provision of the sublease to the contrary;

6. Landlord shall have no responsibility or obligation for the performance by Tenant of its obligations under the sublease; and

7. neither this consent, the exercise by Landlord of its rights hereunder, nor the sublease or any other instrument shall give Sublessee any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of Sublessee.

Furthermore, Tenant agrees that in no way does any sublease or sub-sublease release Tenant from any of its covenants, agreements, liabilities and duties under this Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; that nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Lease, including, without limitation, the duty to make any and all payments of Rent; that any violation of any terms and conditions of this Lease by a Sublessee may constitute a default under the Lease.

J. Notwithstanding anything in this Section to the contrary, Tenant shall have the right to mortgage the leasehold estate of Tenant created hereby in order to secure a mortgage loan (i) for the purpose of obtaining funds for the construction of the improvements upon the Demised Premises approved from time to time by Landlord in writing, or (ii) for any other purpose which may be approved from time to time by Landlord in writing. In the event that Tenant, pursuant to mortgages or deeds of trust, mortgages the leasehold estate of Tenant created hereby, the leasehold mortgagee shall in no event become personally liable to perform the obligations of Tenant under this Lease unless and until said mortgagee becomes the owner of the leasehold estate pursuant to foreclosure, transfer in lieu of foreclosure, or otherwise, and thereafter said leasehold mortgagee shall remain liable for such obligations only so long as such mortgagee remains the owner of the leasehold estate. Notwithstanding the foregoing, it is specifically understood and agreed that no such mortgaging by Tenant and/or any actions taken pursuant to the terms of such mortgage shall ever relieve Tenant of Tenant's obligation to pay the rent due hereunder and otherwise fully perform the terms and conditions of this Lease. For the avoidance of doubt, Tenant understands that, under no circumstances, shall any fee interest of Landlord be mortgaged or otherwise provided as collateral to secure any loans obtained by Tenant.

K. All mortgages or deeds of trust whereby Tenant mortgages the leasehold estate of Tenant created hereby shall contain provisions (i) requiring the leasehold mortgagee to give Landlord at least fifteen (15) days written notice prior to accelerating the debt of Tenant to such mortgagee and/or initiating foreclosure proceedings under said mortgages or deeds of trust and (ii) allowing Landlord during such fifteen (15) day notice period to cure Tenant's default and prevent said acceleration and/or foreclosure proceedings.

L. Landlord agrees, if and so long as the leasehold estate of Tenant is encumbered by a leasehold mortgage and written notice to such effect has been given to Landlord, to give the holder of such leasehold mortgage at such address or addresses as may be specified in such written notice to Landlord for the giving of notices to the leasehold mortgagee, or as otherwise may be specified by the leasehold mortgagee to Landlord in writing, written notice of any default hereunder by Tenant, simultaneously with the giving of such notice to Tenant, and the holder of any such leasehold mortgage shall have the right, for a period of fifteen (15) days after its receipt of such notice or within any longer period of time specified in such notice, to take such action or to make payment as may be necessary or appropriate to cure any such default so specified, it being the intention of the Parties hereto that Landlord shall not exercise Landlord's right to terminate this Lease without first giving any such leasehold mortgagee the notice provided for herein and affording any such leasehold mortgagee the right to cure such default as provided for herein.

M. Landlord further agrees, upon request by Tenant, to execute and deliver to any proposed leasehold mortgagee of Tenant a "Non-Disturbance Agreement" wherein Landlord agrees that Landlord will (i) recognize such mortgagee and its successor and assigns after foreclosure, or transfer in lieu of foreclosure, as Tenant hereunder, and (ii) continue to perform all of Landlord's obligations hereunder so long as such mortgagee or its successors and assigns performs all of the obligations of Tenant hereunder; provided, however, that notwithstanding the foregoing or any other provision of this Lease, such mortgagee shall not and does not have the right and shall not and does not have the power to assign, sell, transfer, pledge, encumber, mortgage, license, or otherwise convey this Lease, or any right, interest, obligation, or liability hereunder, or any part of the Demised Premises or sublet the whole or any part of the Demised Premises without the prior written approval of the Landlord, and any such assignment, sale, transfer, pledge, encumbrance, mortgage, license, or other conveyance and any such subletting without the prior written consent of the Landlord shall be null and void, it being the intent of this provision that such mortgagee shall have no greater right than Tenant to assign, sell, transfer, pledge, encumber, mortgage, license, or to sublet the Demised Premises (or any portion thereof), or to use the Demised Premises. Landlord also agrees to consider the execution and delivery to such proposed leasehold mortgagee of any other documents which such proposed leasehold mortgagee may reasonably request concerning the mortgaging by Tenant of the leasehold estate created hereby; provided, however, that Landlord shall never be required to subordinate Landlord's interest in the Demised Premises to the mortgage of such proposed leasehold mortgagee.

N. Upon written request, Tenant shall promptly provide to Landlord the names and addresses of any subtenants and the make, model, aircraft type and "N" number of any aircraft stored, located or generally regarded to be "based" on or in the Demised Premises.

Section 9. Property Taxes and Assessments:

Tenant shall pay, before they become delinquent, any and all property taxes or assessments, and any other governmental charges, fees or expenses (collectively, the "Taxes"), levied or assessed on the personal property and trade fixtures on the Demised Premises, and, if applicable, upon the leasehold estate of Tenant created hereby. Upon the request of Landlord, Tenant shall from time to time furnish to Landlord "paid receipts" or other written evidence that all such taxes have been paid by Tenant. In the event Tenant fails to pay any such taxes, assessments, or charges prior to delinquency, Landlord shall have the right to pay (but not the obligation) or may cause all taxes, assessments, or charges to be paid and the reasonable costs thereof expended by Landlord plus interest thereon as provided in Section 37 of this Lease shall be paid by Tenant on demand. Subject to the payment of any outstanding Taxes, Tenant may protest, appeal or institute other formal proceedings to effect a reduction or abatement of real estate taxes and assessments with respect to real estate taxes and assessments levied against the improvements on the Demised Premises and/or the Tenant's leasehold interest in the Lease for any tax fiscal year that ends after the Commencement Date of this Lease. Such protest, appeal or other proceedings may be conducted only in the name of Tenant. To this end and at Tenant's expense, Tenant shall give Landlord written notice of any such protest or appeal and resolution thereof.

Section 10. Maintenance and Repair of Demised Premises:

A. Initial Demised Premises

1. Landlord shall, at its sole cost, maintain, repair, and replace, in good repair and in a first class condition, consistent with industry standards, and in compliance with applicable Laws, (a) the roof, foundation, load-bearing components and exterior walls (including windows, storefronts, glass and doors) and surfaces, of the Initial Buildings, (b) utility lines and facilities located in, on, or under the Initial Common Area serving the Initial Demised Premises, (c) mechanical (including, but not limited to the HVAC system), electrical, plumbing, fire prevention and warning systems, sprinkler and life safety, and security systems located in the Initial Buildings or otherwise serving the Initial Demised Premises, (d) all improvements located on, from time to time, the Fuel Farm, including, but not limited to, all equipment, tanks, piping, filtration systems, monitoring systems, containment areas, and related improvements now or hereafter installed at the Fuel Farm, and (e) the parking lot, apron(s), sidewalks, fences, gates, landscaping, signs, lighting systems, and other improvements located in or on the Initial Common Area from time to time.

2. Except as expressly set forth in Section 10(A)(1) or elsewhere in this Lease, Tenant shall, at its sole cost, throughout the term hereof, maintain the Initial Demised Premises and all improvements made thereto, and Tenant's fixtures, equipment and personal property from time to time located in the Initial Demised Premises, from time to time, in good repair and in a first class condition and in compliance with applicable Laws. Additionally, notwithstanding Section 10(A)(1), Tenant shall, at its sole cost, perform minor maintenance of equipment located in the Fuel Farm and provide supplies consumed in Tenant's operation of the Fuel Farm throughout the term hereof. In the event Tenant shall fail to so maintain the Initial Demised Premises and Tenant's fixtures, equipment and personal property located in the Initial Demised Premises (excluding aircraft stored at the Initial Demised Premises) situated thereon, after notice and an opportunity to cure as provided in Section 22 below, in addition to its other rights and remedies, Landlord shall have the right (but not the obligation), in accordance with Section 23, to enter the Demised Premises without liability to Tenant to repair or cause to be repaired all such deficiencies or perform or cause to be perform such maintenance necessary to remedy such conditions; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 35 shall be paid by Tenant upon demand.

B. Expansion Demised Premises - Tenant shall, at its sole cost, maintain, repair, and replace, in good repair and in a first class condition and in compliance with applicable Laws, (a) the roof, foundation, load-bearing components and exterior walls (including windows, storefronts, glass and doors) and surfaces, of the buildings and other improvements located, from time to time, in Expansion Demised Premises added to the Demised Premises, (b) utility lines and facilities constructed or installed by Tenant located in, on, or under such Expansion Demised Premises, (c) mechanical (including, but not limited to the HVAC system), electrical, plumbing, fire prevention and warning systems, sprinkler and life safety, and security systems located in the buildings and other improvements in such Expansion Demised Premises, (d) the parking lot, apron(s), sidewalks, fences, gates, landscaping, signs, lighting systems, and other improvements located in or on such Expansion Demised Premises from time to time, and (e) and Tenant's fixtures, equipment and personal property from time to time located in such Expansion Demised Premises. In the event Tenant shall fail to so maintain the Expansion Demised Premises and Tenant's fixtures, equipment and personal property located in the Expansion Demised Premises (excluding aircraft stored at the Expansion Demised Premises) situated thereon, after notice and an opportunity to cure as provided in Section 22 below, in addition to its other rights and remedies, Landlord shall have the right (but not the obligation), in accordance with Section 23, to enter the Demised Premises without liability to Tenant to repair or cause to be repaired all such deficiencies or perform or cause to be perform such maintenance necessary to remedy such conditions; and all reasonable costs therefore expended by Landlord plus interest thereon as provided for in Section 37 shall be paid by Tenant upon demand.

C. ROFR Demised Premises - Each ROFR Demised Premises shall be maintained, repaired, and replaced in accordance with terms and conditions specified in the "Offer Notice", as defined in Section 49, for such ROFR Demised Premises, if specified in such Offer Notice. If not specified in such Offer Notice and (a) such ROFR Demised Premises is space located (or to be located) inside a building (or hangar), then such ROFR Demised Premises shall be maintained, repaired, and replaced by Landlord, at its sole cost, in the manner set forth in Section 10(A), and (b) if (a) is inapplicable, then such ROFR Demised Premises shall be maintained, repaired, and replaced by Tenant, at its sole cost, in the manner set forth in Section 10(B).

D. Notwithstanding the foregoing, Tenant (and any of its successors or assigns) hereby agrees to meet or exceed the "Minimum Standards", as defined in Section 5(A)(5), as amended in accordance with Section 5(A)(5), from time to time, with respect to the Demised Premises throughout the Term.

E. Landlord shall, at its sole cost, operate, maintain, repair, and replace, in good repair and in a first class condition and in compliance with applicable Laws, all Airport common facilities, improvements, equipment and services not located in the Initial Common Area which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including taxiways, aircraft apron areas, landing and takeoff facilities, means of ingress and egress to the Demised Premises, other Airport installations (together, the "Common Facilities").

Section 11. Construction, Alterations, Additions and Improvements:

A. With regard to Tenant's construction of buildings, structures, or other improvements on the Expansion Demised Premises and the ROFR Demised Premises, Tenant, at Tenant's sole cost, risk and expense, shall promptly and diligently commence and complete the construction of such buildings, structures, or other improvements, with such construction as may be approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed, or conditioned. All construction plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed, or conditioned, prior to the commencement of construction. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Demised Premises, including, without limitation, Sections 7 and 12 hereof.

B. After the initial construction of any Demised Premises Improvements, Tenant shall not create any openings in the roof or exterior walls, or make any material alterations, additions or improvements to such Demised Premises Improvements or material modifications thereto without the prior written consent of Landlord, except as otherwise provided in this Lease. Consent for any such alterations, additions, improvements, or material modifications requiring consent by Landlord shall not be unreasonably withheld, delayed, or conditioned by Landlord. Tenant shall have the right, without Landlord's consent, to erect or install shelves, bins, machinery, HVAC equipment and trade fixtures, or to move demising walls within the Demised Premises Improvements, provided that Tenant complies with all applicable governmental laws, ordinances and regulations (including, without limitation and as may be required by law, obtaining a building permit). Additionally, notwithstanding the foregoing, so long as Tenant otherwise complies with all other provisions of this Section, Tenant shall not be required to obtain the consent of Landlord for any alterations, additions, improvements, or material modifications that (a) do not materially and adversely affect the safety or structural integrity of Demised Premises Improvements, and (b) do not exceed $200,000.00 (as such amount is increased, if applicable, annually, by the Consumer Price Index) in cost in the aggregate over a 12-month period. All alterations, modifications, additions and improvements in and to the Demised Premises Improvements shall be performed in a first class, workmanlike manner, shall comply with all the standards and requirements set out above, and in Section 7, and Tenant shall promptly pay and discharge all costs, expenses, damages, liens and any and all other liabilities and obligations which arise in connection therewith (and shall defend, indemnify, and hold harmless Landlord, and its officials, officers, employees, and agents, from and against any and all such costs, expenses, claims, liens, liabilities, and obligations as set forth in Section 20).

C. Subject to the terms and conditions of this Lease, if Tenant fails to construct, or have under construction, by the fifth (5^{th}) anniversary of the Commencement Date, "Capital Improvements", as defined below, to the Demised Premises (including, but not limited to, any "Expansion Space Portion", as defined in Section 49, added to the Demises Premises pursuant to Section 49, and any "Offered Portion", as defined in Section 50, added to the Demises Premises pursuant to Section 50), costing in the aggregate at least Six Million Dollars ($6,000,000.00), then such failure shall not be an Event of Default under Section 22 and Landlord shall have, as its sole right and remedy for any such failure by Tenant, the right to terminate this Lease by written notice of termination delivered to Tenant within sixty (60) days after such fifth (5^{th}) anniversary date. If Landlord timely delivers such written notice of termination to Tenant, then this Lease shall terminate on the date that is six (6) months after the date of Landlord's delivery of such written termination notice to Tenant. If Landlord fails to timely deliver such written notice of termination, then this Lease shall continue in full force and effect. The Capital Improvements referenced in this Section 11(B) are subject to the prior approval of Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed. Landlord and Tenant will reasonably cooperate in good faith with one another so that the schedule, scope, location, and details of any Capital Improvements will be submitted by Tenant and approved by Landlord so as not to delay the commencement and execution of the Capital Improvements within periods specified in this Section 11(B). "Capital Improvements" means any hangars, buildings, or other improvements (including, but not limited to, the mechanical, electrical, plumbing, HVAC, fire prevention and warning, and security systems located therein) related to the transport or storage of aircraft to be constructed on the Demised Premises, together with related parking, driveways, fuel storage facilities, utility lines, facilities and equipment, landscaping, irrigation, signage, fencing, and other related fixtures or improvements, or the renovation or repair of such hangars, buildings, or other improvements located on, or to be located on, the Demised Premises. For purposes hereof, the cost of each Capital Improvement under this Section 11(B) shall include all actual mobilization, construction, demolition, and clearing costs, architectural and engineering fees, project management fees, testing and inspection fees, construction management fees, consulting fees, surveying fees, permitting fees, and other direct or allocable fees or costs arising out of or related to such Capital Improvement.

Additionally, Tenant anticipates that it will construct Capital Improvements (in addition to the construction of Capital Improvements specified in the preceding paragraph) to the Demised Premises at a cost of at least Ten Million Dollars ($10,000,000.00) during the first ten (10) years of the Term; Tenant shall not, however, have any obligation regarding such construction.

D. Landlord's consent and/or Landlord's approval requirements under this Section are separate from requirements of building codes and laws such as may require permits, or the service of an architect or engineer. Improvements on the Demised Premises are considered public buildings.

Section 12. Insurance and Bonds

A. At all times in connection with this Lease and during the Term hereof, Tenant, or its subtenant, shall purchase and maintain at its sole cost and expense, or, as appropriate, shall cause its subtenants to purchase and maintain, at their sole cost and expense, and in a company or companies lawfully authorized to do business in Texas such insurance coverages relating to the Demised Premises as follows:

1. With regard to the Initial Demised Premises, insurance against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, in amounts not less than one hundred percent (100%) of the full insurable value of Tenant's fixtures, equipment and personal property located in the Initial Demised Premises. The term "full insurable value" as used herein means actual replacement value at the time of such loss, as reasonably estimated by Tenant.

2. With regard to any the Expansion Demised Premises, insurance against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, in amounts not less than one hundred percent (100%) of the full insurable value of the buildings and other improvements on, and Tenant's fixtures, equipment and personal property located in, the Expansion Demised Premises.

3. With regard to ROFR Demised Premises, (a) if such ROFR Demised Premises is space located inside a building (or hangar), then Tenant shall purchase and maintain standard extended coverage policies in the manner set forth in Section 12(A)(1), and (b) if (a) is inapplicable, then Tenant shall purchase and maintain standard extended coverage policies in the manner set forth in Section 12(A)(2).

4. Commercial General Liability insurance at minimum combined single limits of $1,000,000 per-occurrence and $1,000,000 general aggregate for bodily injury, death or property damage or destruction occurring on, in or about the Demised Premises, which coverage shall include products/completed operations ($1,000,000 products/completed operations aggregate). Coverage for products/completed operations must be maintained for

at least two (2) years after construction work has been completed. Coverage must include contractual liability.

5. Statutory limits of workers compensation insurance and employer's liability with limits of liability of not less than $1,000,000.00 each-occurrence each accident/$1,000,000.00 by disease each-occurrence/$1,000,000.00 by disease aggregate.

6. Hangar keepers Legal Liability insurance, at limits of $1,000,000.00 per-occurrence is required if Tenant is engaged in maintenance, repair, or servicing of aircraft belonging to a third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody, or control of an aircraft that belongs to a third-party.

7. Aircraft liability insurance against third party bodily injury or death and property damage or destruction at minimum limits required by regulatory agencies having jurisdiction at the Airport and which are acceptable to Landlord, but in any event not less than $1,000,000.00 each occurrence (applies to the ownership, operation or use of aircraft by Tenant or any subtenant). Policy shall include non-owned aircraft liability with a minimum of $1,000,000 and medical expense coverage with a limit of $5,000 for any one person.

8. Business Automobile Liability insurance for all Tenant owned and non-owned vehicles being operated on the Airport with a minimum combined single limit of $1,000,000 for bodily injury and property damage.

9. If there is fueling of aircraft at the Demised Premises, there shall be maintained a minimum of $1,000,000 in Pollution Liability Insurance coverage.

10. Such other insurance in such amounts and against such other insurable hazards, which at the time are commonly obtained within the aeronautical industry for similar types of building improvements and other improvements that may be located on the Demised Premises and Tenant's permitted use of the Demised Premises and which are required by Landlord of other similarly situated tenants at the Airport.

B. Tenant, or its subtenant, shall cause all such policies of insurance to comply with the following and be specifically endorsed as follows:

1. The City of Big Spring, Texas, and its officials, officers, employees and agents shall be included as additional insureds or loss payees, as the case may be, on the policies listed above, except with respect to the professional liability policies and workers compensation insurance;

2. All liability insurance policies which are endorsed to include the City of Big Spring, Texas (and its officials, officers, employees and agents) as additional insureds must be endorsed to read as primary coverage and non-contributory regardless of the application of other insurance;

3. A waiver of subrogation in favor of the City of Big Spring, Texas and its past and present officials, officers, employees and agents) shall be contained in each policy required herein;

4. All insurance policies shall be endorsed to the effect that the City of Big Spring, Texas will receive at least thirty (30) days written notice prior to cancellation or non-renewal of the insurance (except that if such insurance is canceled for non-payment of premium, such notice shall be ten (10) days);

5. All insurance policies shall be endorsed to require the insurer to notify the City of any material change in the insurance coverages;

6. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the City of Big Spring or Tenant;

7. Tenant may maintain commercially reasonable deductibles; and

8. Insurance must be purchased from insurers that maintain during the policy term a "General Policyholder's Rating" of at least A- and a financial rating of at least "Class VII" as set forth in the most recent edition of "Best Insurance Reports" or similar rating by another rating agency, and are licensed to do business in the State of Texas.

C. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of insurance, in a commercially reasonable form, evidencing all coverage above, shall be prepared and executed by the insurance company or its authorized agent, promptly delivered to Landlord and updated as may be appropriate, and shall:

1. List each insurance coverage described and required herein. Such certificates will also include a copy of the endorsements necessary to meet the requirements and instructions contained herein; and

2. Specifically set forth the notice-of-cancellation or termination provisions to the City of Big Spring.

D. In connection with any construction on the Demised Premises, Tenant, or its subtenant, shall purchase and maintain at its sole cost and expense, or, as appropriate, shall cause its subtenants to purchase and maintain, at their sole cost and expense, a Builder's Risk Completed Value policy with an all risks endorsement in an amount equal to the amount of the construction contract including any amendments or change orders thereto. The policy shall provide "All Risk" Builder's Risk Insurance (extended to include the perils of wind, collapse, vandalism/malicious mischief, and theft, including theft of materials whether or not attached to any structure). The deductible shall be commercially reasonable.

E. Pursuant to Section 2252.909, Texas Government Code (Acts 2023, 88th Leg., ch. 1008 (H.B. 2518), § 1), for Demised Premises Improvements, Tenant must require Tenant's contractor to:

1. execute a payment bond that conforms to Subchapter I, Chapter 53, Texas Property Code;

2. execute a performance bond in an amount equal to the amount of the contract for the protection of the City and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents; and

3. provide to the City a notice of commencement consistent with this section at least 90 days before the date the Demised Premises Improvement begins. Such notice of commencement must:

(a) state the full legal name of the contractor and official street address for its headquarters;
(b) identify the public property where the work will be performed;
(c) describe the work to be performed;
(d) state the total cost of the work to be performed;
(e) include copies of the payment bond required under Section 12(E)(1) and the performance bond required under Section 12(E)(2); and
(f) include a written acknowledgment signed by the contractor stating that copies of the required performance and payment bonds will be provided to all subcontractors not later than the fifth day after the date a subcontract is executed.

If the City deems that Tenant and/or Tenant's contractor are not in substantial compliance with this Section 12(E), the City may notify the Tenant that the construction, alteration, or repair may not proceed and will provide written justification for such notice.

F. Landlord reserves the right to review the insurance and bonding requirements contained herein and to reasonably adjust coverages and limits in accordance with the Airport Governing Documents.

G. Tenant has the duty to provide to Landlord, promptly after Landlord's written request, certificates, declaration pages, and complete copies of policies, endorsements, and other documents evidencing Tenant's compliance with this Section 12.

H. Landlord shall purchase and maintain at its sole cost and expense, and in a company or companies lawfully authorized to do business in Texas such insurance coverages relating to the Initial Demised Premises as follows:

1. insurance coverage against loss or damage to improvements by fire, lightning, and all other risks from time to time included under standard extended coverage policies, and sprinkler, vandalism and malicious mischief, in amounts not less than one hundred percent (100%) of the full insurable value of the Initial Buildings and other improvements on the Initial Demised Premises; and

2. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$1,000,000 general aggregate for bodily injury, death or property damage or destruction occurring on, in or about the Airport, which coverage shall include products/completed operations (\$1,000,000 products/completed operations

aggregate). Coverage for products/completed operations must be maintained for at least two (2) years after construction work has been completed. Coverage must include contractual liability.

Landlord shall cause all such policies of insurance to comply with the following and be specifically endorsed as follows:

(a) Tenant and its employees and agents (and Galaxy and its employees and agents, if Galaxy is a subtenant of the Demised Premises) shall be included as an additional insured on the policy listed in Section 12(H)(2), and the policy must be endorsed to read as primary coverage and non-contributory regardless of the application of other insurance;

(b) A waiver of subrogation in favor of Tenant and its employees and agents (and Galaxy and its employees and agents, if Galaxy is a subtenant of the Demised Premises) shall be contained in each policy required herein;

(c) all liability policies shall contain no cross liability exclusions or insured versus insured restrictions applicable to the claims of the City of Big Spring or Tenant;

(d) Landlord may maintain commercially reasonable deductibles; and

(e) Insurance must be purchased from insurers that maintain during the policy term a "General Policyholder's Rating" of at least A- and a financial rating of at least "Class VII" as set forth in the most recent edition of "Best Insurance Reports" or similar rating by another rating agency, and are licensed to do business in the State of Texas.

Landlord has the duty to provide to Tenant promptly after Tenant's written request, certificates of insurance, endorsements, and other documents evidencing Landlord's compliance with this Section 12(H). If Landlord adjusts requirements for Tenant's insurance coverages or limits pursuant to Section 12(F), then the corresponding requirements for Landlord's insurance coverages or limits shall be adjusted in the same manner.

Section 13. Casualty Damage or Destruction:

A. In case of any material damage to or destruction of the buildings, structures, or any other improvements on or at the Demised Premises, or any part thereof, Tenant will promptly give written notice thereof to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. Initial Demised Premises - With regard to the Initial Demised Premises, in case of any material damage to or destruction of any of the Initial Buildings, or any part thereof, Landlord, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction shall be sufficient for such purpose, at Landlord's sole cost, risk and expense will promptly and diligently commence and complete the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such material damage and/or destruction and with at least as good workmanship and quality as such building, structure, equipment, or other improvements on or at the Initial Demised Premises being restored, repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Tenant, which approval shall not be unreasonably withheld, delayed, or conditioned.

C. Expansion Demised Premises - In case of any material damage to or destruction of any building, structure, or other improvements on or at the Expansion Demised Premises, or any part thereof, Tenant, whether or not the insurance proceeds, if any, payable on account of such damage and/or destruction shall be sufficient for such purpose, at Tenant's sole cost, risk and expense, promptly and diligently commence and complete the restoration, repair and replacement of said building, structure, equipment, or other improvements as nearly as possible to their value, condition and character immediately prior to such material damage and/or destruction and with at least as good workmanship and quality as such building, structure, equipment, or other improvements on or at the Expansion Demised Premises being restored, repaired or replaced, with such alterations in and additions thereto as may be approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed, or conditioned. All repair or replacement plans (whether design, architectural, or otherwise) shall be approved in writing by Landlord, which approval shall not be unreasonably withheld, delayed, or conditioned, prior to the commencement of construction. All such design and construction shall comply with other Sections of this Lease concerning the design and construction of buildings and other improvements on or at the Demised Premises, including, without limitation, Sections 7 and 12 hereof.

D. ROFR Demised Premises - In case of any material damage to or destruction of any building, structure, or other improvements on or at the ROFR Demised Premises, or any part thereof, (a) if such ROFR Demised Premises is space located inside a building (or hangar), then Landlord shall, at Landlord's sole cost, risk and expense, promptly and diligently commence and complete the restoration, repair and replacement in the manner provided in Section 12(B), and (b) if (a) is inapplicable, then Landlord shall, at Landlord's sole cost, risk and expense, promptly and diligently commence and complete the restoration, repair and replacement in the manner provided in Section 12(C).

Section 14. Condemnation:

A. If during the term hereof, any part of the Demised 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 Demised Premises is not reasonably susceptible to efficient and economic occupation and operation by Tenant, as reasonably determined by Tenant, this Lease shall automatically terminate as of the date that said condemning authority takes possession of the Demised Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If after such taking by or sale to said condemning authority the remainder of the Demised Premises is reasonably susceptible to efficient and economic occupation and operation by Tenant, as reasonably determined by Tenant, this Lease shall not terminate but:

(1) if a portion of the Initial Demised Premises is taken or sold, the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the Term the sum obtained by multiplying each monthly rental installment for such Initial Demised Premises due hereunder, as adjusted from time, by a fraction, the numerator of which shall be the number of square feet remaining in the Initial Demised Premises after the taking by or sale to said condemning authority and denominator of which shall be the square footage originally contained in the Initial Demised Premises;

(2) if a portion of the Expansion Demised Premises is taken or sold, the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the Term an annual amount calculated based on the total number of square feet contained in the remainder of such Expansion Demised Premises after the taking by or sale to said condemning authority; and

(3) if a portion of the ROFR Demised Premises is taken or sold, (a) if such ROFR Demised Premises is space located inside a building (or hangar), then the rental due hereunder shall be adjusted in the manner set forth in (1) above, and (b) if (a) is inapplicable, then the rental due hereunder shall be adjusted in the manner set forth in (2) above.

The rental adjustment called for herein shall not commence until said condemning authority actually takes possession of the condemned portion of the applicable Demised Premises.

C. If this Lease is not terminated pursuant to Section 14.A, above, then:

1. with regard to the Initial Demised Premises, Tenant shall promptly restore any building and any other improvements on the portion of the Initial Demised Premises not taken or sold, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Initial Demised Premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear;

2. with regard to Expansion Demised Premises, Tenant shall promptly restore any building and any other improvements on the portion of the Expansion Demised Premises not taken or sold, and the condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid first to cover the costs and expenses for restoring the remaining portion of the Demised Premises to a condition susceptible to efficient and economic occupation and operation by Tenant, and any remaining proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant, as their interest may appear; and

3. with regard to ROFR Demised Premises, (a) if such ROFR Demised Premises is space located inside a building (or hangar), then Landlord shall promptly restore any building or other improvements on the portion of the ROFR Demised Premises not taken or sold in the manner set forth in 1. above, and (b) if (a) is inapplicable, then Tenant shall promptly restore any building or

other improvements on the portion of the ROFR Demised Premises not taken or sold in the manner set forth in 2. above.

If this Lease is terminated pursuant to Section 14.A, condemnation proceeds to which Landlord and Tenant are entitled shall be awarded and paid to Landlord and Tenant as their interests may appear.

Section 15. Utilities:

Tenant shall pay all charges for water, electricity, gas (if applicable), sanitary sewer, telecommunication, Internet, and satellite services furnished to Tenant at the Demised Premises during the term hereof. Tenant agrees to contact all utility service providers prior to any excavation or digging by Tenant on the Demised Premises. Landlord shall in no event be liable or responsible for any cessation or interruption in any such utility services, unless, with respect to the Initial Demised Premises, such cessation or interruption is caused by the act or omission of Landlord. Tenant shall be responsible at Tenant's sole cost and expense for obtaining all utility connections and payment of all utility connection fees, tap-in fees, and impact fees for the Expansion Demised Premises.

Section 16. Common Facilities:

Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all Common Facilities. All such Common Facilities shall at all times be under the exclusive control, operation and management of Landlord and may be rearranged, modified, changed, altered, removed, or terminated from time to time at Landlord's sole discretion. Landlord shall use reasonable efforts to prevent such rearrangement, modification, change, alteration, removal or termination from materially impairing Tenant's access between the Demised Premises and the taxiways and runways of the Airport.

Section 17. Rules and Regulations:

Landlord has adopted the Minimum Standards and the *Big Spring McMahon-Wrinkle Airport Rules and Regulations* adopted in Chapter 10, Article II, Division 1, Section 10-19 of the Big Spring City Code, as may be amended from time to time (the "Rules and Regulations") (collectively the "Airport Governing Documents") which govern the Tenant's use of the Demised Premises and all Common Facilities, a copy of each has been furnished to Tenant. The Airport Governing Documents are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with these governing documents. Landlord, in its sole discretion, may amend, modify and alter the Airport Governing Documents from time to time in a reasonable manner or may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience and protection of property of Landlord, Tenant and all other tenants and customers of the Airport, so long as such amendment, modification, or alteration is not discriminatory against Tenant (as opposed to other tenants at the Airport).

Section 18. Signs and Equipment; AWOS Equipment and Rooftop Equipment at the Terminal; Surveillance Cameras:

A. After first securing Landlord's prior written approval, which approval shall not be unreasonably withheld, delayed, or conditioned, Tenant shall have the right from time to time to install and operate signs depicting Tenant's name and operate radio, communications, meteorological, aerial navigation and other equipment in or on the Demised Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable Laws and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the FAA).

B. During the Term of the Lease, Landlord reserves for itself the right to locate, install, maintain, and operate, from time to time, the following items of equipment in or on the Initial Building depicted as the Terminal in <u>Exhibit "3"</u> in the applicable location specified for such item of equipment:

1. equipment needed to facilitate the Automated Weather Observing System (AWOS), including, without limitation, an AWOS central data processor, AWOS processor unit, and other related equipment that may be reasonably necessary ("<u>AWOS Equipment</u>"), in the demarcation room existing in the Terminal on the Effective Date;

2. antennae and other telecommunication equipment on the roof of the Terminal ("<u>Rooftop Equipment</u>");

3. fiber optic cables and network cables in the Terminal in the locations that such cables are located on the Effective Date;

4. the existing demarcation point where AT&T copper telephone line and fiber optic cable enter the Terminal;

5. ethernet network switch and battery backup unit in the security closet existing in the Terminal on the Effective Date ("<u>Ethernet Equipment</u>"); and

6. five (5) existing surveillance cameras in the locations in the Terminal that such cameras are located on the Effective Date ("<u>Landlord Surveillance Cameras</u>"); notwithstanding the foregoing, however, Tenant shall have the right to disconnect such Landlord Surveillance Cameras at any time and deliver such cameras, in their then-current condition, to Landlord.

Landlord reserves for itself the right to maintain fiber optic cable or other data or phone cable as needed into and within the Terminal for the AWOS Equipment and the Rooftop Equipment, so long as such cabling does not materially affect Tenant's business operations at the Terminal. Tenant agrees that it will be responsible for providing electricity to the AWOS Equipment, Rooftop Equipment, Ethernet Equipment, and Landlord Surveillance Cameras at no charge to Landlord. Subject to the terms and conditions of this Lease, Landlord shall have the right to access the Initial Demised Premises on a 24-hour-per-day, 7-day-per-week, basis to maintain, repair, replace, and operate such AWOS Equipment, Rooftop Equipment, Ethernet Equipment, and Landlord Surveillance Cameras, but Landlord may not materially interfere with Tenant's business operations at the Terminal during any such visit. The parties acknowledge that Landlord may operate the Landlord Surveillance

Cameras until such Landlord Surveillance Cameras are disconnected by Tenant or Landlord. Promptly after Tenant's written request, Landlord shall provide Tenant access to or copies of the recordings from such Landlord Surveillance Cameras for Tenant's use.

Section 19. Landlord's Right of Entry:

Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter only the public portions (e.g. public terminal area) of the Demised Premises without any duty of giving Tenant advance notice of Landlord's intended entry. With no less than 24 hours' advance notice to Tenant, Landlord and Landlord's authorized representatives shall have the right, during normal business hours (except in the case of emergencies) to enter the Demised Premises to (i) inspect the general condition and state of repair thereof, and (ii) make repairs permitted under this Lease. In addition, during the final one hundred eighty (180) days of the Term, Landlord or Landlord's authorized representatives shall have the right during normal business hours and with 24 hours' advance notice to Tenant, to enter the Demised Premises to show the Demised Premises to any prospective tenant or purchaser.

During the final one hundred eighty (180) days of the term hereof, Landlord and Landlord's authorized representatives shall have the right to erect and maintain on or about the Demised Premises customary signs advertising the Demised Premises for lease.

Section 20. Indemnity:

A. Tenant shall indemnify and hold harmless Landlord and Landlord's officers, agents, employees, partners, successors, and assigns (collectively, the "**Landlord Parties**") from and against any and all claims arising from Tenant's use of the Demised Premises, or from the conduct of Tenant's business or from any activity, work, or things done, permitted, or suffered by Tenant in, on, or about the Demised Premises (including, but not limited to, Tenant's operation of the Fuel Farm and dispensation and sale of aviation fuel from the Fuel Farm) or elsewhere, except to the extent that such claims arise out of the negligence of any of the Landlord Parties, and shall further indemnify and hold harmless the Landlord Parties from and against any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any negligence of Tenant, or any of Tenant's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses, and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding specified in the preceding sentence shall be brought against Landlord by reason of any such claim, Tenant, upon written notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord.

B. <u>Release</u>. TENANT HEREBY RELEASES LANDLORD AND ALL OTHER BIG SPRING PERSONS FOR ANY DEATH OR INJURY TO ANY PERSON OR PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY OF ANY KIND RESULTING FROM THE DEMISED PREMISES BECOMING OUT OF REPAIR OR BY DEFECT IN OR FAILURE OF EQUIPMENT, PIPES, OR WIRING, OR BROKEN GLASS, OR BY THE BACKING UP OF DRAINS, OR BY GAS, WATER, STEAM, ELECTRICITY OR OIL LEAKING, ESCAPING OR FLOWING INTO THE DEMISED PREMISES, REGARDLESS

OF THE SOURCE, OR BY DAMPNESS OR BY FIRE, EXPLOSION, FALLING PLASTER OR CEILING OR FOR ANY OTHER REASON WHATSOEVER.

C. THIS SECTION SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

Section 21. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, invitees, contractors, subcontractors, independent contractors, or subtenants) on the Demised Premises or any portion of the Common Facilities, 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; or (d) 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 (42 U.S.C. §6901, et seq., as amended or superseded), the Comprehensive and Environmental Response Compensation and Liability Act (42 U.S.C. §9601, et seq, as amended or superseded), 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 laws, rules, orders, standards, policies, or regulations, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Demised Premises and/or any portions of the Common Facilities, <u>and</u> that is either: (i) in amounts in excess of that permitted or deemed safe under any applicable law, rule, order, standard, policy, or regulation or (ii) in any manner prohibited or deemed unsafe under applicable law, rule, order, standard, policy, or regulation (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "<u>Hazardous Materials</u>").

B. Tenant shall, at Tenant's own expense, comply with any presently existing or hereafter enacted laws relating to Hazardous Materials (collectively, "<u>Cleanup Laws</u>") with respect to the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its directors, officers, shareholders, members, partners, agents, employees, contractors, subcontractors, independent contractors, or subtenants) on the Demised Premises or any portion of the Common Facilities; provided, however that Tenant 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, Tenant shall, at Tenant's own expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "<u>Authority</u>") under the Cleanup Laws with respect to any cleanup for which Tenant is responsible. With respect to any cleanup for which Tenant is responsible, 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 Demised Premises and/or any portion of the Common Facilities, by Tenant, its directors, shareholders, members, partners, officers, agents, employees, invitees, independent contractors, contractors, subcontractors, licensees, subtenants, any other person entering the Demised Premises under express or implied invitation of Tenant, or any person directly or indirectly employed by or acting under Tenant, during the Term, Tenant shall, at Tenant'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 Landlord's approval, which approval shall not be unreasonably withheld, delayed, or conditioned. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Demised Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

TENANT SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS LANDLORD AND LANDLORD'S OFFICERS, AGENTS, EMPLOYEES, PARTNERS, SUCCESSORS, AND ASSIGNS, FROM AND AGAINST, AND REIMBURSE LANDLORD FOR ANY AND ALL DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED WITH, (I) THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE DEMISED PREMISES AND/OR ANY PORTION OF THE AIRPORT, INCLUDING THE COMMON FACILITIES, OR ANY PROPERTY ADJACENT TO THE AIRPORT, BY TENANT OR ANY TENANT PERSONS, AND (II) ALL FINES, SUITS, PROCEDURES, CLAIMS AND ACTIONS OF ANY KIND ARISING OUT OF TENANT'S FAILURE TO PROVIDE ALL INFORMATION, MAKE ALL SUBMISSIONS AND TAKE ALL STEPS REQUIRED BY A GOVERNMENT AUTHORITY UNDER THE CLEANUP LAWS OR ANY OTHER ENVIRONMENTAL LAW, RULE, STANDARD, REGULATION, OR POLICY RELATED TO A CLEAN UP FOR WHICH TENANT IS RESPONSIBLE. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL NOT INCLUDE DAMAGES (A) ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE CITY OF BIG SPRING, ANY OTHER BIG SPRING PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE CITY OF BIG SPRING, TEXAS, ANY OTHER BIG SPRING PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND, OR (B) RESULTING FROM THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN OR ON THE DEMISED PREMISES PRIOR TO THE COMMENCEMENT DATE.

C. Tenant shall promptly supply Landlord with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. **NOTWITHSTANDING ANYTHING IN THIS LEASE TO THE CONTRARY, TENANT SHALL NOT HAVE ANY LIABILITY OR OBLIGATION UNDER THIS LEASE TO ANY PARTY ARISING OUT OF OR RELATED TO, THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS (a) IN, ON, OR UNDER ANY PORTION OF THE AIRPORT OTHER THAN THE DEMISED PREMISES (INCLUDING, BUT NOT LIMITED TO, THE INITIAL COMMON AREA, THE COMMON FACILITIES, THE FUEL FARM, OR ANY PROPERTY ADJACENT TO THE AIRPORT), EVEN IF SUCH HAZARDOUS MATERIALS MIGRATES, DRAINS, OR**

LEACHES ONTO OR UNDER THE DEMISED PREMISES, UNLESS A TENANT PARTY GENERATED, INSTALLED, STORED, USED, TREATED, TRANSPORTED, DISPOSED OR DISCHARGED OF SUCH HAZARDOUS MATERIALS, OR (b) IN, ON, OR UNDER ANY PORTION OF DEMISED PREMISES THAT OCCURRED BEFORE BEING INCLUDED AS A PART OF THE DEMISED PREMISES UNDER THIS LEASE. LANDLORD SHALL (a) DEFEND TENANT AND TENANT'S OFFICERS, AGENTS, EMPLOYEES, PARTNERS, SUCCESSORS, AND ASSIGNS (WITH COUNSEL REASONABLY APPROVED BY THE PARTY BEING DEFENDED), FROM AND AGAINST,AND (b) REIMBURSE TENANT AND TENANT'S OFFICERS, AGENTS, EMPLOYEES, PARTNERS, SUCCESSORS, AND ASSIGNS FOR ANY AND ALL DAMAGES INCURRED BY SUCH PARTY, ARISING OUT OF OR IN ANY WAY CONNECTED WITH, THE GENERATION, INSTALLATION, STORAGE, USE, TREATMENT, TRANSPORTING, DISPOSAL OR DISCHARGE OF HAZARDOUS MATERIALS IN, ON, OR UNDER ANY PORTION OF DEMISED PREMISES THAT OCCURRED BEFORE BEING INCLUDED AS A PART OF THE DEMISED PREMISES UNDER THIS LEASE.

E. **THIS SECTION SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.**

Section 22. Default by Tenant:

A. Tenant shall be in material default under this Lease if any one or more of the following events (herein sometimes referred to individually as an "Event of Default" and collectively as "Events of Default") shall occur and shall not be timely remedied as herein provided:

1. if Tenant fails to make any payment of Rent due under this Lease or any part thereof when due and such nonpayment continues after fifteen (15) days written notice from Landlord.

2. If Tenant fails to make any payment of any other sum or charge payable under this Lease, other than Rent, or any part thereof when and as the same shall become due and payable and such default continues for a period of fifteen (15) days after receipt by Tenant of notice from Landlord specifying the default.

3. If Tenant fails to observe or perform any of the other covenants, agreements, or conditions of this Lease on the part of Tenant to be kept and performed, and such default continues for a period of thirty (30) after written notice thereof from Landlord to Tenant; provided, however, that with respect to any default (other than a default which can be cured by the payment of money) that cannot be reasonably cured within said thirty (30) day period, Tenant shall have an additional reasonable period to cure such default, provided Tenant commences to cure within said thirty (30)-day period and thereafter diligently prosecute same to completion.

4. If Tenant files a petition in bankruptcy or is adjudicated as bankrupt, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for itself under any present or

future Law, or makes an assignment for the benefit of creditors, or if any trustee, receiver, or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed in any action, suit, or proceeding by or against Tenant and such proceeding or action shall not have been dismissed within ninety (90) days after such filing or appointment.

B. In the event of any Event of Default set forth in Section 22(A) hereof, Landlord may, subject to Section 24 below, at its option, exercise any and all the remedies listed below. No such remedy herein or otherwise conferred upon or reserved to Landlord shall be considered exclusive of any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at Law or in equity, and every power and remedy given by the Lease to Landlord may be exercised from time to time and as often as the occasion may rise or may be deemed expedient.

1. Landlord may: (a) terminate this Lease without further notice, and Tenant shall then surrender the Premises to Landlord, provided that, if Landlord terminates the lease following an Event of Default, Landlord shall use reasonable efforts to remarket the Premises and to mitigate its damages in compliance with applicable Laws; or (b) enter and take possession of the Premises, in accordance with any applicable Laws governing such repossession, and remove Tenant, with or without having terminated this Lease. If necessary, Landlord may proceed to recover possession of the Premises under applicable Laws, or by such other legal proceedings. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender of the Premises by Tenant. A surrender must be agreed to in writing and signed by both parties.

2. If Landlord terminates this Lease or terminates Tenant's right to possess the Premises because of an Event of Default, then Landlord may hold Tenant liable for: (1) Rent and other amounts owed by Tenant under this Lease that otherwise would have been payable by Tenant to Landlord prior to the expiration of the Term, less any amount that Landlord receives from reletting the Premises after all Landlord's costs and expenses incurred in such reletting have been subtracted; (2) any amounts Landlord reasonably incurs in reletting the Premises during the remainder of the Term, provided that, notwithstanding the foregoing, the amounts of all commissions, allowances, and leasehold improvements associated with the new lease shall be amortized on a straight line basis over the new lease term, and Tenant shall only be responsible for the amortized portion of such amounts related to the Demised Premises for to the balance of the Term after such termination (*i.e.*, as if such termination had not occurred); and (3) other necessary and reasonable expenses (including without limitation reasonable attorneys' fees) incurred by Landlord in enforcing its remedies. Notwithstanding the foregoing sentence, at Landlord's election, Tenant shall pay to Landlord, on demand, as liquidated and agreed final damages, a sum equal to the amount by which the present value of the Rent (discounted at the rate of is the prime rate then published by Citibank, N.A., its successors or assigns, or another major financial institution selected by Landlord, plus two percent (2%) for the period which otherwise would have constituted the unexpired portion of the Term exceeds the then

fair and reasonable rental value of the Demised Premises, for the same period less the aggregate amount of any sums theretofore collected by Landlord pursuant to the provisions of this Section 22(B)(ii) for the same period. If, before presentation of proof of such liquidated damages to any court, commission, or tribunal, the Demised Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed prima facie evidence that such rental amount is the fair and reasonable rental value for the part or the whole of the Demised Premises relet during the term of the reletting.

3. Landlord, at Landlord's option, may relet the Demised Premises or any part thereof, alone or together with other premises, for such term or terms (which may extend beyond the date on which the Term would have expired but for Tenant's Event of Default) and on such terms and conditions (which may include concessions or free rent and alterations of the Demised Premises) as Landlord, in its sole discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations be diminished by reason of, Landlord's failure to relet the Demised Premises or collect any rent due upon such reletting. If Landlord relets the Demised Premises and collects rent in excess of the Rent and other charges payable by Tenant under this Lease, Landlord shall be entitled to retain any such excess and Tenant shall not be entitled to a credit therefor.

4. Tenant hereby covenants and agrees, as a consideration for the granting by Landlord of this Lease that, in the event of the termination of this Lease by summary proceedings, or in the event of the entry of a judgment for the recovery of the possession of the Demised Premises in any action of ejectment, or if Landlord enters by process of Law or otherwise, the right of redemption provided or permitted by any statute, Law, or decision now or hereafter in force, and the right to any second and further trial provided or permitted by any statute, Law, or decision now or hereafter in force shall be and hereby is expressly waived by Tenant. Further, Tenant, on its own behalf and for its legal representatives, successors, and assigns, and on behalf of all persons or corporations claiming through or under this Lease, together with creditors of all classes, and all other persons having an interest therein, does hereby waive, surrender, and give up all right or privilege which it may or might have by reason of any present or future Law or decision, to redeem the Demised Premises or have a continuance of this Lease for any part of the term hereof after having been dispossessed or ejected therefrom by process of Law or otherwise.

5. Landlord's rights and remedies set forth in this Lease are cumulative and in addition to Landlord's other rights and remedies at Law or in equity, including those available as a result of any anticipatory breach of this Lease. Landlord's exercise of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. Landlord's delay or failure to exercise or enforce any of Landlord's rights or remedies or Tenant's obligations shall not constitute a waiver of any such rights, remedies, or obligations. Neither Tenant's payment of an amount less than a sum due nor Tenant's endorsement or statement on any check or letter

accompanying such payment shall be deemed an accord and satisfaction. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such sum or to pursue other remedies. Re-entry and acceptance of keys shall not be considered an acceptance of a surrender of this Lease.

C. Notwithstanding Section 22(A), if Tenant violates one or more Laws in its use or occupancy of the Demised Premises, such violation shall constitute an Event of Default provided: (i) in the case of any criminal violation of law, an Event of Default shall arise where such violation continues for a period of thirty (30) days from the date on which final conviction is entered and no appeals are pending; (ii) in the case of any civil violation of law, breach shall arise where such violation continues for a period of thirty (30) days following the date on which the court's final adjudication, order, or ruling is entered and no appeals are pending; and (iii) in the event of a violation of any one or more of Landlord's ordinances or the Airport Governing Documents, breach shall arise where such violation continues for a period of thirty (30) days following written notice by Landlord to Tenant of such violation, unless appealed in which case an Event of Default shall arise if such violation remains uncured thirty (30) days after final disposition of the appeal.

Section 23. Default by Landlord:

No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Demised Premises or render Landlord liable for damages (including consequential damages) or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recovery or entitle Tenant to take any action whatsoever with regard to the Demised Premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has provided Tenant written notice of the curative measures Landlord proposes to undertake and has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. In the event that Landlord fails to cure such default within said thirty (30) day period, or within said additional reasonable period of time, Tenant shall, subject to Section 24 below, have the right to:

A. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) and deduct the cost of curing same from the next succeeding rental installment(s) due by Tenant to Landlord hereunder;

B. Proceed to cure such default (provided such cure occurs entirely within the Demised Premises) and bring suit against Landlord for the cost of curing same;

C. Terminate this Lease by written notice to Landlord and pursue any remedies available to Tenant under law or in equity; or

D. Exercise all other remedies available to Tenant at law or in equity, including, without limitation, declaratory relief, injunctive relief, and claims for just compensation under Article I, Section 17 of the Texas Constitution.

Pursuit of any of the foregoing rights or remedies by Tenant shall not preclude Tenant's pursuit of any of the other rights or remedies herein provided or any other rights or remedies provided by law, in equity, or otherwise, nor shall pursuit of any right or remedy herein provided constitute a forfeiture or waiver of any damages accruing to Tenant by reason of the violation of any of the terms, conditions and covenants herein contained.

If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

Section 24. Mediation.

A. Except for actions seeking temporary injunctive relief to prevent imminent and material harm or to protect against a violation of the Indenture, neither Landlord nor Tenant may initiate litigation, forcible detainer, lockout, self-help, termination, acceleration, or any other enforcement action arising out of or relating to this Lease, the Demised Premises, or the Parties' performance hereunder (each, a "Dispute") unless and until the Parties first participate in non-binding mediation as provided in this Section.

B. Either Party may commence mediation by delivering written notice to the other Party describing the Dispute in reasonable detail. The mediation shall be conducted in Howard County, Texas before a mediator mutually agreed upon by the Parties who has experience with commercial real estate or aviation-related disputes (depending on the nature of the Dispute). If the Parties cannot agree on a mediator within fifteen (15) days after delivery of the mediation notice, the mediator shall be appointed by the American Arbitration Association ("AAA") from its roster of commercial mediators. If the AAA is unable to appoint a mediator, then Landlord, in its reasonable discretion, shall select a similar mediation organization to make such appointment from such organization's roster of commercial mediators. The mediation shall be scheduled to occur within forty-five (45) days after the mediator is selected, unless otherwise agreed in writing. Each Party shall participate in good faith and shall have a senior-level representative present with full authority to settle the Dispute. The costs of the mediator shall be shared equally, and each Party shall bear its own attorneys' fees and costs in connection with the mediation.

C. All contractual cure periods applicable to the Dispute shall be tolled from (i) the date mediation is initiated until (ii) the earlier of (A) the conclusion of the mediation session, or (B) sixty (60) days after the mediator is selected if the mediation has not occurred despite the initiating party's reasonable efforts to schedule it. During such tolling period, no default shall be deemed to have ripened into an Event of Default (with respect to Tenant) or an event of default (with respect to Landlord). Until mediation concludes as described above, neither Party shall exercise any self-help rights, lockout rights, termination rights, eviction remedies, or other enforcement actions, and Landlord shall not interrupt Tenant's access to or use of Common Facilities, except as required by applicable Law or to prevent imminent and material harm. For the avoidance of doubt, Landlord shall not rely upon, invoke, reinterpret, or selectively enforce any Airport Governing Documents as a basis for enforcement action during the pendency of mediation, unless such action is expressly required by applicable Law.

D. A mediation shall be deemed concluded only after (i) the mediation session has been held, or (ii) sixty (60) days have passed after the mediator is selected and the mediation has not occurred despite the initiating Party's reasonable efforts to schedule it. If the Dispute is not resolved through mediation, either Party may pursue any and all rights and remedies available at law or in equity, subject to the other terms of this Lease. Participation in mediation shall not waive any rights, claims, or defenses under this Lease.

Section 25. Waiver of Subrogation:

Notwithstanding anything in this Lease to the contrary, each party hereto waives any and every rights of recovery, liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including attorneys' fees and other professional fees (together, for purposes of this Section, "Claims") that arises or may arise in such party's favor against the other party hereto during the Term of this Lease for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of, the Demised Premises or the Airport**, INCLUDING ALL CLAIMS ARISING OUT OF THE NEGLIGENCE OF THE NON-WAIVING PARTY OR ITS OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, AND INVITEES,** which Claim is covered by valid and collectible casualty, fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies (or, if such party is not obligated to carry such insurance under this Lease, then to the extent such Claim could have been covered by valid and collectible casualty, fire and extended coverage insurance policy). Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the Parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees promptly to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

Section 26. Title to Improvements:

A. Any and all improvements on the Demised Premises (including, but not limited to, improvements constructed on any Expansion Space Portion or Offered Portion added to the Demised Premises pursuant to Section 49 or Section 50) shall be owned by Landlord.

B. Any Demised Premises Improvements constructed upon the Demised Premises by Tenant shall be deemed to be conveyed to Landlord, and upon such conveyance, the same shall merge with the title of the Demised Premises, free and clear of any claim of Tenant and all persons or entities claiming under or through Tenant (including, without limitation, any holder of a leasehold mortgage), and shall become the property of Landlord with all other terms and conditions of the Lease remaining the same (*e.g.*, if applicable, following such conveyance, Tenant shall be responsible for all maintenance, repair, and upkeep of Demised Premises Improvements located on Expansion Demised Premises). Landlord shall be deemed to have accepted title and ownership of Demised Premises Improvements constructed on the Demised Premises upon the date of substantial completion of the applicable Demises Premises Improvement. Each Party shall, within twenty (20) days after the written request of the other Party, execute and deliver a commercially reasonable, recordable bill of sale to evidence the conveyance by Tenant of such Demised Premises Improvements to Landlord; any such bill of sale shall not, however, be necessary for such conveyance.

C. Upon the expiration or earlier termination of this Lease, (i) Tenant shall deliver up to Landlord the Demised Premises clean and free of trash and in good repair and condition in accordance to the prevailing Minimum Standards, as amended or modified, with all fixtures and equipment situated in the Demised Premises delivered in good working order, reasonable wear and tear excepted, and (ii) Tenant shall have the right to remove all personal property (including aircraft stored in the Improvements) and trade fixtures owned by Tenant from the Demised Premises, but Tenant shall be required to repair any damage to the Demised Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense. Upon such termination, Tenant shall at Landlord's request, execute a recordable instrument evidencing the termination of this Agreement giving the effective date of said termination or expiration date.

D. Tenant's obligations under this Section shall continue and survive beyond the expiration or termination of this Lease.

Section 27. Mechanics' and Materialmen's Liens Indemnity:

A. **TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS TO THE FULL EXTENT AS PROVIDED IN THIS LEASE, LANDLORD AND ALL BIG SPRING PERSONS FROM AND AGAINST ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE DEMISED PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING UNDER TENANT (INCLUDING, WITHOUT LIMITATION, ANY TENANT PERSONS), AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN <u>SECTION 37</u> AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE DEMISED PREMISES, UNLESS A SHORTER PERIOD OF TIME IS DICTATED BY APPLICABLE LAW.**

Section 28. Quiet Enjoyment and Subordination:

Landlord represents that Tenant, upon payment of the Rent and performance of the terms, conditions, covenants and agreements herein contained, shall (subject to all of the terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Demised Premises during the Term. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien hereafter placed on the Demised Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien hereafter placed on the Demised Premises; provided, however, any such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee, that Tenant's right to possession of the Demised Premises shall not be disturbed, and all of the rights of Tenant shall remain in full force and effect during the Term, on condition that Tenant attorn to the mortgagee, its successors and assigns, and perform all of the covenants and conditions required by the terms of this Lease, and (ii) in the event of foreclosure or any enforcement of any such mortgage, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations hereunder and attorn to the purchaser. Tenant also agrees to execute, within twenty (20) days after receipt, further instruments approved by Tenant, in its reasonable discretion, declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive the foreclosure of such mortgage, deed of trust or other lien.

Section 29. Holding Over:

Should Tenant, or any of Tenant's successors in interest fail to surrender the Demised Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days prior written notice to the other, at a monthly rental equal to one hundred twenty-five percent (125%) of the Rent paid for the last month of the Term.

Section 30. Waiver of Default:

No waiver by the Parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein. Landlord will not be deemed to have waived any right or Tenant's breach of any obligation under this Lease, unless Landlord delivers a signed writing, addressed to Tenant explicitly relinquishing that right or breach. No custom or practice arising during the administration this Lease will waive, or diminish, Landlord's right to insist upon strict performance of Tenant's obligations. No restrictive endorsement or other statement on or accompanying any check or payment will be deemed an accord and satisfaction or novation, and Landlord will be entitled to accept any such check or payment, without prejudice, to Landlord's rights to recover the full amount due and to exercise its other remedies.

Section 31. Release of Landlord Upon Transfer:

All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Demised Premises by Landlord, provided that any such transferee shall execute a document confirming that the obligations of Landlord under this Lease shall be binding upon such transferee. In addition, the obligations of Landlord are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Demised Premises. Landlord shall provide

Tenant at least sixty (60) days' notice of any such transfer, together with the name and contact information of the transferee.

Section 32. Attorneys' Fees:

If, on account of any breach or default by either party to this Lease, it shall become necessary for either party to employ an attorney to enforce or defend any of its rights or remedies hereunder, with the result that a judicial proceeding shall be filed, then the prevailing party in such judicial proceeding shall be entitled, in addition to any other rights it may have, in law or equity, to collect reasonable attorneys' fees and costs of court incurred.

Section 33. Financial Information:

Tenant agrees that Tenant will from time to time within twenty (20) days after the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

Section 34. Estoppel Certificates:

Landlord agrees that from time to time, upon not less than twenty (20) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying that:

1. This Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications).

2. The dates to which Rent and other charges have been paid.

3. To Landlord's knowledge, Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

4. If requested by Tenant, that this Lease will not be amended without notice to Tenant's mortgagee and that the same will not be terminated without the same notice required by the Lease to be furnished to Tenant also being furnished to Tenant's mortgagee and Tenant's mortgagee fails to cure such default within the curative period allowed Tenant under this Lease.

Section 35. Interest on Tenant's Obligations and Manner of Payment:

All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest at the rate of ten percent (10%) per annum (or the maximum interest rate permitted by law, whichever is lower) from and after said tenth (10th) day until paid.

Section 36. Landlord/Tenant Relationship:

It is understood and agreed that in leasing, using, occupying, and operating the Demised Premises, Tenant is a tenant and is not acting as agent, partner, joint venturer, independent contractor, warehouseman, bailee, or employee of Landlord.

Section 37. Force Majeure:

If either Party is unable to perform any of its duties or obligations under this Lease due to unavailability of materials or equipment, strikes or other labor difficulties, governmental restrictions, casualties, acts of terrorism, cyber-attacks, acts of public enemy, acts of bioterrorism, plagues, epidemics, pandemics, outbreak of a communicable disease leading to extraordinary restrictions including quarantine or movement of people or goods, or other causes beyond such Party's reasonable control, then such duty or obligation, except for the payment of Rent by Tenant to Landlord, shall be stayed for the duration of such condition.

Section 38. Exhibits:

All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

Section 39. Use of Language:

Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

Section 40. Captions:

The captions or headings, sections, or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

Section 41. Successors; No Third Party Beneficiaries; No Tax Representation:

The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the Parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease, including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder, may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

Except as otherwise set forth in this Lease, this Lease and all of its provisions are solely for the benefit of the Parties hereto and do not and are not intended to create or grant any rights, contractual or otherwise, to any third person or entity.

Notwithstanding any provision of this Lease, Landlord makes no representation that this Lease or any provision hereof will entitle or allow Tenant to receive any federal income or other federal tax benefit whatsoever.

Section 42. Severability:

If any provision in this Lease should be held to be invalid, illegal, or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby, and the invalid, illegal, or unenforceable term will be reformed to give effect (to the fullest extent possible) to the Parties' intentions in a manner that is legal, valid, and enforceable.

Section 43. Notices:

Any notice or document required to be delivered or given hereunder in writing shall be delivered or given (i) in person, (ii) by United States mail, postage prepaid, registered or certified mail, return receipt requested, (iii) by Federal Express Corporation or other nationally recognized overnight carrier, or (iv) e-mail (except any notice of default or breach of this Lease must also be delivered by at least one of the other methods listed in (i) through (iii)). Such notice or document shall be deemed to be delivered or given, whether actually received or not, (a) when received if delivered or given in person, (b) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (c) on the next business day after the day the notice or document is provided to Federal Express Corporation or other nationally recognized overnight carrier, or (d) on the next business day after the day the notice or document is sent by e-mail. Addresses for the delivery or giving of any such notice or document are as follows:

TO LANDLORD:

City of Big Spring, Texas
310 Nolan Street
Big Spring, TX 79720
Attention: Todd Darden, City Manager
E-Mail: tdarden@mybigspring.com

and

City of Big Spring, Texas
310 Nolan Street
Big Spring, TX 79720
Attention: Michael Feeley, Airport Director
E-Mail: mfeeley@mybigspring.com

TO TENANT:

Black Forest Ventures Aviation RE, LLC
24 Waterway Avenue, Suite 225
The Woodlands, Texas 77380
Attention: Mr. Jonathan Hitchcock
E-Mail: jhitchcock@blackforestventures.com

Section 44. Fees or Commissions:

Each Party hereto hereby covenants and agrees with the other that such Party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein.

Section 45. Counterparts:

This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 46. Consent; "Includes" and "Including"; Recitals:

Except as provided in the next sentence, where Landlord consent or approval is required in this Lease, such consent or approval may be given by either the City Council of the City of Big Spring, Texas or by the City Manager of the City of Big Spring, Texas (or the City Manager's designee). Notwithstanding the preceding sentence, however, if Landlord consent for an assignment of the Lease or a sublease of fifty percent (50%) or more of the Demised Premises is required under Section 8, then only the City Council of Big Spring, Texas (and not the City Manager of Big Spring, Texas) may consent on behalf of Landlord to such assignment of the Lease or a sublease of fifty percent (50%) or more of the Demised Premises. For purposes of this Lease, "includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded. The above and foregoing recitals to the Lease are true and correct and are incorporated into and made a part of this Lease for all purposes.

Section 47. Governing Law; Personal Jurisdiction; Venue; Survivability of Rights and Remedies:

This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of laws rules of any jurisdiction. Tenant consents to personal jurisdiction and venue in state courts in Howard County, Texas. Any and all suits, actions or legal proceedings relating to this Lease shall be maintained in the state courts of Howard County, Texas, which courts shall have exclusive jurisdiction for such purpose. Each of the Parties submits to the exclusive jurisdiction of such courts for purposes of any such suit, action, or legal proceeding hereunder, and waives any objection or claim that any such suit, action, or legal proceeding has been brought in an inconvenient forum or that the venue of that suit, action, or legal proceeding is improper. Any rights and remedies either party may have with respect to the other arising out of the performance of or failure to perform this Lease during the term hereof shall survive the cancellation, expiration or termination of this Lease.

Section 48. Entire Agreement and Amendments; Authorized Persons:

This Lease embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or in behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

Section 49. Expansion Option.

A. Subject to the terms and conditions of this Section, Tenant shall have the option ("Expansion Option"), for a five (5)-year period beginning on the Effective Date ("Expansion Option Term"), to lease, from time to time, an "Expansion Space Portion" of the land described in Exhibit "6" attached hereto and incorporated herein by reference for all purposes ("Expansion Space"). "Expansion Space Portion" means either (a) all of the Expansion Space or (b) if less than all of the Expansion Space, a portion of the Expansion Space that, after such lease, leaves the remaining unleased Expansion Space with commercially reasonable access to a public road, commercially reasonable access to a taxiway of the Airport, and otherwise commercially reasonably configured for lease to a future FBO operator at the Airport. If any exercise by Tenant of its Expansion Option is for less than all of the Expansion Space (or remaining Expansion Space, if applicable), then Tenant shall continue to have its Expansion Option for the remainder of the Expansion Space for the remaining Expansion Option Term. Landlord shall not have the right to lease any portion of the Expansion Space to any other party during the Expansion Option Term.

If a legally-sufficient metes and bounds description of the Expansion Space is not available on the Effective Date, then Landlord shall, at its sole expense, cause a licensed surveyor to prepare a metes and bounds description of the Expansion Space within one hundred eighty (180) days after the Effective Date, and, subject to the reasonable approval of Tenant, such metes and bounds description shall be attached as Exhibit "6" and incorporated in this Lease by reference for all purposes, as soon as feasible after it is available and approved by Tenant (and shall be deemed attached if the Parties fail to do so). The Memorandum of Lease Agreement specified in Section 2(D) shall contain the metes and bounds description of the Expansion Space reflected in the approved metes and bounds description.

B. If Tenant desires lease an Expansion Space Portion, then it shall deliver a written notice ("Expansion Option Exercise Notice") exercising its Expansion Option to Landlord before the end of the Expansion Option Term for such Expansion Space Portion. Additionally, Tenant shall include with the Expansion Option Exercise Notice, at its sole expense, a legally-sufficient metes and bounds description of the Expansion Space Portion prepared by a licensed surveyor. Upon Tenant's delivery of the Expansion Option Exercise Notice to Landlord, the Expansion Space shall become a part of the Demised Premises under the terms and conditions of this Lease (with, for example, the expiration of the Lease term for such Expansion Space Portion being the Expiration Date) in accordance with the following:

(i) Annual rent for the Expansion Space Portion shall be at an amount equal to the product of (A) fifteen cents ($0.15), *multiplied by* (B) the total number of square feet contained in such Expansion Space Portion; and

(ii) Upon the date that is the earlier to occur of (a) the date on which Tenant commences the conduct of its business on the Expansion Space Portion after substantial completion of improvements on such Expansion Space Portion, and (b) twelve (12) months after the date of the Expansion Option Exercise Notice, Tenant shall begin paying to Landlord the Rent related to the applicable Expansion Space Portion.

If Tenant elects to lease an Expansion Space Portion in accordance with this Section, then Landlord and Tenant shall promptly execute an amendment to this Lease pursuant to which the Expansion Space Portion shall be added to the Demised Premises in accordance with the foregoing and other necessary changes in points of detail. If Tenant determines that any utility, access, or other easement on, over, under, or across any portion of the Airport is necessary or desirable for the operation of Tenant's business on an Expansion Space Portion for the uses permitted in this Lease, then Landlord shall grant such easement, in a commercially reasonable form, to Tenant promptly after Landlord's receipt of a written request for such easement along with a metes and bounds description of the applicable easement area.

C. If such Expansion Space Portion is added to the Demised Premises during the first five (5) years of the Lease Term, then Tenant shall have the right to elect to prepay the Rent associated with such Expansion Space Portion for the remainder of such five (5)-year period, from the date of such addition, in advance by delivering written notice of such election to Landlord at least ten (10) days before Tenant is obligated to commence paying such Rent. If Tenant makes such election, then it shall pay the entire Rent associated with such Expansion Space Portion that is then scheduled to accrue for such remaining period to Landlord on or before the date that Tenant is obligated to commence paying such Rent. Additionally, if such Expansion Space Portion is added to the Demised Premises after the first five (5) years of the Lease Term, then Tenant shall have the right to elect to prepay the Rent associated with such Expansion Space Portion in advance for the remainder of the Lease Term, from the date of such addition, by delivering written notice of such election to Landlord at least ten (10) days before Tenant is obligated to commence paying such Rent. If Tenant makes such election, then it shall pay to Landlord on or before the date of such addition an amount equal to the present value of the entire Rent associated with such Expansion Space Portion that is then scheduled to accrue for such remainder of the Lease Term, discounted over such remaining period at the Discount Rate (determined as of the date of delivery of the election notice).

Section 50. Right of First Refusal.

A. Subject to the terms and conditions of this Section, for the period ("ROFR Term") from the Effective Date through the expiration of the Lease Term, Tenant shall have a right of first refusal ("Leasing ROFR") to lease space, from time to time, in the "Air Operations Area" (*i.e.*, the portion of the Airport in which security measures specified by federal law or regulations are to be carried out and, if applicable, approved by the FAA) at the Airport, as such Air Operations Area is modified from time to time, that is not contained in the Demised Premises (such Air Operations Area being the "ROFR Space"). The Air Operations Area at the Airport on the Effective Date is the area bounded by the solid blue line on the Drawing of the Airport attached as Exhibit "1" (but such Air Operation Area is subject to modification as provided in the preceding sentence). After the Expansion Option Term any Expansion Space that has not been leased to Tenant in accordance with Section 49 shall be deemed to be a part of the ROFR Space.

B. If Landlord receives or delivers a letter of intent, term sheet, or other request (as applicable, the "Third Party Request") from or to a third party ("ROFR Third Party") for the lease all or any portion of the ROFR Space (such portion of the ROFR Space subject to the Third Party Request being the "Offered Portion"), and the recipient is willing to negotiate a lease under the terms of such Third Party Request, then Landlord shall first offer to lease to Tenant the Offered Portion on the same terms and conditions as the Third Party Request; such offer shall be in writing and specify the rent to be paid for the Offered Portion and other terms and conditions of the Third Party Request (each being an "Offer Notice"). Notwithstanding the foregoing, if the Third Party Request includes both space that is within the ROFR Space and space that is outside of the ROFR Space, then the space that is outside of the ROFR Space shall also be included as part of the Offered Portion in the Offer Notice, and Tenant must exercise its Leasing ROFR, if at all, as to all such Offered Portion (including such space outside of the ROFR Space) specified in the Offer Notice. Prior to delivering an Offer Notice to Tenant, Landlord must obtain the approval of the City Council of Big Spring, Texas to the lease of the Offered Portion to both (i) the ROFR Third Party in accordance with the Third Party Request, if Tenant does not timely elect to lease the Offered Portion in accordance with this Section, and (ii) Tenant in accordance with the Offer Notice, if Tenant timely elects to lease the Offered Portion in accordance with this Section. Tenant shall notify Landlord in writing whether Tenant elects to lease all the Offered Portion subject to such Third Party Request on the same terms and conditions as the Third Party Request in the Offer Notice, within twenty (20) days after Landlord delivers to Tenant the Offer Notice.

C. If Tenant timely elects to lease the Offered Portion within such twenty (20)-day period specified in Section 50(B), then Landlord and Tenant shall promptly execute an amendment to this Lease pursuant to which (a) the applicable Offered Portion shall be added to the Demised Premises, (b) the Rent for the Offered Portion shall be the amount specified in the Offer Notice, (c) the lease term for the Offered Portion shall be that specified in the Offer Notice, and (d) other terms set forth in the Lease which are inconsistent with the terms of the Offer Notice shall be modified in accordance with the Offer Notice with respect to the Offered Portion. If the amendment of this Lease for the addition of the Offered Portion as provided in the preceding sentence would result in the Lease Term extending beyond the Expiration Date of this Lease, then, in lieu of an amendment to this Lease, the Parties shall promptly execute a new lease for the Offered Portion containing the terms and conditions specified in the preceding sentence and otherwise consistent with the terms and conditions of this Lease (but shall not contain Section 49 (Expansion Option) or Section 50 (Leasing ROFR), with the necessary changes in points of detail. If Tenant determines that any utility, access, or other easement on, over, under, or across any portion of the Airport is necessary or desirable for the operation of Tenant's business on an Offered Portion for the uses permitted in this Lease, then Landlord shall grant such easement, in a commercially reasonable form, to Tenant promptly after Landlord's receipt of a written request for such easement along with a metes and bounds description of the applicable easement area.

D. If Tenant fails or is unable to timely exercise its Leasing ROFR with respect to the Offered Portion, then such right shall lapse and Landlord may lease the Offered Portion described in the Offer Notice to the ROFR Third Party on the terms contained in the Offer Notice. Landlord shall not be obligated to re-offer the Offered Portion to Tenant unless Landlord fails to enter into a lease agreement with the ROFR Third Party within one hundred eighty (180) days after the date of the Offer Notice under the terms and conditions of the Offer Notice. If Landlord enters into a lease agreement with the ROFR Third Party in compliance with the preceding sentence, then the Leasing ROFR shall thereafter be null and void with respect to such Offered Portion.

E. If such Offered Portion is added to the Demised Premises during the first five (5) years of the Lease Term, then Tenant shall have the right to elect to prepay the Rent associated with such Offered Portion for the remainder of such five (5)-year period, from the date of such addition, in advance by delivering written notice of such election to Landlord at least ten (10) days before Tenant is obligated to commence paying such Rent. If Tenant makes such election, then it shall pay the entire Rent associated with such Offered Portion that is then scheduled to accrue for such remaining period to Landlord on or before the date that Tenant is obligated to commence paying such Rent. Additionally, if such Offered Portion is added to the Demised Premises after the first five (5) years of the Lease Term, then Tenant shall have the right to elect to prepay the Rent associated with such Offered Portion in advance for the remainder of the Lease Term, from the date of such addition, by delivering written notice of such election to Landlord at least ten (10) days before Tenant is obligated to commence paying such Rent. If Tenant makes such election, then it shall pay to Landlord on or before the date of such addition an amount equal to the present value of the entire Rent associated with such Offered Portion that is then scheduled to accrue for such remainder of the Lease Term, discounted over such remaining period at the Discount Rate (determined as of the date of delivery of the election notice).

Section 51. Potential Future Expanded Airport Role for Tenant:

The parties acknowledge that they have discussed the possibility of Tenant (or an affiliate of Tenant) assuming full management responsibilities for the Airport and a possible revenue-sharing agreement between the parties, but the parties have not yet agreed to any such arrangements. Each party shall endeavor, without legal obligation, to participate in discussions regarding such expanded Airport role for Tenant during the initial five (5) years of the Term promptly after request by the other party. Neither party shall be bound to any agreement regarding any such expanded Tenant Airport role unless and until the parties have executed a formal, written agreement, in each party's sole and absolute discretion, regarding such expanded Tenant Airport role.

Section 52. Non-Waiver of Governmental Immunity:

(i) The City of Big Spring, a Texas municipal corporation, expressly retains all rights and benefits of governmental immunity from liability and suit for damages in accordance with: Title 5, Texas Civil Practice and Remedies Code; Subchapter I, Chapter 271, Texas Local Government Code; and any other law, if applicable.

(ii) Nothing in this Agreement shall be deemed as a waiver of governmental immunity or as increasing the City of Big Spring's liability beyond any statutory limitation of liability.

(iii) Nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim against the City of Big Spring which would otherwise be barred under the doctrine of governmental immunity or operation of law.

Section 53. Tenant Waiver:

Tenant waives its right to any lien under Section 91.004, Texas Property Code.

Section 54. Additional Rights of Landlord:

In addition to other rights conferred by this Lease or by Law, Landlord reserves the right, to be exercised in Landlord's sole discretion, to: (a) change the name of the Airport; (b) install and maintain a sign or signs on the Airport other than the Demised Premises; (c) change the street address of any building on the Airport, including the Demised Premises; and (d) have passkeys to the buildings on the Demised Premises. Tenant hereby waives any claim to damages or inconvenience caused by Landlord's exercise of any such rights. This Section shall not be construed to alter or create any obligations of Landlord or Tenant with respect to repairs or improvements or other obligations provided herein.

Section 55. Asbestos:

Landlord represents, to its knowledge, that there are no asbestos-containing materials ("ACM") and/or presumed asbestos-containing materials ("PACM") as defined under 29 C.F.R. § 1910.1001(b) present in the Initial Buildings, on the Initial Demised Premises, or on the Expansion Space.

Section 56. Tenant Not on Certain Lists:

Tenant represents to Landlord that it is not a company on a list prepared and maintained by the Texas Comptroller and that does business with Iran, Sudan, or a foreign terrorist organization (these lists are available at https://comptroller.texas.gov/purchasing/publications/divestment.php) unless it is a company affirmatively declared by the United States government to be excluded from the applicable federal sanctions regime.

Section 57. SB17 Compliance:

(a) In this subsection, the following definitions apply:

"Designated Country" has the meaning as defined in Section 5.251, Texas Property Code.

"SB17" means Subchapter H to Chapter 5, Texas Property Code, as may be amended.

"US individual" means a United States citizen or a lawful permanent resident of the United States.

(b) The Parties take note of the enactment of Senate Bill 17 by the Texas Legislature in its 89th Regular Session in 2025.

(c) The Tenant represents to Landlord that Tenant is not prohibited by SB17 to acquire an interest in real property as:

(i) Tenant is a US individual or is a company or organization that is owned by or under the control of one or more US individuals, and is not acting on behalf of a Designated Country, or

(ii) Tenant is not otherwise prohibited from acquiring an interest in real property under SB17.

(d) Tenant represents that Galaxy FBO Holdings, L.L.C., the Laukien Affiliates as of the Effective Date, and the Tenant Affiliates as of the Effective Date are not prohibited from acquiring an interest in real property under SB17.

Section 58. Patriot Act:

The provisions attached hereto in Exhibit "9" are incorporated into this Lease for all intents and purposes and by this reference are all made a part hereof.

Section 59. Authority:

Tenant makes the following representations to Landlord, on which Landlord is entitled to rely in executing this Lease: (i) Tenant is a limited liability company duly organized and existing under the laws of the State of Texas, and is qualified to do business in the State of Texas, has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder; (ii) by proper resolution or consent the signatory hereto has been duly authorized to execute and deliver this Lease; and (iii) the execution, delivery, and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation or breach of, or default under Tenant's certificate of formation or bylaws, or partnership or operating agreements, as amended, or any indenture, mortgage, note, security agreement, or other agreement or instrument to which Tenant is a party or by which it is bound or to which any of its properties is subject.

Section 60. Compliance with Laws:

Tenant shall comply at its cost and expense with all laws as stated in Section 1(B) and Section 16(B) and with any direction or recommendation of any public officer or officers, pursuant to law, or any reasonable request of any insurance company carrying any insurance on the Demised Premises, and any insurance inspection or rating bureau which shall impose any duty upon Landlord or Tenant with respect to the Demised Premises or Tenant's use or occupation of the Demised Premises, and shall bear all costs of any kind or nature whatsoever occasioned by or necessary for compliance with the same, provided such costs or expenses arise from Tenant's specific use of the Demised Premises.

Section 61. Waiver of Jury Trial: LANDLORD AND TENANT KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY WAIVE A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY MATTER ARISING OUT OF THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE DEMISED PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

EXECUTED as of the Effective Date.

LANDLORD:

CITY OF BIG SPRING, TEXAS

By:________________________________
Todd Darden
City Manager

TENANT:

BLACK FOREST VENTURES AVIATION RE, LLC

By:________________________________
Printed Name:________________________
Its:________________________________

STATE OF TEXAS
COUNTY OF ______________

This instrument was acknowledged before me on January ___, 2026 by ____________________________, _________________________ of the CITY OF BIG SPRING, TEXAS, a home-rule municipality, on behalf of the said municipality.

____
Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF _____________

This instrument was acknowledged before me on January ___, 2026, by _____________________, _________________________ of BLACK FOREST VENTURES AVIATION RE, LLC, a Texas limited liability company, on behalf of the said limited liability company.

____
Notary Public, State of Texas

Exhibit “1”

Drawing of Big Spring Airport

The Big Spring Airport is the non-gray area depicted on the Drawing below.

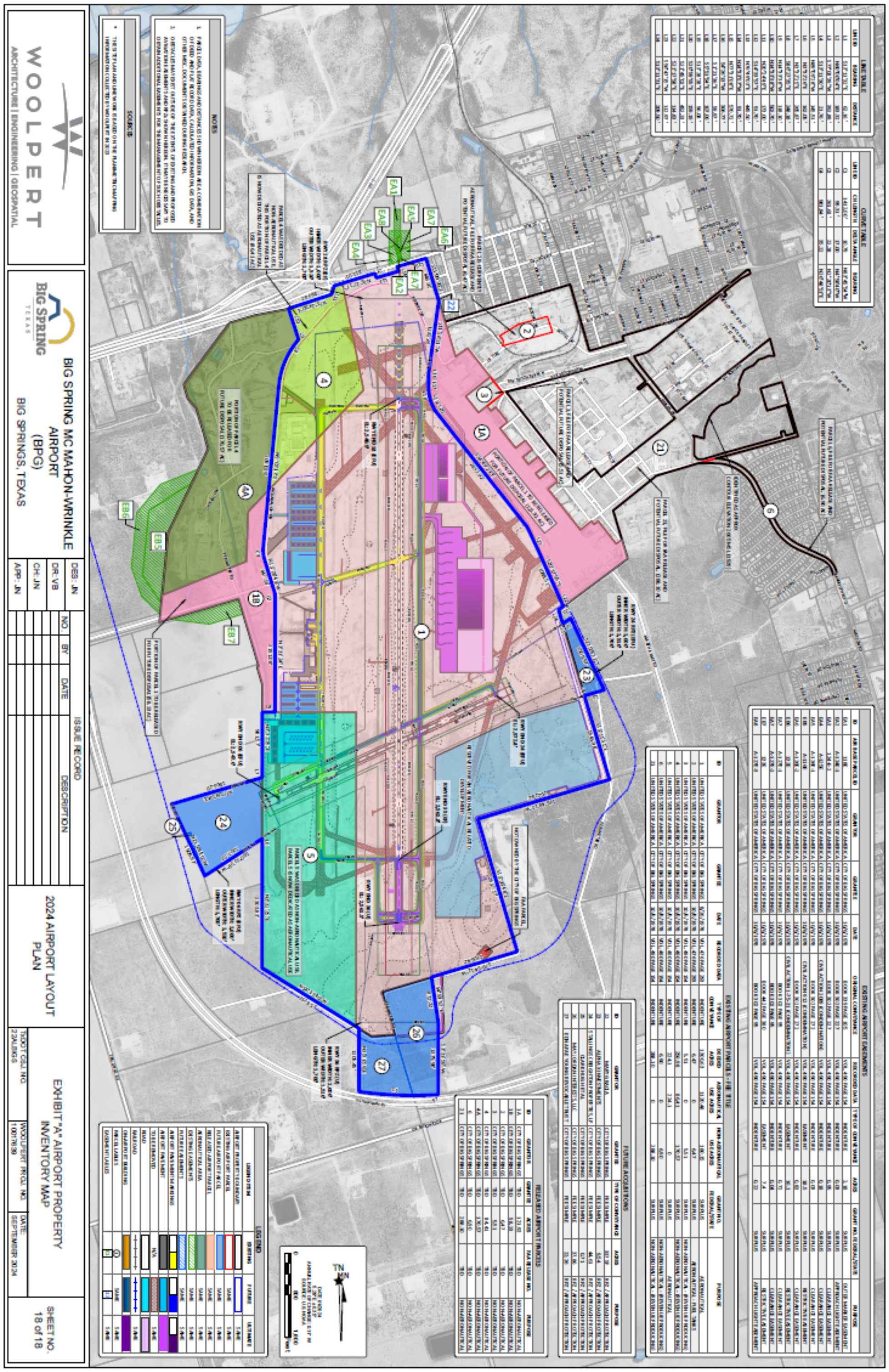


Exhibit "2"

Initial Demised Premises

The Initial Demised Premises is the interior space within the buildings located in the Terminal, Hangar 1, Hangar 2, and Hangar 3 areas depicted below:

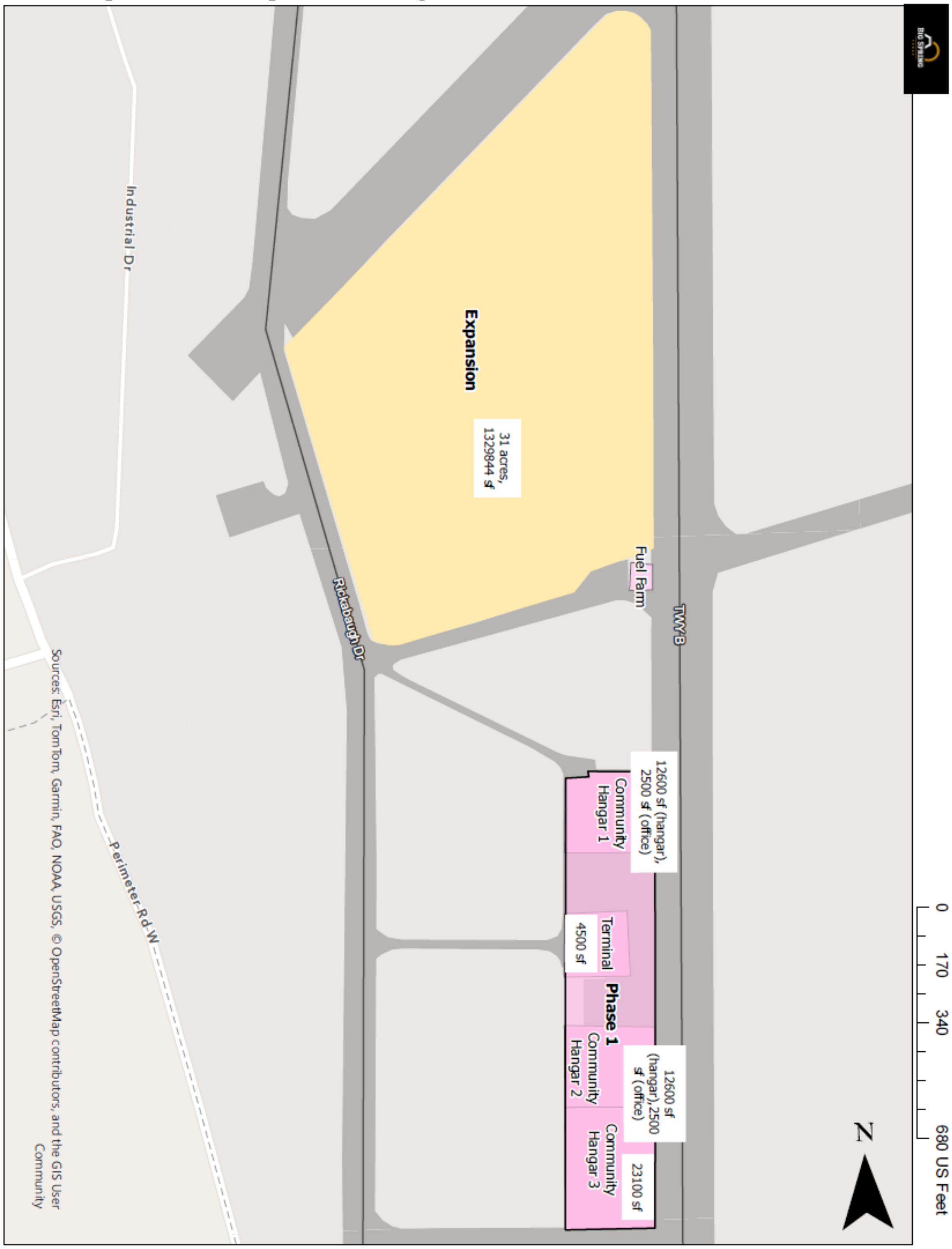


Exhibit “3”

Initial Common Area and Fuel Farm

The Initial Common Area is the cross-hatched (in green) area shown below located outside of the Initial Buildings shown below. Also, the Fuel Farm is shown below.

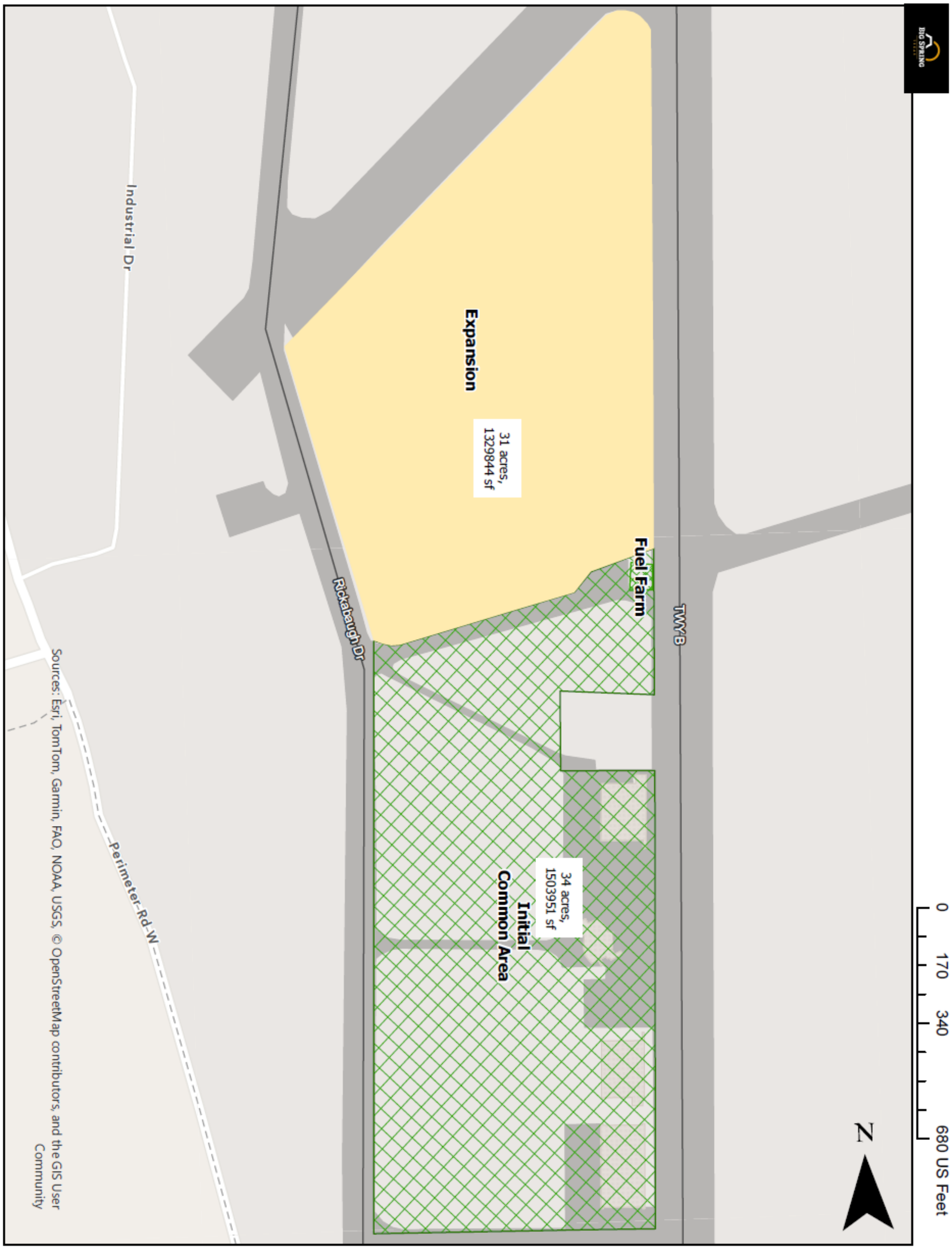

Industrial Dr
Expansion
31 acres,
1329844 sf
Rickabaugh Dr
Fuel Farm
TWY B
Initial
Common Area
34 acres,
1503951 sf
Perimeter-Rd-W
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community
0
170
340
680 US Feet
N

Exhibit "4"

MASTER LANDLORD SUBLEASE CONSENT

LEASE TENANT & MASTER LEASE INFORMATION

Name of Tenant **as "Tenant"**		
Primary Contact		
Legal Notice Address:		
Telephone:		**Lease No:** ____________________ **Effective Date of Lease:** ___________ *("Master Lease Effective Date")*
E-mail Address:		

SUBLEASE AGREEMENT (the "Sublease")

Sublease Agreement Date:	**Commencement Date:**	**Expiration Date:**
Describe Renewal Options (if applicable):		

Subtenant Name: **as "Subtenant"**			**"State"** of Registration (if applicable)	
DBA:				
"Entity Type"		Corporation		Partnership
		Limited Liability Company (LLC)		Joint Venture
		Sole Proprietorship		Individual
		Other: (Describe)		
Primary Contact:			Title:	
Address of Leased Premises				
Telephone:			E-mail:	
Website:			☐	**Please include in Airport Directory** (See Page 2 for additional information)

SECONDARY COMPANY CONTACT INFORMATION

Name:		Title:
Telephone:		E-mail

EMERGENCY / AFTER HOURS CONTACT INFORMATION

Name:		Title:
Telephone:		E-mail

BASED AIRCRAFT REGISTRATION (use an additional sheet if needed)

N #	Make	Model	Year

PERMITTED USE OF SUBLEASED PREMISES SUBJECT TO MASTER LEASE- (check all that apply)

	Aircraft Sales & Rentals		Aircraft Maintenance & Repairs
	Air Cargo Operations		Instruction/Training
	Corporate Aircraft Storage & Flight Opers.		Office & General Administration
	Fractional Ownership/Charter Operations		Personal Aircraft Storage Only
	Other (describe):		Other (describe)

AERONAUTICAL BUSINESS SERVICES AND AFFILIATIONS (choose from the list below)

Primary Business Type:	Secondary Business Type:

ANCILIARY SERVICES SUBTENANT PROVIDES (choose all that apply)

	Aircraft Air Conditioning		Aviation Support		Government Contracts
	Aircraft Cleaning		Avionics Sales/Repair		Hangar Development
	Aircraft Sales - Turbine		Charter - Cargo		Hangar Management
	Aircraft Sales - Piston		Charter - Passenger		Hangar/Office Leasing
	Airport Management		Concessions		Helicopter Maintenance
	AMP Testing		Corporate Flight Dept.		Helicopter Repairs
	Aviation Consulting		Fixed Base Operator		Instrument Sales/Repair
	Aviation Insurance		Flight Instruction		Interior Design/Refurbishment
	Aviation Maintenance/Heavy		Fractional Ownership		Museum
	Aviation Maintenance/Light		Fuel Tank Inspect/Repair		Pilot Shop

FAA & OTHER CERTIFICATIONS

(Underlined terms are defined as first given above)

The City of Big Spring, Texas (the "Master Landlord") is the sole Landlord under that certain Lease Agreement dated as of the Master Lease Effective Date wherein by way of any assignment, amendment, modification or other act, the above named Tenant is the Tenant of the Lease Agreement described above. Together with any and all assignments, modifications and amendments thereto, if any, the Lease Agreement is hereinafter referred to as the "Master Lease," by the terms of which Tenant leased from Master Landlord certain property referred to as the "Demised Premises," "Leased Premises," or "Premises" (or such similar term) in the Master Lease (referred to herein as the "Demised Premises") located at Big Spring Airport within the City of Big Spring, Texas, said property being more particularly described in said Master Lease. Tenant is hereby seeking Master Landlord's consent to the sublease ("Consent to Sublease") by Tenant of all or a part of the Demised Premises, which part is described in the Sublease, to the Subtenant so named above, pursuant to that Sublease Agreement described above (the "Sublease"), on the following terms and conditions:

Based on Tenant's representations, Master Landlord hereby consents to the Sublease on the following terms and conditions:

1. Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Master Lease including, without limitation, the duty to make any and all payments of rent. This Consent to Sublease shall in no way release Tenant from any of its covenants, agreements, liabilities and duties under the Master Lease. Within five (5) days of written demand by Master Landlord, Tenant and/or Subtenant shall deliver a true and correct copy of the Sublease as it may be amended or modified from time to time. This Consent to Sublease does not constitute approval by Master Landlord of the terms of the Sublease. Nothing herein contained shall be deemed a waiver or release of any of the Master Landlord's rights under the Master Lease.

2. No further subletting or assignment, conveyance, or other transfer of all or any portion of the Demised Premises shall be made without the prior written consent of the Master Landlord, except as otherwise provided in Master Lease.

3. Subtenant's use and occupancy of the Demised Premises shall be subject to all of the terms and conditions of the Master Lease, Subtenant agrees not to violate the terms and provisions of the Master Lease and in the event of any conflict between the terms of the Master Lease and the terms of the Sublease, the terms

of the Master Lease shall control (and, without limiting the foregoing, the Demised Premises shall never be used for any purpose other than as permitted by the Master Lease, and this Consent to Sublease does not constitute and is not consent to any use on or within the Demised Premises which is not permitted by the Master Lease).

4. Subtenant shall be obligated to obtain Master Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Master Lease.

5. The Sublease shall automatically terminate upon termination of the Master Lease, notwithstanding any other provision of the Sublease to the contrary. Master Landlord has no obligation to communicate such termination to Subtenant.

6. Tenant shall be fully liable for any violation by Subtenant of any of the terms and conditions of the Master Lease.

7. Master Landlord shall have no obligation for the performance by Tenant of its obligations under the Sublease. Neither this Consent to Sublease, the exercise by Master Landlord of its rights hereunder, nor the Sublease or any other instrument shall give Subtenant any rights directly or indirectly against Master Landlord or create or impose any obligation, duty, responsibility, or liability of Master Landlord in favor of or for the benefit of Subtenant.

8. In the event of the occurrence of an event of default under the Master Lease by Tenant while the Sublease is in effect, Master Landlord, in addition to any other rights or remedies provided in the Master Lease or by law, in equity, or otherwise, may at Master Landlord’s option, collect directly from the Subtenant all rents becoming due under the Sublease and apply such rent against any sums due to Master Landlord. No direct collection by Master Landlord from Subtenant shall release Tenant from the payment or performance of Tenant's obligations under the Master Lease; provided that if Master Landlord collects any rents directly from Subtenant pursuant to this paragraph, Subtenant shall be released from its obligations to pay such rents to Tenant.

9. Tenant and Subtenant each hereby represent and warrant to Master Landlord that other than the Sublease, there are no agreements or understandings, whether written or oral between Tenant and Subtenant with respect to Subtenant's use and occupancy of the Demised Premises or any property of Tenant located therein.

10. Tenant and Subtenant each hereby covenants and agrees with Master Landlord that Tenant and Subtenant shall **defend, indemnify and hold harmless** Master Landlord, its elected officials, its officers, employees, representatives and agents from and against any and all claims, liabilities and obligations to any broker or agent in connection with the Sublease, including, without limitation, any reasonable attorneys' fees and costs incurred by Master Landlord in connection therewith.

11. If Subtenant is to operate as a commercial aeronautical service provider pursuant to the Sublease Agreement, Tenant hereby warrants and represents to Master Landlord that Tenant has delivered to Subtenant a complete copy of the *Big Spring Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers* and the *Big Spring Airport Rules and Regulations,* and Subtenant hereby acknowledges and warrants and represents to Master Landlord that Subtenant has received the same and shall comply with the requirements set forth therein.

12. Tenant and Subtenant attest, warrant and represent to Master Landlord that all information given herein is true and correct.

ACKNOWLEDGED AND AGREED TO this ________ day of ______________________, 20___.

Tenant:

By:______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Date:______________________________

Subtenant:

By:______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Date:______________________________

Recommended by Airport Manager

By:______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Date:______________________________

Master Landlord
City of Big Spring, Texas

By:______________________________
(Signature)

____
(Printed Name)

Title: ______________________________

Date:______________________________

Exhibit "5"

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

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement ("Memorandum") is dated as of ______________________, 2026, and executed by and between the City of Big Spring, Texas, a Texas home-rule municipality ("Landlord" or "City") and Black Forest Ventures Aviation RE, LLC, a Texas limited liability company ("Tenant"). Capitalized terms not otherwise defined in this Memorandum will have the same meaning ascribed to such terms in the "Lease", as defined below.

WHEREAS, Landlord and Tenant executed that certain Lease Agreement ("Lease"), dated as of January ___, 2026, pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the interior space within buildings located in the Terminal, Hangar 1, Hangar 2, and Hangar 3 areas depicted in Exhibit "A" attached hereto and made a part hereof ("Initial Demised Premises"), owned by the City and located at and within the Big Spring McMahon Airport ("Airport") located in Big Spring, Texas, with the Airport being more particularly described in Exhibit "B" attached hereto and made a part hereof; the terms and conditions of the Lease, as amended from time to time, are incorporated herein by reference for all purposes.

WHEREAS, subject to the terms and conditions of the Lease, the Term of the Lease is for four hundred-eighty (480) full calendar months commencing the "Commencement Date", as defined in the Lease, which is ________________, 2026;

WHEREAS, for a five (5)-year period commencing on the Commencement Date, Tenant has an option to lease all or any portion of the land described in Exhibit "C" attached hereto and made a part hereof ("Expansion Space"), in accordance with the terms and conditions of the Lease; and

WHEREAS, during the Term of the Lease, Tenant has a right of first refusal to lease space in the "Air Operations Area" (*i.e.*, the portion of the Airport in which security measures specified by federal law or regulations are to be carried out and, if applicable, approved by the Federal Aviation Administration or its successors) at the Airport, as such Air Operations Area is modified from time to time, that is not contained in the "Demised Premises", as defined in the Lease, in accordance with the terms and conditions of the Lease.

NOW THEREFORE, this Memorandum is solely for notice and recording purposes and shall not be construed to alter, modify, expand, diminish, or supplement the provisions of the Lease, as amended, from time to time. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, as amended, from time to time, the terms and conditions of the Lease, as amended, from time to time, shall govern. Reference should be made to the Lease (and all amendments thereto) for the full description of the rights and duties of Landlord and Tenant thereunder, and this Memorandum shall in no way affect the terms or conditions of the Lease (including all amendments thereto) or the interpretation of the rights and duties of Landlord and Tenant thereunder.

IN WITNESS WHEREOF, the undersigned parties have executed this Memorandum on the day and the year first set forth above.

LANDLORD:	**TENANT:**
CITY OF BIG SPRING, TEXAS	BLACK FOREST VENTURES AVIATION RE, LLC
By:________________________________ Printed Name:______________________ Its:________________________________	By:________________________________ Printed Name:______________________ Its:________________________________

STATE OF TEXAS
COUNTY OF _____________

This instrument was acknowledged before me on ____________________, 2026 by _________________________, ______________________ of the CITY OF BIG SPRING, TEXAS, a home-rule municipality, on behalf of the said municipality.

____
Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF ____________

This instrument was acknowledged before me on _________________, 2026, by _________________, ______________________ of BLACK FOREST VENTURES AVIATION RE, LLC, a Texas limited liability company, on behalf of the said limited liability company.

____
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Town of Big Spring, Texas
310 Nolan Street
Big Spring, Texas 79720
Attention: City Attorney

EXHIBIT “A”
to Memorandum of Lease Agreement

Initial Demised Premises

The Initial Demised Premises is the interior space within buildings located in the Terminal, Hangar 1, Hangar 2, and Hangar 3 areas depicted in the attached Drawing.

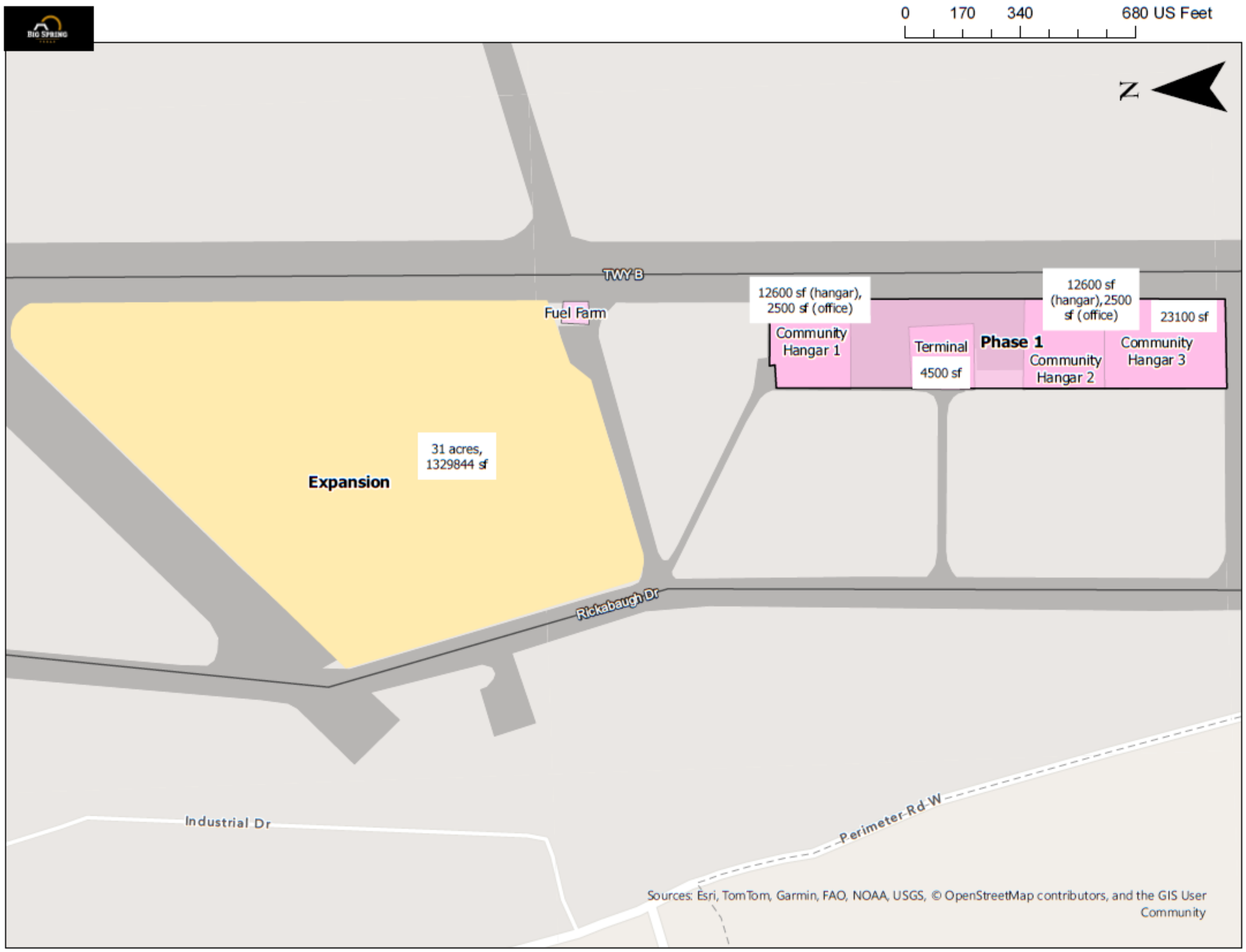

0 170 340 680 US Feet
N
TWY B
Fuel Farm
12600 sf (hangar), 2500 sf (office)
Community Hangar 1
Terminal
4500 sf
Phase 1
12600 sf (hangar), 2500 sf (office)
Community Hangar 2
23100 sf
Community Hangar 3
Expansion
31 acres, 1329844 sf
Rickabaugh Dr
Industrial Dr
Perimeter-Rd-W
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

EXHIBIT "B"
to Memorandum of Lease Agreement

Drawing of Big Spring Airport

The Big Spring Airport is the non-gray area depicted on the Drawing below.

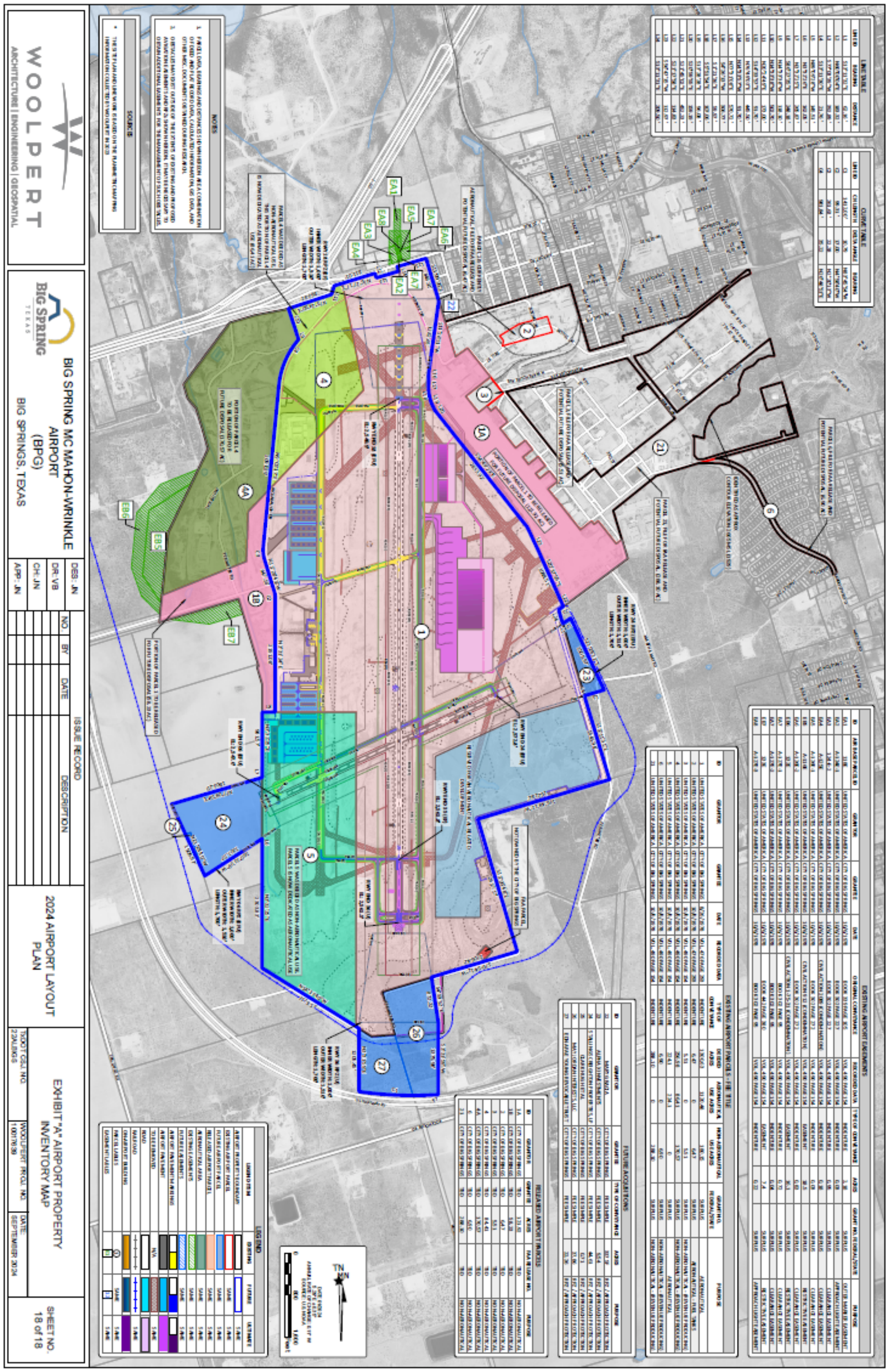

WOOLPERT
ARCHITECTURE | ENGINEERING | GEOSPATIAL
BIG SPRING
TEXAS
BIG SPRING MC MAHON-WRINKLE AIRPORT (BPG)
BIG SPRINGS, TEXAS
DES: JN
DR: VB
CH: JN
APP: JN
ISSUE RECORD
NO
BY
DATE
DESCRIPTION
2024 AIRPORT LAYOUT PLAN
EXHIBIT "A" AIRPORT PROPERTY INVENTORY MAP
SEPTEMBER 2024
SHEET NO.
18 of 18

EXHIBIT "C"
to Memorandum of Lease Agreement

<u>DEPICTION OF EXPANSION SPACE</u>

The Expansion Space is the are labeled "Expansion" in the Drawing below.

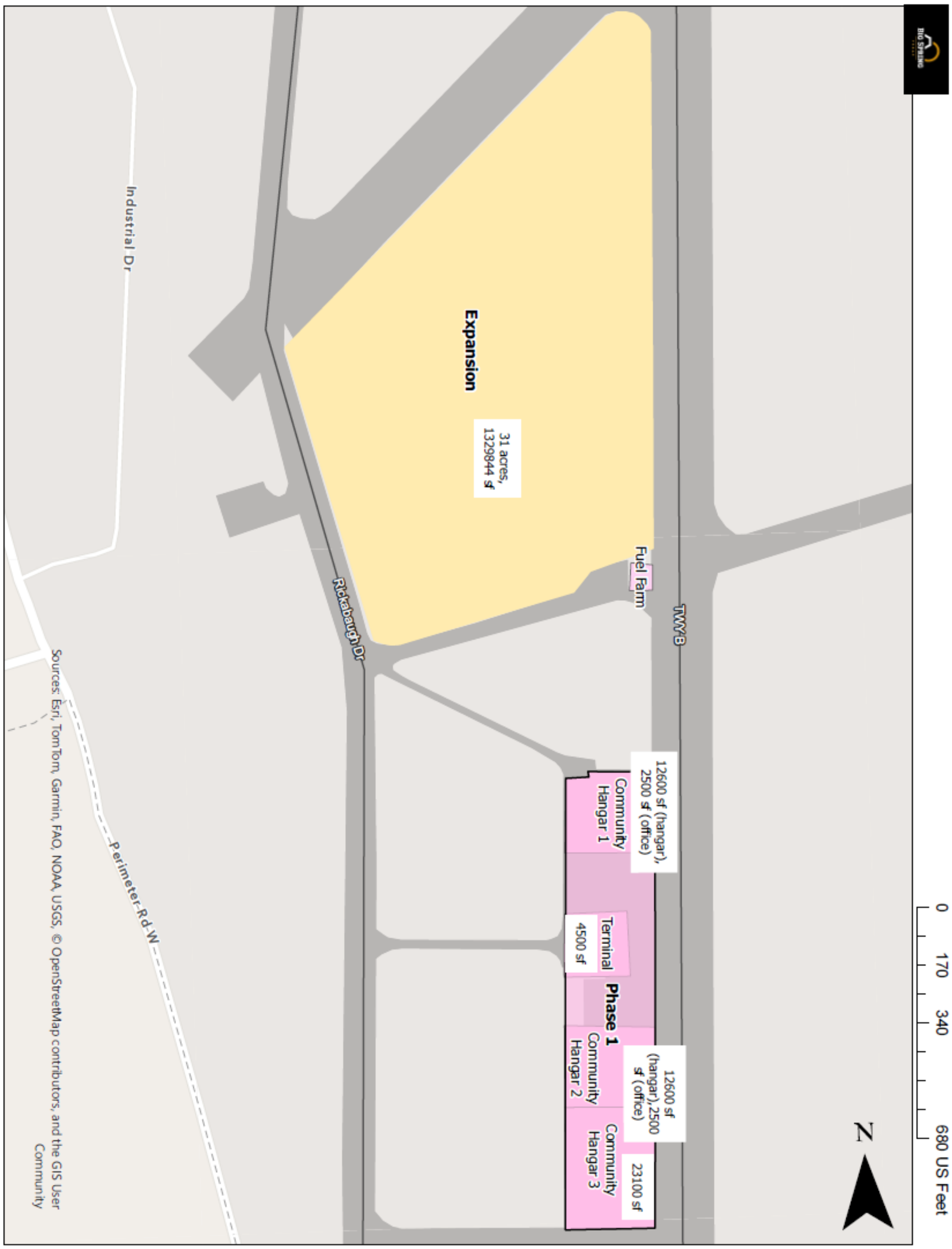


Exhibit "6"

Depiction of Expansion Space

The Expansion Space is the are labeled "Expansion" in the Drawing below.

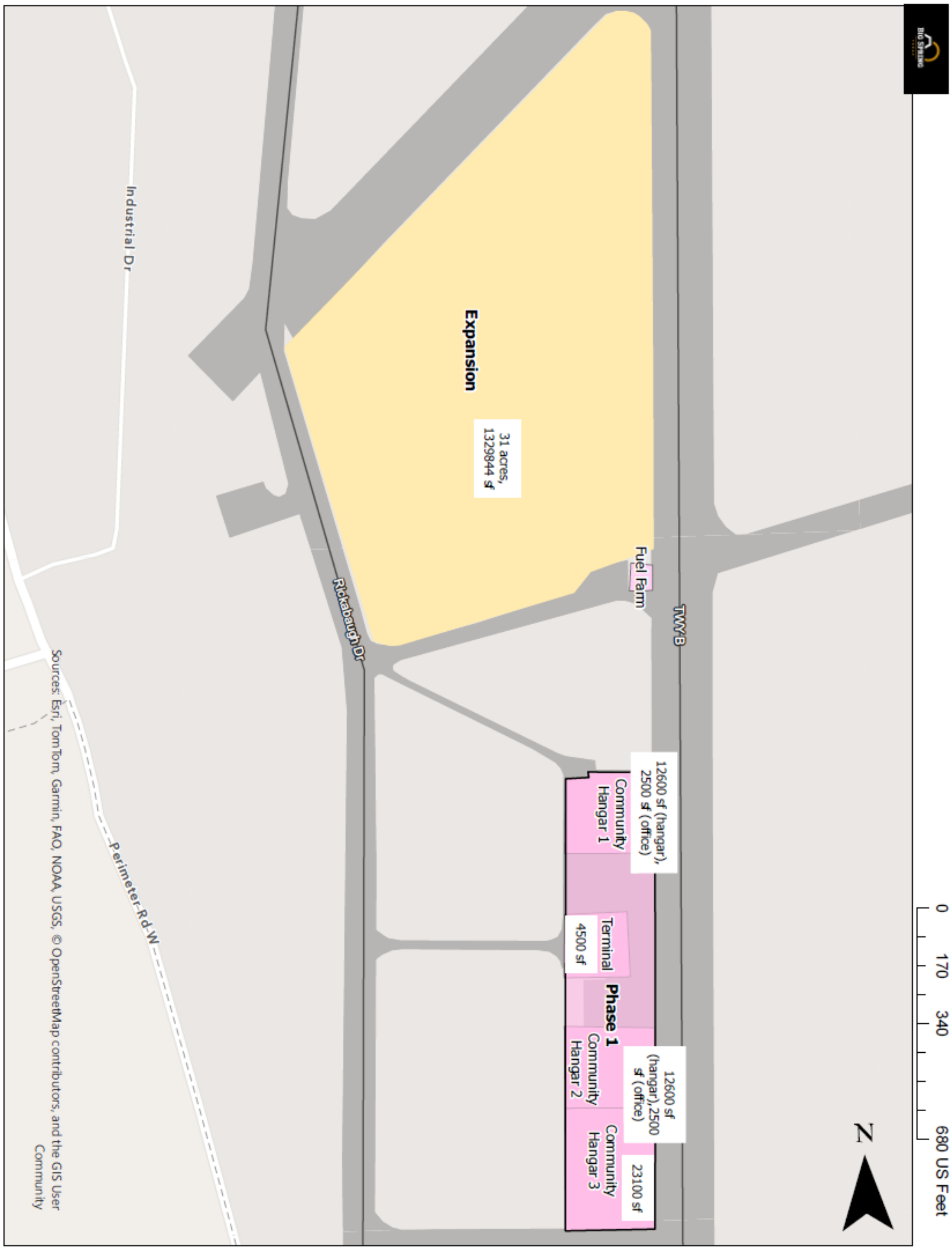


Exhibit "7"

Drawings of Airport and Areas Within the Airport
(For reference purposes only)

See attached

Exhibit 7-1

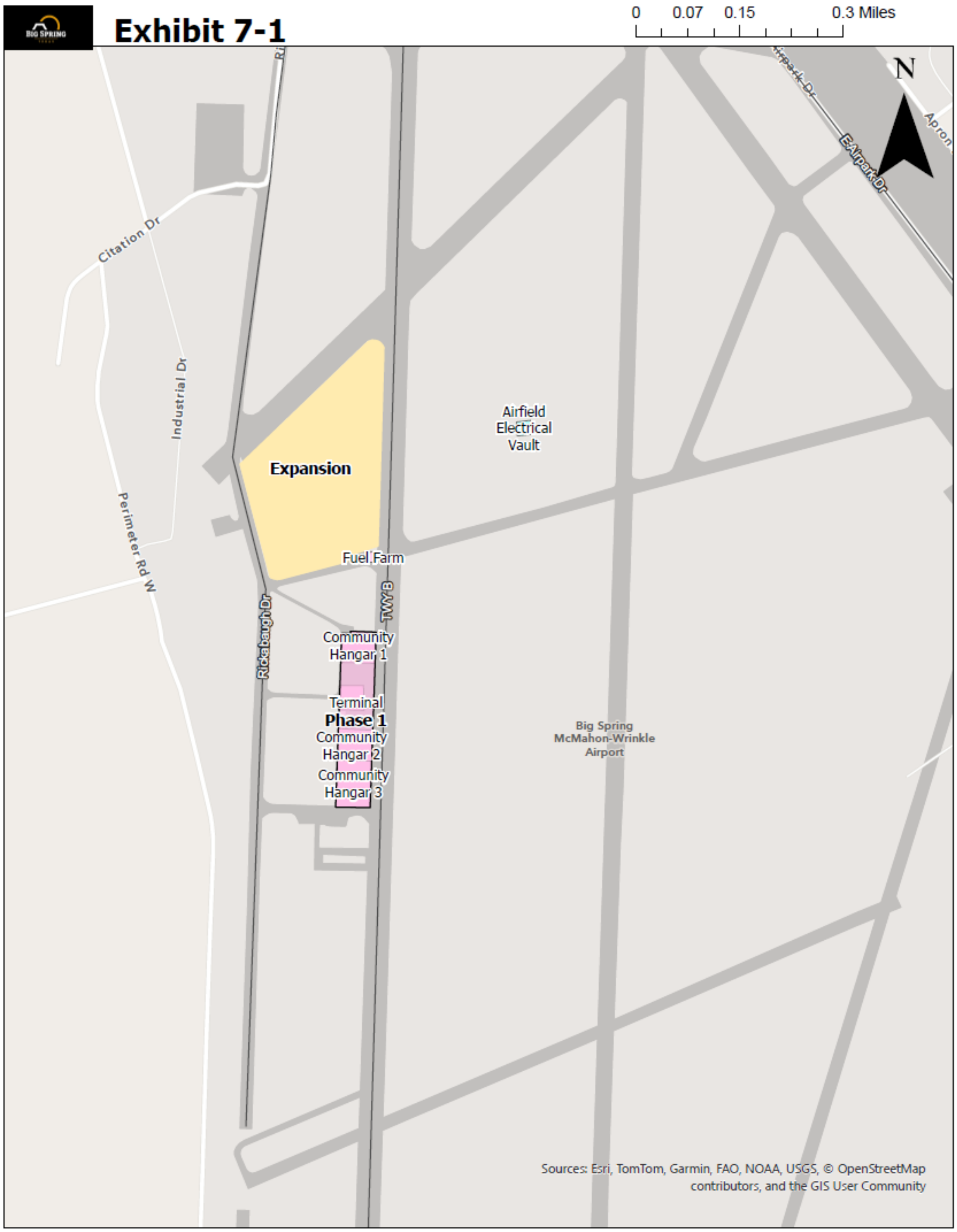

0 0.07 0.15 0.3 Miles
N
Citation Dr
Industrial Dr
Perimeter Rd W
Rickabaugh Dr
TWY B
E Airpark Dr
Apron
Expansion
Airfield Electrical Vault
Fuel Farm
Community Hangar 1
Terminal
Phase 1
Community Hangar 2
Community Hangar 3
Big Spring McMahon-Wrinkle Airport
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Exhibit 7-2

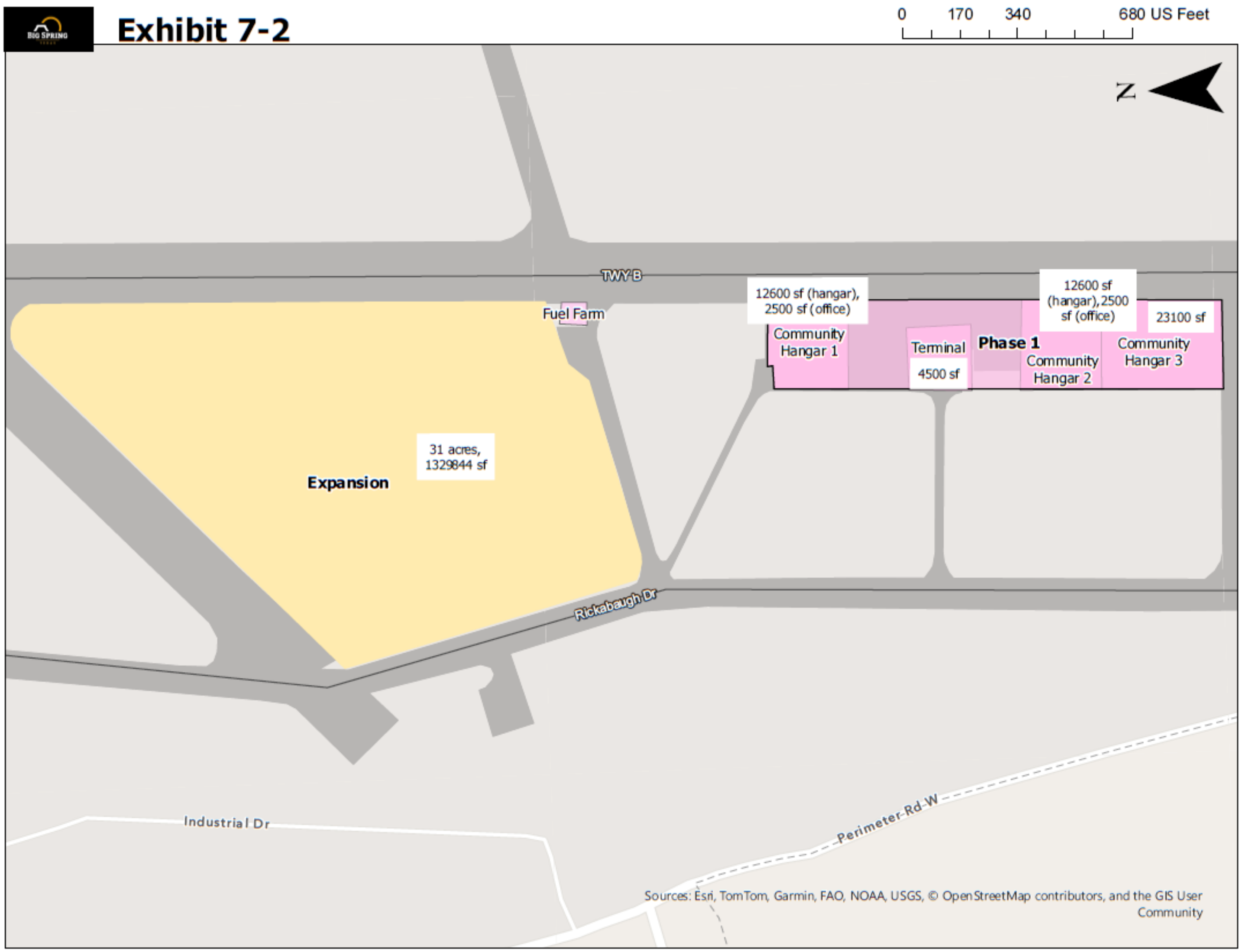
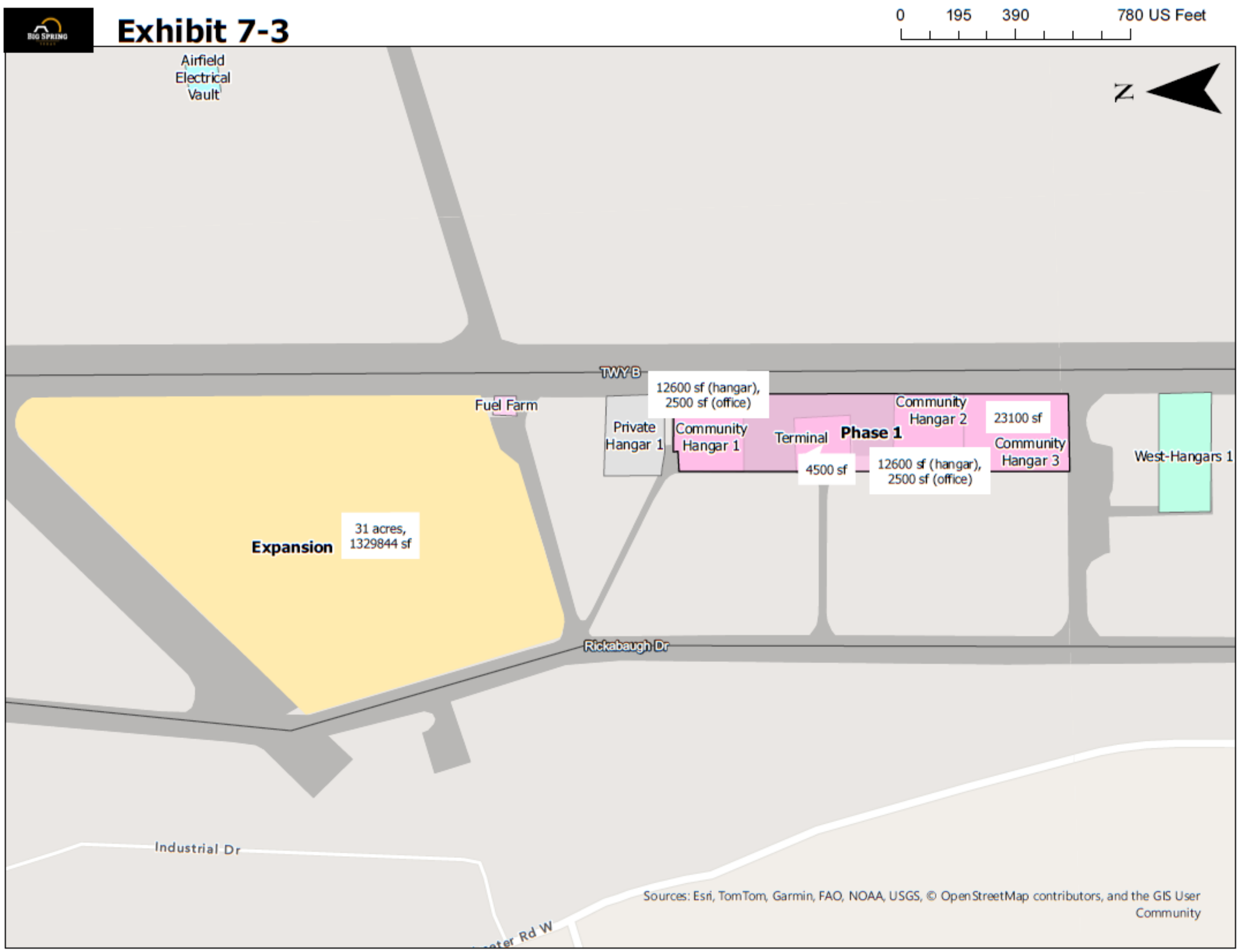
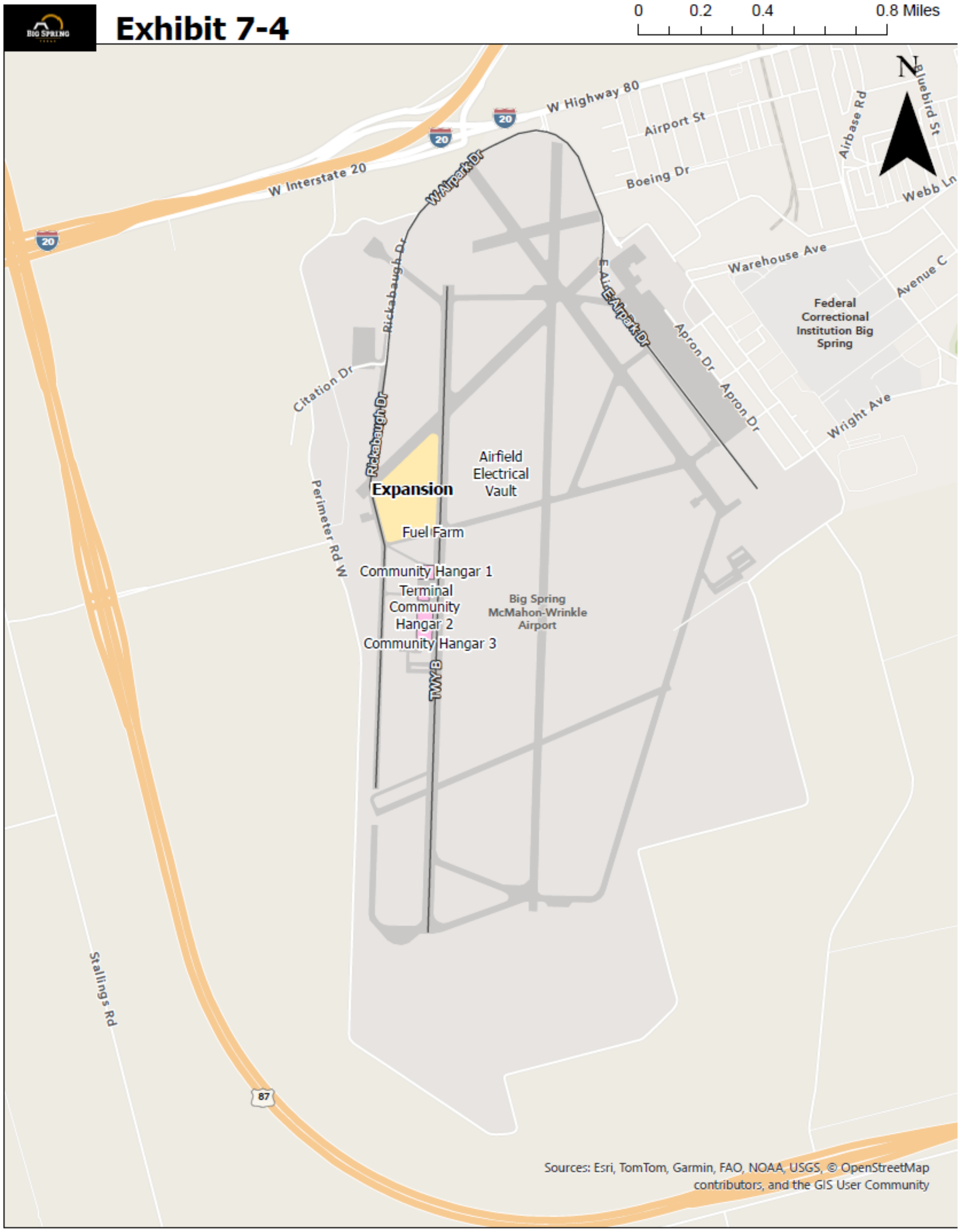

0
170
340
680 US Feet
N
TWY B
Fuel Farm
12600 sf (hangar), 2500 sf (office)
Community Hangar 1
Terminal
4500 sf
Phase 1
12600 sf (hangar), 2500 sf (office)
Community Hangar 2
23100 sf
Community Hangar 3
Expansion
31 acres, 1329844 sf
Rickabaugh Dr
Industrial Dr
Perimeter Rd W
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Exhibit 7-3



0
195
390
780 US Feet
N
Airfield Electrical Vault
TWY B
Fuel Farm
Expansion
31 acres, 1329844 sf
Private Hangar 1
12600 sf (hangar), 2500 sf (office)
Community Hangar 1
Terminal
4500 sf
Phase 1
Community Hangar 2
12600 sf (hangar), 2500 sf (office)
23100 sf
Community Hangar 3
West-Hangars 1
Rickabaugh Dr
Industrial Dr
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Exhibit 7-4



0
0.2
0.4
0.8 Miles
N
W Highway 80
Airport St
Boeing Dr
W Interstate 20
W Airpark Dr
Rickabaugh Dr
E Airpark Dr
Warehouse Ave
Airbase Rd
Bluebird St
Webb Ln
Avenue C
Federal Correctional Institution Big Spring
Apron Dr
Wright Ave
Citation Dr
Perimeter Rd W
Airfield Electrical Vault
Expansion
Fuel Farm
Community Hangar 1
Terminal
Community Hangar 2
Community Hangar 3
Big Spring McMahon-Wrinkle Airport
TWY B
Stallings Rd
20
87
Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS User Community

Exhibit “8”

Nondiscrimination, Airport Protection, and Subordination

Addendum to the Big Spring McMahon-Wrinkle Airport Lease Agreement between the City of Big Spring and Black Forest Ventures Aviation RE, LLC.

1. Nondiscrimination.
(a) The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (i) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (ii) that in the construction of any improvements on, over or under such land, and the furnishing of services thereon, no person on the grounds of race, color, or national origin, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (iii) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

(b) In the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right, after all applicable notice periods and opportunities to cure specified in the lease, to terminate the lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued.

(c) Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this Lease, the Tenant, for itself, its assignees, and successors in interest agrees to comply with the following nondiscrimination statutes and authorities; including but limited to:
(i) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

(ii) 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

(iv) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

(v) The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

(vi) Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
(vii) The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and

Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

(viii) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

(ix) The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

(x) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

(xi) To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

(xii) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

2. Airport Protection.

It shall be a condition of this Lease that Landlord reserves unto itself, its successors in interest, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating on the airport.

The Tenant expressly agrees for itself, its successors in interest, and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Federal Aviation Regulations, Part 77 (14 C.F.R. § 77).

The Tenant expressly agrees for itself, its successors in interest, and assigns, to prevent any use of the Premises that would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

3. Subordination.
This Lease and all provisions hereof are subject and subordinate to [the terms and conditions of the instruments and documents under which Landlord acquired the subject property from the United States of America/the provisions of any existing or future agreements between Landlord and the United States of America, relative to the operation or maintenance of the airport, including but not limited to, agreements governing the expenditure of federal funds for airport improvements] and

shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the documents for the Premises between the Landlord and the United States of America, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by Landlord pertaining to the Big Spring McMahon-Wrinkle Airport.

4. Exclusive Rights.

Notwithstanding anything herein contained to the contrary, it is expressly understood and agreed that the rights granted under this Lease are non-exclusive, and Landlord herein reserves the right to grant similar privileges to another tenant or other tenants of any parts of the airport.

5. Economic Nondiscrimination.

(a) Tenant agrees to furnish services to all users on fair and reasonable terms, without unjust discrimination.

(b) Tenant agrees to charge fair, reasonable, and not unjustly discriminatory prices for each unit or service, provided that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

Exhibit “9”

Patriot Act

Tenant hereby represents, warrants, and covenants to Landlord that Tenant: (i) is in compliance with the Office of Foreign Assets Control sanctions and regulations promulgated under the authority granted by the Trading with the Enemy Act, 50 U.S.C. § 4301 et seq., and the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq., as the same apply to it or its activities; (ii) is in compliance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time (the "Patriot Act") and all rules and regulations promulgated under the Patriot Act applicable to Tenant; and (iii) (A) is not now, nor has ever been, under investigation by any governmental authority for, nor has been charged with or convicted of a crime under 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any anti-money laundering laws or predicate offenses thereunder; (C) has not had any of its funds seized, frozen, or forfeited in any action relating to any anti-money laundering laws or predicate offenses thereunder; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating, or otherwise furthering, intentionally or unintentionally, the transfer, deposit, or withdrawal of criminally derived property, or of money or monetary instruments which are (or which Tenant suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all laws and regulations applicable to its business for the prevention of money laundering and with anti-terrorism laws and regulations, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act. Neither Tenant nor any other person owning a direct or indirect, legal, or beneficial interest in Tenant is in violation of the Executive Order or the Patriot Act. Neither Tenant nor any of its respective constituents, investors (direct or indirect and whether or not holding a legal or beneficial interest) or affiliates, acting or benefiting, directly or indirectly, in any capacity in connection with Landlord and/or the Building Complex or this Agreement or any of the transactions contemplated hereby or thereby, is: (1) listed in the Annex to, or otherwise subject to the provisions of, that certain Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (the "Executive Order"); (2) named as a "specifically designated national (SDN)" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website (https://www.treasury.gov/ofac/downloads/sdnlist.pdf) or at any replacement website or other replacement official publication of such list or that is named on any other Governmental Authority list issued post 9/11/01; (3) acting, directly or indirectly for terrorist organizations or narcotics traffickers, including those persons that are included on any relevant lists maintained by the United Nations, North Atlantic Treaty Organization, Financial Action Task Force on Money Laundering, U.S. Office of Foreign Assets Control, U.S. Securities and Exchange Commission, U.S. Federal Bureau of Investigation, U.S. Central Intelligence Agency, U.S. Internal Revenue Service, all as may be amended or superseded from time to time; or (4) owned or controlled by, or acting for or on behalf of, any person described in clauses (1), (2), or (3) above (a "Prohibited Person"). None of the funds or other assets of the Tenant constitute property of, or are beneficially owned, directly or indirectly, by any person, entity, or government subject to trade restrictions under U.S. Law, including but not limited to: (x) the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq.; (y) The Trading with the Enemy Act, 50 U.S.C. § 4301 et seq.; and (z) any Executive Orders or regulations promulgated thereunder, with the result that sale by Tenant or other Persons (whether directly or indirectly), is prohibited by Law (an "Embargoed Person"). No Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); and none of the funds of Tenant have been derived from any unlawful activity with the result that an investment in Tenant (whether directly or indirectly) or sale by Tenant, is prohibited by Law or that execution, delivery, and performance of this Lease or any of the transactions or other documents contemplated hereby or thereby is in violation of Law.

BIG SPRING
TEXAS

Staff Report

To: The Honorable Mayor and City Council
From: The City Manager
Date: January 27, 2026
Subject: Consideration and Possible Action to Amend the Right of Way Agreement with Medallion Pipeline in or near Sections 34, 35 Near the Big Sandy Landfill and Authorizing the City Manager or His Designee to Execute any Necessary Documents

RECOMMENDATION:
Staff recommends approval.

BACKGROUND:
In 2016, the City agreed to a right-of-way agreement with Medallion Pipeline to put two pipelines in near the landfill. One was put in. To put the second one in, Medallion requests this Amendment.

FISCAL IMPACT:
To be discussed

ATTACHMENTS:
amendment to Medallion ROW, new Exhibit A

REPORT PREPARED BY:
Andrew Hagen, City Attorney

APPROVED BY:
Todd Darden, City Manager

AMENDMENT TO RIGHT-OF-WAY AGREEMENT

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF ____________ §

This Amendment to Right-of-Way Agreement (this "Amendment") is made in Big Spring, Howard County, Texas and entered into as of ____________ ______, 2026, by and between the City of Big Spring, a Texas municipal corporation ("Grantor"), whose address is 310 Nolan Street, Big Spring, Texas 79720, and Medallion Pipeline Company, LLC, a Texas limited liability company ("Grantee"), whose address is 222 W. Las Colinas Boulevard, Suite 1140E, Irving, Texas 75039. Grantor and Grantee are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Grantor and Grantee are parties to that certain Right-of-Way Agreement concerning Section 35, Block 32, T1N, T. & P. RR. Co. Survey, Howard County Texas and dated January 12, 2016 (the "ROW Agreement") and recorded in the real property records of Howard County, Texas at volume 2122, pages 729 through 733;

WHEREAS, the ROW Agreement includes an Exhibit "A" that describes the location and route of the right-of-way and easement granted thereunder;

WHEREAS, the Parties desire to amend the ROW Agreement to add an additional Exhibit "A"; and

WHEREAS, the Parties desire to set forth their agreement with respect to such amendment in writing.

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Definitions**. Capitalized terms used but not defined herein shall have the meanings given to such terms in the ROW Agreement.

2. **Amendment to the ROW Agreement**. The ROW Agreement is hereby amended by adding a second Exhibit "A" attached hereto and incorporated herein by reference to memorialize the second pipeline to be installed under the ROW Agreement, and this second Exhibit "A" shall be in addition to the Exhibit "A" in the ROW Agreement.

3. **Effect on ROW Agreement**. Except as expressly amended by this Amendment, all terms, conditions, covenants, and provisions of the ROW Agreement shall remain in full force and

effect and are hereby ratified and confirmed. In the event of any conflict or inconsistency between the terms of this Amendment and the terms of the ROW Agreement, the terms of this Amendment shall control.

4. **Entire Agreement**. The ROW Agreement, as amended by this Amendment, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions, whether oral or written, of the Parties with respect to such subject matter.

5. **Further Assurances**. Each Party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Amendment and the transactions contemplated hereby.

6. **Counterparts**. This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic signatures shall be deemed to be original signatures for all purposes.

7. **Governing Law**. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law principles thereof.

8. **Recordation**. This Amendment may be recorded in the Official Public Records of Howard County, Texas.

9. **Non-Waiver of Governmental Immunity.**

    (a) The City of Big Spring, a Texas municipal corporation, expressly retains all rights and benefits of governmental immunity from liability and suit for damages in accordance with: Title 5, Texas Civil Practice and Remedies Code; Subchapter I, Chapter 271, Texas Local Government Code; and any other law, if applicable.

    (b) Nothing in this Amendment or in the ROW Agreement shall be deemed as a waiver of governmental immunity or as increasing the City of Big Spring's liability beyond any statutory limitation of liability.

    (c) Nothing in this Amendment or in the ROW Agreement shall inure to the benefit of any third party for the purpose of allowing any claim against the City of Big Spring which would otherwise be barred under the doctrine of governmental immunity or operation of law.

[Signature Page follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first written above.

GRANTOR:

CITY OF BIG SPRING

By: ________________________________
Name: Todd Darden
Title: City Manager

GRANTEE:

MEDALLION PIPELINE COMPANY, LLC

By: ________________________________
Name: ______________________________
Title: _______________________________

ACKNOWLEDGMENTS

This instrument was acknowledged before me on the ____ day of ________________, 2026, by ________________________, ________________________ of the City of Big Spring, a Texas municipal corporation, on behalf of said municipal corporation.

____
Notary Public, State of Texas
My Commission Expires: ___________

STATE OF TEXAS §
§
COUNTY OF ____________ §

This instrument was acknowledged before me on the ____ day of ________________, 2026, by ________________________, ________________________ of Medallion Pipeline Company, LLC, a Texas limited liability company, on behalf of said limited liability company.

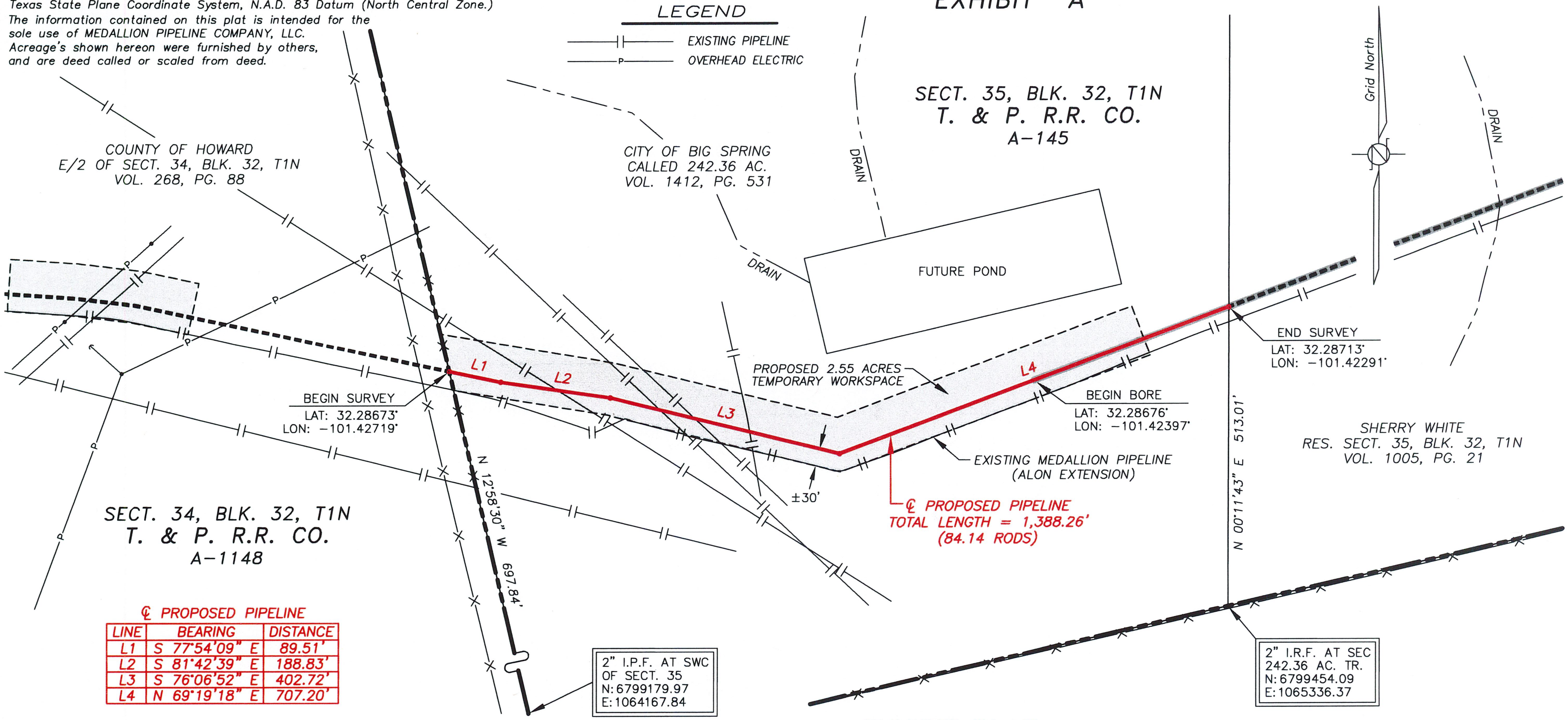
____
Notary Public, State of Texas
My Commission Expires: ___________

EXHIBIT "A"

See next page.

All Bearings, Distances, and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 83 Datum (North Central Zone.) The information contained on this plat is intended for the sole use of MEDALLION PIPELINE COMPANY, LLC. Acreage's shown hereon were furnished by others, and are deed called or scaled from deed.

EXHIBIT "A"



℄ PROPOSED PIPELINE

LINE	BEARING	DISTANCE
L1	S 77°54'09" E	89.51'
L2	S 81°42'39" E	188.83'
L3	S 76°06'52" E	402.72'
L4	N 69°19'18" E	707.20'

0' 200' 400' 600'

I, the undersigned, do hereby certify that this plat is true and correct to the best of my knowledge and belief.

BY: Kenny Williams Date: 11/18/2025

STATE OF TEXAS
REGISTERED
KENNY G. WILLIAMS
5680
PROFESSIONAL
LAND SURVEYOR

EXHIBIT PLAT
MEDALLION PIPELINE COMPANY, LLC
CITY OF BIG SPRING
PROPOSED MALLETT LOOP
HOWARD COUNTY, TEXAS
SCALE: 1" = 200'

PREPARED BY:
STANGER
SURVEYING TYLER LLC
1595 EAST GRANDE BLVD.
TYLER, TEXAS 75703
(903) 534-0174

TBPLS FIRM REGISTRATION NO. 10025700

"BIG SPRING NORTH" Quadrangle
Situated 4.0 Miles NE of Big Spring, TX.

2115/27

T240333-MALLETT LOOP-SEC 35 BLK 32 (CITY OF BIG SPRING)