

LEASE OF CITY OWNED AERONAUTICAL FACILITIES

At

SOUTHWEST MINNESOTA REGIONAL AIRPORT (MML)

By and Between

THE CITY OF MARSHALL

And

SOUTHWEST AVIATION, INC.

Date: July 2, 2026

LEASE OF CITY OWNED AERONAUTICAL FACILITIES

This Lease of City Owned Aeronautical Facilities (hereinafter referred to as the "Lease") is made effective on July 1, 2026, by and between the City of Marshall, as lessor (hereinafter referred to as "City") and Southwest Aviation, Inc., a Minnesota corporation in good standing (hereinafter referred to as "Lessee") City and Lessee are collectively referred to herein as "parties" or each as a "party".

WHEREAS, the City owns real property, known as the Southwest Minnesota Regional Airport ("Airport"), located at 1602 West College Drive in Marshall, Minnesota;

WHEREAS, the City owns buildings located on the Airport and available to be used for aeronautical purposes and ("Aeronautical Facilities");

WHEREAS, the City manages the Airport;

WHEREAS, Lessee is an entity organized, existing, and authorized to conduct business in the State of Minnesota;

WHEREAS, Lessee owns private aircraft and desires to lease a portion of the Aeronautical Facilities for storage of aircraft and ancillary related equipment;

WHEREAS, the parties hereto wish to enter into this Lease on which Lessee shall rent City owned facilities for aeronautical purposes as determined by the Federal Aviation Administration (FAA).

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties agree as follows:

1. **Premises:** The City hereby leases to the Lessee the land and facility located and more particularly described in the attached and incorporated in **Exhibit A** totaling eight thousand (8,000) square feet for aeronautical purposes ("Premises"). The Premises includes the land and facility and City designated parking areas as set forth in Exhibit A. Lessee, in addition to the Premises, shall be entitled to the general use, in common with others, of all airport facilities made available for use to the general public. For purposes of this Lease, "airport facilities" shall include runways, taxiways, public ramps, roadways, navigation and terminal aids, terminal facilities, or other public use facilities that have been constructed by the City and are under the direct control of the City.

2. **Term:** This Lease for the Premises identified in **Exhibit A** shall be for a term of twelve (12) months commencing on July 1, 2026, and expiring on June 30, 2027. The Term may be extended annually upon mutual agreement between the parties. To be extended, the parties must execute a new Agreement a minimum of sixty (60) calendar days before the expiration of the Term.

3. **Subordination to governmental agencies of the United States and State of Minnesota:** This Lease is subordinate to the provisions of any existing or future agreement between the City, and/or County, and the United States and/or State of Minnesota relating to the development, operation, or maintenance of the Airport. If the United States, which action may be brought through the Department of Transportation or Federal Aviation Administration ("FAA") or other governmental agency, or the State of Minnesota, requires modifications or changes in this Lease as a condition precedent to granting funds for improvements, Lessee agrees to consent to the amendments, modifications, or changes of this Lease as may be required. Further, if a governmental authority determines that any act or omission of Lessee or Lessee's representatives has caused or will cause the City to be noncompliant with any of City's governmental commitments (including, but not limited

to, any assurances or covenants required of City or obligations imposed by law), Lessee shall immediately take all actions that may be necessary to preserve City's compliance with the same. If Lessee does not execute an amendment or preserve the City's compliance, the City shall have the right to terminate this Lease and reenter and repossess any portion of the Premises, subject to any review that may be afforded to Lessee by such governmental authority.

4. Rents, Fees, and Charges and Subleasing Rates:

A. Land and Building Rent. Land and building rent will be assessed for the gross square footage of the Premises identified in **Exhibit A** included in the approved site plans identified. Rent shall be established annually based upon adopted City's fees and charges schedule, as may be amended by City annually. Rent for the Term is identified in **Exhibit A**. The rental requirements will be payable on or before the first day of each month beginning on the Lease commencement date. Lessee is subject to customary charges for use of the common airport facilities as may be established from time to time by the City in the same manner as others who use the common airport facilities. Use of the airport facilities is subject to the rules and conditions as now exist or may be enacted in the future by the City, the State of Minnesota, or the United States government.

B. Payment. Payment by check of rents, fees, and charges shall be made to the City at the following address: City of Marshall, 344 W Main Street, Marshall, MN 56258. In the alternative to payment by check, the City may provide an ACH account to Lessee.

C. Late Charges. All Rent not paid within 30 days of the due date shall be deemed late and, in addition to the rent due, Lessee agrees to pay (i) a late charge equal to 10% of the rent then due, and (ii) interest on such rent at the rate of 10% per annum until paid in full. Any rent which is due and unpaid at the expiration, termination, or cancellation of this Lease shall continue to be an obligation of Lessee notwithstanding such termination or cancellation.

D. Special charges. Lessee shall pay all taxes, assessments, licenses, fees, or other charges that may be levied or assessed upon Lessee's property or any activity of the Lessee. Should it be determined that the interest of the Lessee in this Agreement is taxable, and should any tax be levied, the Lessee shall pay such tax. Upon request by the City, the Lessee shall provide proof of such payment. Additionally, Lessee agrees to pay the fuel flowage fee invoiced to Lessee by the City at a rate set forth in City Fee Schedule.

C. For any subleases approved by the City, Lessee shall not charge the sublessee no more than five hundred dollars (\$500.00) per month for one (1) aircraft for the sublease period to the sublessee.

5. Use of Premises and Subleasing:

A. Use: Lessee shall use the Premises for aeronautical purposes and for no other purpose without the express prior written consent of the City. For purposes of this agreement, aeronautical purposes shall mean activities that involve, support, or are directly related to the operation, maintenance, and storage of aircraft or the provision of air transportation services:

- (a) aircraft storage, including hangar and tie-down use;
- (b) aircraft maintenance, repair, and servicing;
- (c) fueling and refueling operations, subject to applicable regulations;
- (d) flight operations, including charter, air taxi, and flight training;

- (e) aviation-related training and instruction;
- (f) ground handling and ramp services; and
- (g) installation and operation of equipment necessary to support aviation activities.

Lessee shall not use the Premises for other non-aeronautical purposes such as general storage of non-aviation items or non-aviation-related businesses. Incidental and temporary storage of minor non-aviation-related items which do not increase the risk of loss to City may be approved by the City on an individual basis, in their own discretion. Lessee shall conduct only such aircraft maintenance on Lessee's own aircraft as is performed by Lessee, or by regular employees of Lessee. Examples of uses not permitted at the Airport include, but may not be limited to:

- i. Use as a residence or for social gatherings.
- ii. Long term multiple vehicle storage use as a carport or garage.
- iii. Operation of a non-aeronautical business, e.g., limo service, car and motorcycle storage, storage of inventory, non-aeronautical business office.
- iv. Activities which impede the movement of the aircraft in and out of the hangar or other aeronautical contents of the hangar.
- v. Activities which displace the aeronautical contents of the hangar or impede access to aircraft or other aeronautical contents of the hangar.
- vi. Storage of household items that could be stored in commercial storage facilities.
- vii. Long-term storage of derelict aircraft and parts.
- viii. Storage of items or activities prohibited by local or state law.
- ix. Fuel, and other dangerous and Hazmat materials.
- x. Storage of inventory or equipment supporting a municipal agency function unrelated to the aeronautical use

The use of the Premises must, at all times, be in compliance with the City's Rules and Standards as adopted by the City and as may be amended from time to time and any other applicable federal or state law, including all FAA Regulations & Minimum Standards as duly adopted and amended from time to time.

The City and Lessee will cooperate in good faith in modifying appropriate plans in the event a change in the Rules and Standards requires a change to the Premises. Aircraft maintenance conducted on the Premises shall be accomplished in accordance with the Rules and Standards, applicable building and fire codes, and adopted ordinances and resolutions. Aircraft must be removed from any structure during fueling operations. Automotive vehicle parking must be in the City designated parking areas.

B. Subleasing: Lessee shall sublease a portion from July 1, 2026, through September 30, 2026, to Great Plains Application, LLC, if requested by Great Plains Application, LLC. When subleasing during this timeframe, Lessee must provide a pathway for the sublessee to safely move its aircraft in and out of the hangar without obstruction into the designated parking location. For the period from October 1, 2026, through June 30, 2027, Lessee shall provide a space to park one

aircraft that will not require active movement. Any movement of aircraft required during this period will be negotiated and arranged between the Lessee and sub-lessee.

Lessee shall provide City notice and the City must approve, in writing, all sublessors as well as receive copy of the sublease agreement.

6. Repair and Maintenance: Lessee, at its own expense, shall make, or cause to be made, any and all repairs and replacements necessary to keep the Premises in a commercially reasonable first-class condition and in safe repair. Lessee will complete any repairs and replacements in a timely manner as reasonably determined by the City. Any structural repairs, maintenance, replacements, or improvements must be approved in writing by the City or performed by the City. All day-to-day maintenance will be performed by Lessee without cost to the City. In the event of fire or any other casualty, Lessee shall repair or replace any damaged improvements within 120 days of the date the damage occurred. Upon Lessee's request, City may grant a written extension of time if, in its sole discretion, City believes such extension is warranted. If Lessee fails to make timely repairs, in addition to any other remedy, City may remove any damaged improvements and restore the Premises to its original condition, all at Lessee's expense. The cost for customary maintenance routinely performed by the City, related to areas affecting the value or use of leased properties are included in the annual lease costs charged for the property, and includes snow removal, grounds maintenance and maintenance of apron areas. Snow removal is performed by City employees on a priority basis. The City reserves the right to perform snow removal functions in whatever manner it deems necessary. In any case, snow removal in front of buildings is Lessee's responsibility. The City is not required to perform any snow removal function on leased property but may plow snow on or adjacent to leased properties to expedite other snow removal operations at the airport. If applicable, mowing and weed control are the Lessee's responsibility, however, the City may mow or perform weed control on or adjacent to leased properties to expedite other maintenance operations. The City shall establish the standards by which ramp areas and other paved surfaces are maintained.

7. As-Is Condition of Leased Premises. Lessee acknowledges that no representation of any kind or nature has been made by or on behalf of City as to any matter concerning the Premises including, without limitation, the land, topography, climate, air, water, water rights, utilities, soil, subsoil, purposes to which the Premises are suited, drainage, access to public roads, proposed routes or roads or extensions thereof, or environmental conditions whether known or unknown. Lessee shall have no claim or right of any kind or nature against City, or any successor or assignee of City, or under or with respect to this Lease, by reason of the physical condition of the Property or any part thereof including the Premises. Lessee acknowledges that City has no obligation to provide private utilities or services to the Premises.

8. Hazardous Substances: Lessee shall comply with all environmental laws, rules, regulations, orders and permits applicable to the use of the Premises, including but not limited to, required National Pollutant Discharge Elimination System (NPDES) permits and all applicable laws relating to the use, storage, generation, treatment, transportation, or disposal of hazardous or regulated substances. Except for the Hazardous Substances governed by and transported in full compliance with the transportation laws of the state or federal government, Lessee must not knowingly use, store, generate, treat, transport, or dispose of any hazardous or regulated substances or waste on or near the Premises without first obtaining all required permits and approvals from all authorities having jurisdiction over the operations conducted on the Premises. "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by the City, the State of Minnesota or the United States Government.

If Lessee determines that a threat to the environment, including but not limited to a release, discharge, spill or deposit of a hazardous or regulated substance, has occurred or is occurring which

affects or threatens to affect the Premises or adjacent premises, or the persons, structures, equipment, or other property thereon, Lessee must notify immediately by oral report, in person or by phone, to be promptly confirmed in writing within twenty-four (24) hours to the City Engineer and as required by law or regulation.

Lessee or its designee shall keep a readily accessible file of Materials Safety Data Sheets ("MSDS") for each Hazardous Substance on site or transported, in accordance with federal and state transportation laws, which file must be posted and immediately available to any The City employee or Airport Lessee who responds to report of a discharge of a Hazardous Substance on the Premises.

If Lessee breaches the obligation stated in this Section or contamination of the Premises occurs, or if the presence of Hazardous Materials on the Premises caused or permitted by Lessee results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for which Lessee is legally liable to City for damage resulting therefrom, then Lessee shall indemnify, defend and hold City, its agents and contractors harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including without limitation diminution in the value of the Leased Premises or any portion of the property surrounding the Premises (the "Adjacent Property") and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Lease Term as the result of such contamination. This indemnification of City by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Premises or the Adjacent Property.

Lessee will cause prompt remediation and the payment of all costs associated with any action or inaction of Lessee that directly or indirectly prevents the Airport from materially conforming to all then applicable environmental laws, rules, regulations, orders, or permits. In the event Lessee fails to fulfill this obligation following written notice and a reasonable cure period, the City may perform any such remediation and the direct and indirect cost of such action shall be invoiced to the Lessee plus a twenty-five percent (25%) administrative fee. Payment of such charges are due and payable upon demand and may not be contested. Failure to make timely payment may result in termination of this Lease. The rights and obligations set forth in this paragraph shall survive the earlier expiration or termination of this Lease.

9. Compliance with Laws: Lessee covenants to promptly observe, comply with, and execute, and shall cause any sublessee to promptly observe, comply with, and execute, the provisions of any and all present and future federal, state and local governmental laws, ordinances, rules, regulations, requirements, orders and directions applicable to the use and occupancy of the Premises. A material breach of this covenant, which is not remedied following written notice and a reasonable cure period as determined solely by the City, may be cause for City's exercising its rights of termination herein. During any period of Lessee's or any sublessee's good faith challenge to any such laws, ordinances, rules, regulations, requirements, orders and directions in a court of competent jurisdiction shall not be deemed a breach of this Lease.

10. Termination:

A. Termination by City. Without limiting any other rights and remedies, this Lease may be terminated by City without cause following thirty (30) days written notice.

1. In the event of termination by the City, the City may enter onto the Premises to remove any and all persons or property from the Premises and place any property in storage for

the account of and at the expense of Lessee. **All property on the Premises is hereby subjected to a contractual landlord's lien to secure payment of delinquent rent and other sums due and unpaid under this Lease, any and all exemption laws are hereby expressly waived in favor of said landlord's lien; and it is agreed that said landlord's lien is not a waiver of any statutory or other lien given or which may be given to City but is in addition thereto.** Subject to above, Lessee shall have a period of fourteen (14 days) from the termination date to retrieve its property. In the event the Lessee cannot retrieve the property within 14 days, the City may grant an extension of time, no longer than six months. If the Lessee does not retrieve the property within the period granted by the City, the City may retain ownership for any municipal purpose.

2. Partial Destruction. If the Premises or the facilities reasonably necessary to operate Sublessee's business are partially damaged, due to acts of God or other acts outside the control of the Lessee or the City, to the extent that Lessee cannot use the Premises for its intended use, then, at Lessee's option, this Lease may be terminated or instead may be suspended until the damage is repaired. If the Lease is suspended, Lessee and the City will mutually agree on a time period for Lessee to repair the damages to the Premises or improvements.

3. Involuntary Termination. If City loses its license to operate the airport or is ordered to close the airport by a court or governmental entity having authority to make such an order, City shall give Lessee Notice of Involuntary Lease Termination setting the date for airport closing. City shall refund rent, additional rent, surcharges or fees paid prior to giving the Notice of Involuntary Lease Termination for the calendar year, on a pro-rated basis. Lessee shall not pay rent, additional rent, surcharges or fees due after Landlord gave the Notice of Involuntary Lease Termination.

11. Property Rights upon Expiration or Termination:

A. Removal of Equipment. Upon the expiration or earlier termination or expiration of this Lease as called for herein, The City shall, by written notice to the Lessee, permit any Lessee to remove all removable furniture, fixtures and equipment and other personal property installed or furnished by the Lessee, so long as it removes same within the time period set forth in the notice, but in no event less than seven (7) calendar days after termination or expiration of the Lease. The City may require any damage to the Premises caused by any Lessee's removal of its property to be repaired at the Lessee's expense within fifteen (15) calendar days after termination or expiration of the Lease. Such repairs must be made to the reasonable satisfaction of the City Engineer.

B. Improvements Revert to the City. Except for the right of any Lessee to remove personal property, at the termination of the Lease as called for herein, all permanent improvements placed or constructed on the Premises by Lessee revert to the City.

C. Holdover. Any holding over by Lessee of the Premises after the expiration or other earlier termination of this Lease shall be on a month-to-month tenancy at sufferance, at a monthly rent determined at the sole discretion of the City, and subject to surrender upon thirty (30) calendar days prior written notice.

D. Re-delivery of Premises. Upon the expiration or earlier termination of this Lease, Lessee shall deliver the Premises to City peaceably, quietly, and in as good condition as the same now are or may be hereafter improved by the Lessee, normal use and wear excepted. In addition to a landlord's lien provided by the law of the State of Minnesota, the City has a contractual lien on all property of the Lessee on the Premises as security for nonpayment of rent.

12. The City Obligations:

A. To operate MML as a public airport during the Lease term(s), subject to the assurances given by City to the United States Government.

B. To make water, wastewater, and/or electricity service available to the Premises on the same basis as it is made available to all business operating at the Airport.

C. The City will be responsible for all infrastructure maintenance and improvements not caused by damage by the Lessee.

13. Indemnification:

A. General. Lessee must indemnify, hold harmless, defend and insure the City, including their officers, agents, elected officials, and employees from and against any and all claims and causes of action, administrative proceedings, judgments, penalties, fines, damages, losses, demands, liabilities, or expenses whatsoever (including reasonable attorney's fees and costs of litigation, mediation and/or administrative proceedings) which may be brought, alleged, or imposed against the City, its officers, agents, or employees arising directly or indirectly from or in any way connected with (i) any property damaged or loss, personal injury, including death, or adverse effect on the environment arising out of Lessee's action or inaction with regard to the operations of Lessee hereunder, including the use or occupancy of the Premises, or in providing access to secured areas of the Airport as set out herein, excepting only that liability as may result from the gross negligence or the willful misconduct of the City, including their officers, agents, and employees; (ii) the failure of Lessee, its officers, agents or employees, to comply with the terms and conditions of this Lease, or to comply with any applicable federal, state, or local laws, rules, regulations, or orders including, but not limited to, any and all applicable federal, state, or local environmental laws, rules, regulations, or orders; or (iii) release of any hazardous or regulated substances or waste onto, into, or from the Premises or other Airport property, connected in any way with the operations or the action or inaction of the Lessee, its officers, agents or employees, regardless of whether the act, omission, event, or circumstance constituted a violation of applicable law at the time of the occurrence. The rights and obligations set forth in this paragraph shall survive the termination of this Lease.

B. Special Claims - Lessee agrees to defend, at its own cost, and to protect, indemnify, and otherwise hold harmless, the City, including their officers, agents, elected officials, and employees (including but not restricted to the posting of bond and release of attachment) from and against any and all claims in any way arising out of or in connection with the construction, repair, or maintenance work undertaken hereunder by, through or on behalf of Lessee, including but not restricted to attachments, liens or levies, and whether or not the claim is meritorious, made, failed or asserted by any party other than Lessee against the City, including their officers, agents, and employees or the Premises or improvements thereon or part thereof, or monies owing to the City.

C. Notice - Notwithstanding the above identifications, Lessee must give the City Engineer notice of any matter covered hereby and forward to the City Engineer copies of every demand, notice, summons, or other process received in any claim or legal proceeding covered hereby within ten (10) calendar days of Lessee's receipt of said notice, demand, summons, or other process.

14. Insurance: During the term of this Lease, Lessee shall maintain general liability and other required insurance coverage, with limits equal to the City's current base insurance requirements as shown below, or as the same may be amended from time to time. In addition, any independent contractor that Lessee may hire shall have limits at least equal to the City's base insurance requirements as shown below, or as the same may be amended from time to time. Lessee shall provide copies of its current certificates of insurance with endorsements for general liability and other required insurance coverage prior to execution of the Lease, and again annually as the certificates are renewed through the term(s) of the Lease. Lessee shall name the City as additional insureds. All required insurance policies shall insure on an occurrence and not a claims-made basis,

shall be issued by insurance companies which are reasonably acceptable to the City, and shall not be cancelable, reduced or materially changed unless thirty (30) days prior written notice shall have been given to the City.

1. Workers' Compensation:

Medical	Minnesota Statutory Limits
Employers' Liability	\$100,000 each accident
	\$500,000 Disease Policy Limit
	\$100,000 Disease Each Employee

2. General Liability:

Includes: Premises, Completed Operations, Product Liability, XCU coverage and Independent Contractors coverage.

Generate Aggregate	\$2,000,000
Products and Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Legal	\$50,000
Premises Medical Payments	\$5,000

3. Automobile Liability:

Combined Single Limit Liability	\$1,000,000
To Include Hired and Non- Owned autos	

4. Aviation Liability Insurance (if applicable) \$5,000,000

5. Excess or Umbrella Liability:

General Aggregate	\$1,000,000
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6. Pollution Liability (if applicable): \$1,000,000

15. Notice: Notices are sufficient if in writing and sent by a tracking delivery service with proof of delivery addressed below, or to any other address that may be designated by one party to the other party from time to time:

If to City:

City of Marshall
Attn: City Engineer
344 W main
Marshall, MN 56258

If to Lessee:

Southwest Aviation, Inc.
Attn: Mr. Pete Johnson
c/o Midwest Aviation
1650 W College Dr, Suite 100
Marshall, MN 56258

16. General Provisions:

A. No Waiver of Forfeiture. Any failure or neglect of the City or Lessee at any time to declare a forfeiture of this Lease for any breach or default whatsoever hereunder does not waive City's or Lessee's right thereafter to declare a forfeiture for like or other or succeeding breach or default.

B. Force Majeure. Neither the City nor Lessee will be deemed to be in breach of this Lease if either is prevented from performing any of its obligations hereunder by reason of Force Majeure. Force Majeure means any prevention, delay, or stoppage due to labor strikes, declared worldwide pandemics, restriction by any governmental authority, acts of God, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform. All of the foregoing events excuse the performance by either party for a period equal to any prevention, delay, or stoppage, including the obligations imposed with regard to commencement or payment of rental and other charges to be paid by Lessee pursuant to this Lease and the obligation of the City to deliver the Premises.

C. Quiet Enjoyment. The City covenants that it has the authority to execute this Lease, that at commencement of the Lease, the City has good title to the Premises and that throughout the term hereof, Lessee will have peaceful and uninterrupted possession of the Premises subject to Lessee's payment of rent and other charges and to its performance of the covenants of this Lease. The City agrees to remedy any violation of quiet enjoyment caused by the City or one of the other Lessees and to honor Lessee's tenancy for the term of the Lease.

D. Minimum Standards and Rules and Regulations. The City reserves the right to adopt Rules and Standards, a document combining both the Airport Minimum Standards and the Airport Rules and Regulations, to be uniformly applied to similar uses and users of similar space, which Lessee agrees to observe and obey with respect to the use of the Premises and the, and the health, safety and welfare of those using the Premises and the health, safety, and welfare of those using the Premises. If adopted, the Rules and Standards may be amended from time to time following notice to Lessee.

E. Governing Law and Venue. This Lease shall be construed and interpreted in accordance with the laws of the State of Minnesota and action brought under this Lease.

F. No Third-Party Benefit. No provision of this Lease creates a third-party claim against the City, the Airport, or the Lessee beyond that which may legally exist in the absence of any such provision.

G. Taxes and Licenses. Lessee must cause to be paid any and all taxes of whatever character, including ad valorem and intangible taxes, that may be levied or charged upon the Premises, leasehold improvements, or operations hereunder and upon Lessee's rights to use the Premises, whether the taxes are assessed against Lessee or the City, prior to the past due date. Lessee shall cause to be paid any and all sales taxes arising in connection with the occupancy or use of the Premises whether the taxes are assessed against the Lessee, any sublessee or the City. Lessee must obtain and pay for all licenses or permits necessary or required by law for the construction of improvements and must require any sublessee to must obtain and pay for all licenses and permits necessary or required by law for the installation of equipment and furnishings, and any other licenses necessary for the conduct of its operations hereunder. If Lessee wishes to contest any tax or charge, that contest will not be a default under the Lease so long as Lessee diligently prosecutes the contest to conclusion and promptly pays whatever tax is ultimately owed. Further, Lessee shall cause any taxes not being contested to be paid prior to the past due date.

H. Successors and Assigns. All of the terms, covenants and agreements herein contained shall be binding upon and shall inure to the benefit of the heirs, successors and assigns

of Lessee and the City.

I. Severability. Each provision, paragraph, section, sentence, clause, phrase, and word of this lease is intended to be severable. If any provision, paragraph, section, sentence, clause, phrase, and/or word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this lease.

J. Knowing and Voluntary Action. The parties, by executing this lease, state that they have carefully reviewed this lease and understand fully the contents hereof; that in executing this lease they voluntarily accept all terms described in this lease without duress coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.

K. Authorized Signatories. The parties each represent and warrant to the other that (1) the persons signing this lease are authorized signatories for the entities represented, and (2) other than approval by the City Council, no further approvals, actions or ratifications are needed for the full enforceability of this lease against it.

L. No Partnership, Joint Venture, or Fiduciary Relationship. Nothing contained in this Lease shall be interpreted as creating a partnership, joint venture, or fiduciary relationship of principal and agent between the City and Lessee, it being understood that the sole relationship created hereby is one of landlord and Lessee.

M. Waiver and Assumption of the Risk. Lessee knows, understands, and acknowledges the risks and hazards associated with using the facilities, building, improvements, and Premises and hereby assumes any and all risks and hazards associated therewith. Lessee hereby irrevocably waives any and all claims against The City or any of its officials, employees or agents for any bodily injury (including death), loss or property damage incurred by the Lessee as a result of using the facilities, building, improvements, or Premises and hereby irrevocably releases and discharges City, County and The City and any of their officials, employees or agents from any and all claims of liability.

N. Attorney Fees. Lessee shall pay all costs, attorney fees, and expenses incurred by the City to enforce this agreement.

O. Agent. The City appoints the City Engineer, or designee, as agent to receive all rent, fees, notices and reports under this Lease.

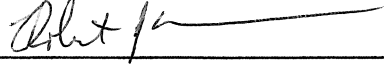
P. Time of Essence. Time is of the essence in the payment and performance of the duties and obligations imposed upon Lessee by the terms and conditions of this Lease.

Q. Entire Agreement. This Lease, along with its attached **Exhibit A**, shall constitute the entire agreement between the parties and supersedes all prior agreements and understandings, whether written or oral. Any modification of this agreement must be in writing and signed by authorized representatives of the parties.

R. Reentry. City reserves the right to enter upon the Premises at any reasonable time for the purpose of inspection to determine compliance with all terms of this agreement. And for any purpose necessary for, incidental to, or connected with the exercise of its governmental functions including specifically, but not exclusively, fire protection, airport security, and compliance with the terms and conditions of this Lease. Before entering the Property in a non- emergency situation, City shall make a good faith effort to give Lessee at least 24 hours' notice of City's intent to enter the Premises and an opportunity to be present, but Lessee's failure to receive notice or failure to be present shall not prohibit City from exercising its rights.

EXECUTED BY THE AUTHORIZED REPRESENTATIVES OF THE PARTIES.

CITY OF MARSHALL

By: 

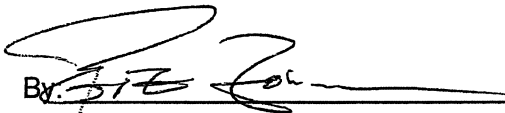
Name: Robert Byrnes

Title: Mayor

Date: 7-14-2026

Attest: 
Steven Anderson, City Clerk

SOUTHWEST AVIATION, INC.

By: 

Name: PETE Johnson

Title: President

Date: 7-10-2026

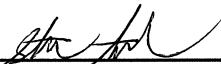
Attest: 
Steven Anderson, City Clerk

Exhibit A				
WPA Hangar - July 1, 2026 through June 30, 2027				
WPA Hangar	Square Feet	Rate per Square Foot	Annualized	Annualized
Hangar rent	8,000	\$2.00	\$16,000	\$1,333
Land rent	8,000	\$0.30	\$2,400	\$200
<i>Subtotal WPA Hangar - July 1, 2026 Through June 30, 2027</i>			<i>\$18,400</i>	<i>\$1,533</i>