

**CORPUS CHRISTI INTERNATIONAL AIRPORT HANGAR  
AND FIXED BASE OPERATOR'S LEASE  
STERLING AIR SERVICE, LLC**

This Corpus Christi International Airport Hangar and Fixed Base Operator's Lease ("Lease") is entered into by and between the **CITY OF CORPUS CHRISTI** ("City" or "City"), a Texas home-rule municipal corporation, and **STERLING AIR SERVICE, LLC** ("Lessee"), a Texas Limited Liability Company authorized to do business in Texas, acting by and through its duly authorized officers. The initial addresses of the parties are as follows:

City or City:

Aviation Director  
City of Corpus Christi  
1000 International Drive  
Corpus Christi, Texas 78406

Lessee:

Mr. Shawn Morgan, President  
Sterling Air Service, LLC  
514 Hangar Lane  
Corpus Christi, Texas 78406

**WHEREAS**, Lessee is a current tenant at the Corpus Christi International Airport ("**CCIA**") but needs an updated Lease Agreement. Lessee has also added a fuel farm on the leased premises so that they can become a Fuel Based Operator at the Airport;

**WHEREAS**, the lease agreement between the City and Lessee covering the prior leased premises has expired and the City and Lessee desire to enter into a new Hangar and Fixed Based Operator's Lease Agreement to cover the leased premises as further described and depicted in this Lease Agreement.

**NOW, THEREFORE**, the following Hangar and Fixed Base Operator's Lease is hereby entered into by and between the parties hereto in complete substitution for any previous lease agreements and all amendments and modifications thereto, as heretofore amended:

**ARTICLE 1. DEFINITIONS**

As used herein, the following words and phrases shall have the meanings set forth below:

1.01 Affiliate. "Affiliate" is any corporation or other entity which directly or indirectly controls or is directly or indirectly controlled by or is under common control with Lessee; "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities or by contract or otherwise.

1.02 Airport. "Airport" means Corpus Christi International Airport, 1000 International Drive, Corpus Christi, Texas, as further depicted by Aerial Map attached hereto as **Exhibit "A."**

1.03 AOA. "AOA" means Aircraft Operating Area.

1.04 Appraisal. "Appraisal" refers to a property appraisal which is an estimate of a property's market value typically made by a licensed real estate appraiser. One method of determining a property's value is to study the rental rates for similarly situated property at the Airport and at other commercial airports in the state. The property appraisal may be utilized to set rental rates for the Leased Premises at some point during the term or extension of this Lease Agreement.

1.05 Aviation Director. "Aviation Director" means the Aviation Director of the City of Corpus Christi or Assistant Aviation Director.

1.06 Capital Improvement. "Capital Improvement" means an expenditure for a project or improvement for the Leased Premises that increases the value of the Leased Premises or extends its life expectancy by (i) returning the Leased Premises to its originally efficient operating condition if it has deteriorated to a state of disrepair and is no longer functional for its intended use, (ii) rebuilding Leased Premises to a like-new condition after the end of its economic useful life, or (iii) replacing or adding a major component or substantial structural part on the Leased Premises.

1.07 City. The "City" means the City of Corpus Christi, Texas, a home-rule municipal corporation, and may also include, in certain circumstances, the elected or appointed officials, officers and employees of the City of Corpus Christi, Texas.

1.08 DOT. "DOT" means the United States Department of Transportation, and any federal agency succeeding to its jurisdiction.

1.09 FAA. "FAA" means the Federal Aviation Administration of the United States government, and any federal agency succeeding to its jurisdiction.

1.10 FBO. "FBO" is an abbreviation for Fixed Base Operator, which is typically an organization granted the right by an airport to operate at the airport and provide aeronautical services such as fueling, hangaring, tie-down and parking, aircraft rental, aircraft maintenance, flight instruction, and similar services. This term is further defined in the City's Minimum Standards for Commercial Aeronautical Service Providers.

1.11 Fiscal Year. "Fiscal Year" means a period of twelve (12) consecutive months commencing on October 1 and ending on September 30.

1.12 Leased Premises. "Leased Premises" means those certain premises at the Corpus Christi International Airport, 514 Hangar Lane, Corpus Christi, Texas and generally referred to as the East General Aviation Area more particularly described and depicted in Exhibit "B".

1.13 Maintenance. "Maintenance" means a repair of less than \$100,000 that keeps the Leased Premises in proper working condition but does not add to the value or extend the life expectancy of the Leased Premises. Maintenance merely keeps the Leased Premises in an operating condition over its probable useful life for which it was acquired.

1.14 Sign. "Sign" means any advertising sign, billboard, identification sign or symbol, or other similar device, regardless of content.

1.15 Subsidiary. "Subsidiary" shall mean any corporation or other entity not less than fifty percent (50%) of whose outstanding stock (or other form of equity ownership) shall, at the time, be owned directly or indirectly by Lessee or the entity owning directly or indirectly 50% or more of Lessee, as applicable.

1.16 Trade Fixtures. "Trade Fixtures" shall mean, but shall not be limited to, any signs (electrical or otherwise) used to identify Lessee's business; all shelves, bins, racking, machinery and equipment used in connection with Lessee's required or permitted activities pursuant to this Lease, whether or not such machinery or equipment is bolted or otherwise

attached to the Leased Premises; and all other miscellaneous office equipment, furnishings, and personal property.

1.17 TSA. "TSA" means the Transportation Security Administration, and any federal agency succeeding to its jurisdiction.

## **ARTICLE 2. DESCRIPTION OF LEASED PREMISES**

2.01 The City, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby lease unto Lessee, and Lessee does hereby accept from the City, the property, including all structures and improvements erected on the property existing and in operation as of the Commencement Date of this Lease (collectively referred to as "Leased Premises") located at 514 Hangar Lane at the Corpus Christi International Airport, Corpus Christi, Texas ("CCIA") and also known as the East General Aviation Area at CCIA identified in **Exhibit "A"**, attached hereto and incorporated into this Lease.

## **ARTICLE 3. PREMISES RENTAL**

3.01 Lessee agrees to pay City throughout the Initial Term of this Lease Agreement the rental rates as indicated in the tables below (entitled "Premises Rent" and "Fuel Farm Tank Rental") monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the Leased Premises, at the times and in the amounts hereinafter provided (Exhibit "B").

3.02 The rental payments to the City are due by the first day of every month. In the event that the term of this Lease Agreement shall commence on a day other than the first day of a calendar month or expire on a day other than the last day of a calendar month, then the rental payment shall be prorated for the first or last month as the case may be.

3.03 Annual Rental Rate Adjustment- The Parties to this Lease Agreement hereby agree that beginning on October 1, 2024, the Premises Rental Rates set out in the table below will be increased by 3% every year, on the October 1<sup>st</sup> of each year throughout the remainder of the Initial Term of this Lease Agreement. The City will provide Lessee with a revised Premises Rental Schedule at least 10 days prior to the beginning of the new rate year. Lessee hereby agrees to pay the 3% increase in rates every year during the Initial Term of the Lease Agreement. The failure of City to provide the Revised Premises Rental Rate to Lessee 10 days prior to the beginning of the new Premises Rental Rate shall not affect the new Premises Rental Rate from going into effect on October 1, 2024.

3.04 Renewal Period - Should Lessee elect to renew this Lease Agreement for one additional 5- year term following the end of the Initial Term of the Lease Agreement, the lease and rental rates for the 5-year Renewal Period will be based on a new appraisal of the Leased Premises conducted by a third-party professional appraiser licensed to perform property appraisals in the State of Texas and approved by the City. The new property appraisal report for the five-year renewal period shall be conducted in the 12 months preceding the end of the Initial Term of the Lease Agreement.

3.05 Additional Capital Improvements Required for Renewal Period – The Parties to this Lease Agreement hereby agree that should Lessee elect to extend the Lease Agreement for

one additional 5-year Renewal Period, Lessee must invest and make additional Capital Improvements to the Leased Premises in an amount of at least \$1,100,000.00 within the first 3-years of the Renewal Period. Lessee further agrees to follow the same procedures as set out in Article 5 and Article 13 of this Lease Agreement for the First and Second Round of Capital Improvements when submitting a Capital Improvement Plan for the Renewal Period Capital Improvements.

**[THE TABLE CONTAINING THE PREMISES RENTAL RATES ON FOLLOWING PAGE]**

## PREMISES RENTAL RATES

Premises	SF from 2023	Annual Market Per SF	Monthly Rent Per SF	Monthly Cost	Annual Cost
<b>HANGAR 2</b>					
EGA-APRON (Hangar 2)	17,840	\$0.60	\$0.05000	\$ 892.00	\$10,704.00
EGA-H2 (Hangar 2)	15,000	\$1.60	\$0.13333	\$ 2,000.00	\$24,000.00
EGA-OF-1 (Office adjacent to Hangar 2)	4,895	\$7.50	\$0.62500	\$ 3,059.38	\$36,712.56
EGA-OF-3 (Office adjacent to Hangar 2)	2,470	\$1.60	\$0.13333	\$ 329.34	\$3,952.08
EGA-OF-3 (Storage with Hangar 2)	2,170	\$1.80	\$0.15000	\$ 325.50	\$3,906.00
EGA-VEHICLE AREAS (Hangar 2)	25,605	\$0.45	\$0.03750	\$ 960.19	\$11,522.28
				<b>\$ 7,566.41</b>	<b>\$90,796.92</b>
<b>HANGARS 3</b>					
EGA AERONAUTICAL LAND (H-3)	29,269	\$0.35	\$0.02917	\$ 853.68	\$10,244.16
EGA-APRON (Hangar 3)	31,680	\$0.60	\$0.05000	\$ 1,584.00	\$19,008.00
EGA-H3 (Hangar 3)	30,000	\$0.40	\$0.03333	\$ 1,000.00	\$12,000.00
EGA-VEHICLE AREAS (H-3)	23,100	\$0.45	\$0.03750	\$ 866.25	\$10,395.00
				<b>\$ 4,303.93</b>	<b>\$51,647.16</b>
<b>HANGARS 4</b>					
EGA-APRON (Hangar 4)	11,346	\$0.60	\$0.05000	\$ 567.30	\$6,807.60
EGA-H4 (Hangar 4)	4,880	\$0.40	\$0.03333	\$ 162.67	\$1,952.04
EGA-H4 (Storage inside Hangar 4)	1,220	\$0.40	\$0.03333	\$ 40.67	\$488.04
EGA-OF-6 (Office adjacent to Hangar 4)	1,220	\$0.40	\$0.03333	\$ 40.67	\$488.04
				<b>\$ 811.31</b>	<b>\$9,735.72</b>
<b>HANGAR 5</b>					
EGA AERONAUTICAL LAND (H-5)	15,940	\$0.35	\$0.02917	\$ 464.92	\$5,579.04
EGA-APRON (Hangar 5)	13,080	\$0.60	\$0.05000	\$ 654.00	\$7,848.00
EGA-H5 (Hangar 5)	4,200	\$3.90	\$0.32500	\$ 1,365.00	\$16,380.00
EGA-OF-7 (Office adjacent to Hangar 5)	2,400	\$7.15	\$0.59583	\$ 1,430.00	\$17,160.00
EGA-OF-7 (Storage adjacent to Hangar 5)	81	\$3.75	\$0.31250	\$ 25.32	\$303.84
EGA-VEHICLE AREA (H-5)	2,878	\$0.45	\$0.03750	\$ 107.93	\$1,295.16
				<b>\$ 4,047.17</b>	<b>\$48,566.04</b>
<b>FUEL FARM</b>					
EGA AERONAUTICAL LAND (Fuel Farm)	9,579	\$0.35	\$0.02917	\$ 279.39	\$3,352.68
EGA-APRON (Fuel Farm)	13,346	\$0.60	\$0.05000	\$ 667.30	\$8,007.60
				<b>\$ 946.69</b>	<b>\$11,360.28</b>
<b>TOTALS</b>				<b>\$17,675.51</b>	<b>\$212,106.12</b>

**3.06 Rent Payment Location and Late Fees:** All rent, fees and charges that become due and payable by the Lessee shall be made payable to the City of Corpus Christi P.O. Box 9257, Corpus Christi, Nueces County, Texas, 78469-9257 unless otherwise notified in writing. If the City does not receive Lessee's full rental payment by the third day of the month, then Lessee shall pay the City a \$200.00 late fee in addition to the rent due for the month.

**3.07 Fuel Tanks Annual Rental:** The annual rent for the above-ground fuel tank rental will become effective October 1, 2026, for the duration of the Lease Agreement and any extensions or renewals thereof. Lessee shall pay City a fuel storage tank rental fee of \$0.80 cents/gallon per year for the (3) fuel storage tanks located on the Leased Premises. All rent and payments that become due and payable by the Lessee shall be made payable to the City of Corpus Christi, P.O. Box 9257, Corpus Christi, Nueces County, Texas, 78469-9257 unless otherwise notified in writing. Lessee shall pay City \$2,000 by the first day of every month during the Term of the Lease Agreement for the fuel tank rental. If the City does not receive Lessee's payment in full for the above-ground fuel tank rental payment by the third day of the month, then Lessee shall pay the City a \$200.00 late fee in addition to the rent due for the month.

Description	Gallon Capacity	Rent Per Gallon Per Year	Annual Rent
AVGAS	10,000	\$0.80	\$8,000.00
JETA	20,000	\$0.80	\$16,000.00
TOTAL			\$24,000.00

**3..08 Appraisal of all CCIA Real Property.**

(a) The Appraisal of CCIA real property, which includes the Leased Premises, shall continue to be updated approximately every five (5) years following the most recent appraisal dated May 10, 2023. Should Lessee choose to extend this Lease Agreement beyond the Initial Term of the Lease Agreement, then the Premises Rental Rates will be adjusted for the Renewal Term to reflect the most updated appraised value of the Leased Premises.

(b) All appraisers appointed pursuant to this provision shall be qualified and impartial members of the Appraisal Institute or a person with equivalent credentials experienced in airport property appraisals. No two (2) appraisers may be employed by, or maintain an office within, the same company, firm or organization, or affiliated organizations or companies.

**ARTICLE 4. USE OF LEASED PREMISES**

Lessee shall use the Leased Premises solely for operating an FBO as defined Section 15 of the current Minimum Standards for Commercial Aeronautical Service Providers dated May 18, 2017 ("Minimum Standards") and as the same may be amended from time to time. The Minimum Standards includes performing and/or subleasing to qualified tenants to perform full aircraft servicing facilities including but may not be limited to the sale of aircraft and aircraft parts; aircraft maintenance and repair; servicing of aircraft engines, instruments, propellers and accessories in connection with said business, aircraft storage, aircraft training, aircraft charter and rentals,

aviation school instruction, classroom and flight simulator instruction, and other flight instruction provided only to those persons already holding an aircraft pilot license and seeking a certification towards an aircraft being manufactured or sold on the Leased Premises, and such other activities reasonably incidental thereto and such business directly related thereto or as may be set forth in the Minimum Standards as amended from time to time. Such use may also include any other activity or services normally performed or offered by an FBO at the Airport, as adopted in the Minimum Standards, as they may be amended from time to time, and such other aviation related uses as may be included in the Minimum Standards as amended from time to time. Provided Lessee is a holder of a valid aviation fuel dispensing permit issued by the City of Corpus Christi and not in default of any other provision of this Lease, Lessee may also conduct fueling operations as authorized under said fuel dispensing permit on the Leased Premises.

4.01 In connection with such use and occupancy, Lessee shall have the right to occupy and maintain, as required by this Lease, all buildings, shops, hangars and other improvements existing on the Leased Premises as of the Commencement Date of this Lease.

4.02 The City reserves the right to replace or repair portions of the concrete apron included in the Leased Premises. During any such replacement or repair work, if Lessee cannot use portions of the concrete apron due to the work being done, the City will provide Lessee alternate space of substantially the same size of said portions and as close to the Leased Premises as is practical. Prior to the award of any contract for such replacement or repair, the City shall consult with Lessee on alternative space options and use its best efforts to provide an alternative that has the least impact on Lessee's operations. Following the completion of any such replacement or repair, Lessee's Leased Premises will be restored to its original layout. Lessee waives any claims for compensation or loss caused by such temporary relocation provided the steps identified herein are followed.

4.03 Lessee shall not at any time leave the Leased Premises vacant, but shall in good faith continuously throughout the term of this Lease conduct and carry on in the entire Leased Premises the type of business for which the Leased Premises are leased, except during periods in which the Leased Premises may not be occupied as a result of fire or other casualty, or reasonable periods for repairs and alterations, all such repairs and alterations to be diligently pursued to completion.

All services performed by Lessee shall be in compliance with all applicable state and federal environmental rules and regulations at Lessee's sole expense.

No other activities shall be conducted on the Leased Premises unless authorized in writing by the Aviation Director provided, however that such other activities be aeronautical in nature.

## **ARTICLE 5. LEASE TERM AND CAPITAL IMPROVEMENT PLAN**

5.01 The initial term of this Lease shall be Fifteen (15) years ("Initial Term") unless terminated early by either party in accordance with the termination provisions set out in this Lease Agreement. This Lease shall commence on 61<sup>st</sup> day following the date of passage of an Ordinance by the City Council of Corpus Christi approving this Lease Agreement and signature of the Lease Agreement by all parties ("Commencement Date"). Lessee shall pay for the publication of an announcement of the Lease Agreement in the Corpus Christi Caller Times in accordance with Article IX, Section 3 of the Corpus Christi City Charter.

5.02 At the end of the Initial Term of this Lease Agreement and subject to Lessee making and completing all Capital Improvements on the Leased Premises, to the satisfaction of the City, as called for below and in Article 13 of this Lease Agreement, Lessee shall have the option to extend the term of this Lease Agreement for one additional five (5) year term ("Renewal Period"). The Parties hereby agree, that under no circumstances may the maximum term of the Lease Agreement exceed twenty (20) years.

5.03 Lessee will be eligible to exercise the 5-year Renewal Period, at the end of the Initial Term of this Lease Agreement only if the following conditions are met to the satisfaction of the City: i) Lessee has completed construction of at least \$2,200,000 in Capital Improvements to the Leased Premises; ii) Lessee has submitted "as built" plans of all Capital Improvements to the Leased Premises to the City; iii) Lessee has submitted originals or copies of all other documents requested by the City pursuant to this Lease Agreement; Upon satisfaction of the foregoing three conditions, the Term of this Agreement may be extended for one 5-year Renewal Period by letter agreement to be issued by the City and countersigned by the Lessee.

5.04 As used herein, "Capital Improvement Plan" means a detailed description of the Capital Improvements including budgetary costs, and intended uses for each item intended to be installed or constructed at the Leased Premises by the Lessee. "Direct Construction Costs" means all general contractor, subcontractor and construction related trades and materials required to complete the Project in accordance with the approved drawings as well as related costs associated with architecture, engineering, testing, permits, and construction management.

5.05 Subject to the requirements set forth in Article 13 herein, Lessee will submit the above-referenced Capital Improvement Plan to the Aviation Director before the end of the thirtieth (30<sup>th</sup>) month after the Commencement Date of the Initial Term. The Aviation Director shall have sixty (60) calendar days after receipt of the Capital Improvement Plan ("CIP"), to approve or to object in writing to any matter referenced within the CIP. If the Aviation Director objects within such 60-day period to any matter contained within such CIP (including its budget), the Aviation Director and Lessee agree to work together in good faith to resolve any such objections to the reasonable satisfaction of both parties. Subject to the approval by the Aviation Director of the CIP, Commencement of Construction of such Capital Improvements shall begin no later than the end of the thirty-sixth (36<sup>th</sup>) month following the Commencement Date of the Initial Term. "Commencement of Construction" means (i) to commence the work of constructing the Capital Improvements or features with all approvals thereof required by applicable governmental authorities obtained as necessary; (ii) a notice to proceed has been issued to the contractor; and (iii) onsite construction of the site development components (such as drainage, extensive grading or utilities) is underway and being pursued.

5.06 Lessee hereby agrees to complete the First Round of Capital Improvements to the Leased Premises in the amount of \$1,100,000.00 or more in the first 10 years following the Commencement Date of this Lease Agreement. Lessee further agrees to complete a second round of Capital Improvements to the Leased Premises in an amount of \$1,100,000.00 or more by the end of the Initial Term of this Lease Agreement. Provided, however, City shall give Lessee a credit toward Lessee's required Capital Improvements in the amount of \$358,903.32 for the fuel farm improvements already completed by Lessee on the Leased Premises.



5.07 As security for full and faithful Completion of the First Round of Capital Improvements to the Leased Premises, before the end of the thirtieth (30<sup>th</sup>) month following the Commencement Date of the Lease Agreement, Lessee must furnish to the Aviation Director a performance bond or irrevocable standby letter of credit in an amount no less than \$741,096.68 (\$1,100,000 - \$358,903.32) to guarantee the completion of the First Round of Capital Improvements to the Leased Premises. The performance bond or standby letter of credit shall be issued by a surety company or bank authorized and licensed to transact business in the State of Texas, with the City of Corpus Christi Aviation Department named as obligee or beneficiary, not subject to reduction or cancellation except after thirty (30) days' written notice by certified mail, return receipt requested, to the Aviation Director. Said performance bond or irrevocable standby letter of credit shall be kept in force until Completion of the above-referenced First Round of Capital Improvements. "Completion" means issuance of Certificates of Occupancy for the Capital Improvement(s) have been issued or a determination by an engineering or architectural firm (approved by the City) that the First Round of Capital Improvements to the Leased Premises are substantially complete and Lessee may safely use and occupy the improvements.

5.08 As security for full and faithful Completion of the Second Round of Capital Improvements to the Leased Premises, Lessee must furnish to the Aviation Director a performance bond or irrevocable standby letter of credit in the face amount of no less than \$1,100,000.00 to guarantee the completion of the Second Round of Capital Improvements to the Leased Premises. The performance bond or the irrevocable standby letter of credit shall be delivered to the Aviation Director no later than the 120<sup>th</sup> month following the Commencement Date of this Lease Agreement. The performance bond or standby letter of credit shall be issued by a surety company or bank authorized and licensed to transact business in the State of Texas, with the City of Corpus Christi Aviation Department named as obligee or beneficiary, not subject to reduction or cancellation except after thirty (30) days' written notice by certified mail, return receipt requested, to the Aviation Director. Said performance bond or irrevocable standby letter of credit shall be kept in force until Completion of the Second Round of Capital Improvements. "Completion" means issuance of Certificates of Occupancy for the Second Round of the Capital Improvement(s) have been issued or a determination by an engineering or architectural firm (acceptable to the City) that the Second Round of Capital Improvements to the Leased Premises are substantially complete and Lessee may safely use and occupy the improvements.

5.09 Upon City's request, Lessee shall provide documentation such as invoices, contracts, proof of payment, as built plans and other records satisfactory to the Aviation Director as evidence of expenditure towards Capital Improvement Plan.

5.10 Partial Reimbursement of Direct Construction Costs if Lease Agreement Terminated by City without Cause. Only in the event that this Lease is terminated by the City prior to the end of the Initial Term of this Lease Agreement without fault or default on the part of Lessee and (i) other than as a result of the lawful assumption by the United States Government or any authorized agency thereof of the operation, control or use of the Leased Premises that substantially restricts Lessee from operating thereon; or (ii) other than as a result of the issuance by any court of competent jurisdiction of an injunction that prevents or restrains the use of the Leased Premises that prevents Lessee from operating thereon, or (iii) any event that triggers the Force Majeure clause in this Lease Agreement, the total Direct Construction Costs for the approved Capital Improvement Plan associated with said Capital Improvements shall be amortized on a straight line basis over the Initial Term of the Lease Agreement and a payment issued by the City to the Lessee for the unamortized amount of the Direct

Construction Costs for the approved Capital Improvements for the remaining balance of the Initial Term of this Lease Agreement, with payment to be made within sixty (60) days of such termination. If the Lease is terminated as a result of a Lessee default as stated in Section 24 of this Lease or for any reason other than that stated in the immediately preceding sentence herein, no reimbursement of Direct Construction Costs will be made, and Lessee forfeits the full investment to the City.

5.11 The budget for the Lessee's Capital Improvement Plan of \$2,200,000.00 as described in this Lease Agreement shall be in addition to the regular upkeep and maintenance of the Leased Premises to be performed by Lessee pursuant to this Lease Agreement.

5.12 The performance bonds or irrevocable standby letters of credit required by this Article 5, as described above, shall be in addition to the performance guarantee required in Article 8 herein.

5.13 The City hereby agrees to make necessary roof repairs to the Office-7 building on the Leased Premises with a scope of work that is agreed to by City and Lessee.

5.14 The City agrees to repair the roof and the hangar doors on Hangar-5 on the Leased Premises with a scope of work that is agreed to by City and Lessee.

5.15 The Parties to this Lease Agreement hereby agree that the total budget for the repair items set out above in Section 5.13 and Section 5.14 shall not exceed \$100,000.

5.16 City shall install a new fire sprinkler system in Hangar 3 at no cost to Lessee. City will notify Lessee at least 14 days prior to commencement of installation of the fire sprinkler system. Upon that notification, Lessee shall remove equipment and aircraft from the hangar to accommodate the installation and construction of the fire sprinkler system. Any portion of the Leased Premises vacated by Lessee under this paragraph for installation of the fire sprinkler system shall result in a proportionate abatement of rent until Lessee is notified that the work is complete.

## ARTICLE 6. INDEMNIFICATION

6.01 **LESSEE** covenants and agrees to **FULLY INDEMNIFY, DEFEND** and **HOLD HARMLESS**, the **CITY** and the elected officials, employees, officers, directors, volunteers and representatives of the **CITY**, individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the **CITY** directly or indirectly arising out of, resulting from or related to **LESSEE's** use or occupancy of the Lease Premises under this **LEASE**, including any acts or omissions of **LESSEE**, any agent, officer, director, representative, employee, consultant, sub lessee, assignee or subcontractor of **LESSEE**, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this **LEASE**, all without however, the City waiving any governmental immunity available to the **CITY** under Texas Law and without waiving any defenses of the parties under Texas Law. **IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS,**

**EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS LEASE.** The provisions of this **INDEMNITY** are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. **LESSEE and the CITY** shall promptly advise the other party in writing of any claim or demand against the **CITY** or **LESSEE** which is made known to the disclosing party related to or arising out of **LESSEE's** activities under this **LEASE** and **LESSEE** shall see to the investigation and defense of such claim or demand at **LESSEE's** cost. The **CITY** shall have the right, at its option and at its own expense, to participate in such defense without relieving **LESSEE** of any of its obligations under this paragraph.

6.02 It is the **EXPRESS INTENT** of the parties to this **LEASE**, that the **INDEMNITY** provided for in this Article 6, is an **INDEMNITY** extended by **LESSEE** to **INDEMNIFY, PROTECT** and **HOLD HARMLESS**, the **CITY** from the consequences of the **CITY's OWN NEGLIGENCE**, provided however, that the **INDEMNITY** provided for in this Article **SHALL APPLY** only when the **NEGLIGENT ACT** of the **CITY** is a **CONTRIBUTORY CAUSE** of the resultant injury, death, or damage, and shall have no application when the negligent act of the **CITY** is the sole cause of the resultant injury, death, or damage. **LESSEE** further **AGREES TO INVESTIGATE, SETTLE, AND DEFEND, AT ITS OWN EXPENSE** and **ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY**, with counsel reasonably satisfactory to the **CITY**, any claim or litigation brought against the **CITY** and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this **INDEMNITY** shall apply, as set forth above.

6.03 **NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT.**

## **ARTICLE 7. INSURANCE**

7.01 Lessee must provide insurance in the amounts and types of coverages required by the City's Risk Manager or the Risk Manager's designee ("Risk Manager") as are set out in the attached **Exhibit "C,"** the content of which is incorporated into this Lease as if set out herein in its entirety. Lessee must cause certificate(s) of insurance to be provided to the Aviation Director and Risk Manager not less than 30 days prior to the annual anniversary date of the Commencement Date of this Lease Agreement. The Risk Manager will annually assess the level and types of insurance required by the Lessee. The Risk Manager may increase or decrease the level or types of insurance by giving Lessee notice not less than 60 days prior to the annual anniversary date of the Effective Date of the Lease. Lessee shall have 30 days to procure the changed insurance and provide written proof of insurance to the Aviation Director and Risk Manager

## **ARTICLE 8. PERFORMANCE GUARANTEE & LANDLORDS LIEN**

8.01 Lessee shall deliver to the City, on or before the Commencement Date of this Lease Agreement and shall keep in force throughout the term of the Lease Agreement and any extensions thereof, an irrevocable standby letter of credit ("ISLC") in favor of the City, drawn upon a bank satisfactory to the City and payable to City of Corpus Christi, Aviation Department. The foregoing shall be in a form and content satisfactory to the City, shall be conditioned upon satisfactory performance of all terms, conditions and covenants, including

the Capital Improvements and the maintenance requirements, contained herein during the Term hereof and shall stand as security for payment by Lessee of all amounts due by Lessee as a result of valid declarations of uncured default, as set forth herein, asserted by the City. The amount of the ISLC shall be adjusted, as necessary, so that it shall at all times be in an amount no less than one (1) year of the total estimated annual rentals, fees and charges payable by Lessee to City under this Lease Agreement. The ISLC shall not be subject to reduction in coverage or cancellation. If the available balance on the ISLC falls below the amount required herein, Lessee agrees to replenish it to the full required amount within seven (7) days of it falling below the full required amount. Failure to replenish the ISLC as stated herein constitutes a material default of the Lease Agreement. The surety on the ISLC must, by appropriate notation thereon, stipulate and agree that no change, extension of time, alteration or addition to the terms of this Lease Agreement in any way affects its obligations under the ISLC and consents to waive notice of any such matters.

8.02 Lessee hereby gives to City a lien upon all of its property now, or at any time hereafter, in or upon the Leased Premises, to secure the prompt payment of charges herein stipulated to be paid for the use of said Premises; all exemptions of such property, or any of it, being hereby waived.

8.03 If Lessee so chooses, they may provide the City with an ISLC which is no less than double (200%) the amount of the estimated annual rentals, fees and charges due and payable by Lessee under this Lease Agreement as their “enhanced” performance guarantee and the provisions of Section 8.02 shall not apply as long as Lessee maintains this performance guarantee throughout the Term of this Lease Agreement.

## **ARTICLE 9. MINIMUM STANDARDS**

9.01 The City has adopted Minimum Standards (“Minimum Standards”) and Rules and Regulations (“Rules and Regulations”), which shall govern Lessee in the use of the Leased Premises and all common facilities, a copy of each of which has been furnished to Lessee and is incorporated herein by reference. Lessee agrees to comply fully at all times with these governing documents. The City, in its sole discretion, shall have the right to amend, modify and alter these Minimum Standards and Rules and Regulations 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 the property of the City, Lessee and all other tenants and customers of the Airport; provided, however, that the City shall give Lessee reasonable advance notice of any such amendments, modifications or alteration of the Minimum Standards and/or Rules and Regulations.

## **ARTICLE 10. FEES AND CHARGES**

### **10.01 Fees and Charges.**

(a) Fuel flowage fees shall be paid by Lessee to the City for all fuel delivered to the Leased Premises for sale or dispensing by the Lessee to all categories of customers in the amount per gallon, subject to atmospheric adjustments, now or hereafter set by the Aviation Director, as may be adjusted periodically. The fees and charges in effect as of the Commencement Date of this Lease are set forth in the Corpus Christi International Airport Schedule of Fees and Charges attached hereto as Exhibit “D” and incorporated herein by reference. Lessee will remit to the CCIA Finance Department the monthly report titled “Fuel

Flowage Fees” as attached hereto as Exhibit “E” and incorporated herein by reference, and all related fuel delivery tickets provided by the various suppliers confirming the amount of aircraft fuel delivered to the Leased Premises, by the 10<sup>th</sup> day of the month following such delivery. If no such delivery is made during a particular month, Lessee shall indicate “no fuel delivered” on the monthly report. Lessee agrees to keep accurate books, records and accounts of its purchase and sale of aircraft fuel delivered to its customers on the Airport premises. Lessee will remit payment for monthly fuel flowage fees to the City of Corpus Christi, P.O. Box 9257, Corpus Christi, Texas 78469-9257 by the 10<sup>th</sup> of the following month.

(b) Any City controlled apron or ramp areas outside the Leased Premises shall be for public use and subject to an Apron Fee, as set forth in the Corpus Christi International Airport Schedule of Fees and Charges (Exhibit “D”). Lessee will remit to the CCIA Finance Department a monthly report titled “Apron Remain Overnight Fees,” attached hereto as Exhibit “F” and incorporated herein by reference. The Apron Fee shall be set annually by the City for use of City controlled apron or ramp areas. Lessee or sub lessee shall remit to the City seventy-five percent (75%) of all revenues received for use of City controlled apron or ramp areas or equivalent charges within ten (10) days following the end of the month in which the apron or ramp was utilized, accompanied by an accounting of all City controlled apron or ramp rental activity. Lessee shall retain the remaining twenty-five percent (25%) of such revenues as consideration for Lessee’s management of said City controlled apron or ramp rental areas and collection of resulting revenues. The City retains the right to enter upon City controlled apron or ramp at any time and to take an inventory of any aircraft parked on the City controlled apron or ramp, as well as a right to audit Lessee’s or sub lessee’s accounting of City controlled apron or ramp rental activity. Lessee or sub lessee cannot charge any fees for use of the City controlled ramp other than the Ramp Fee set by the City for use of City controlled ramp and cannot waive any fees set by the City and due to the City for use of City controlled ramp without City’s written approval. Lessee will remit payment for monthly apron or ramp fees to the City of Corpus Christi, P.O. Box 9257, Corpus Christi, Texas 78469-9257 by the 10<sup>th</sup> of the following month.

(c) Fees and charges for miscellaneous items and services provided by the City, including, but not limited to, employee badges, shall be assessed by the City in connection with the ordinary usage of Airport facilities (hereafter “City Fees,” set forth in **Exhibit “D”** attached hereto).

(d) All rentals, fees and charges payable by Lessee to City under the terms hereof, whether or not expressly denominated as rent, shall constitute rent for all purposes, including, but not limited to, purposes of the United States Bankruptcy Code.

(e) For those services or functions listed in **Exhibit “D”** attached hereto, Lessee shall not charge fees to their customers that are in excess of the applicable fees and charges that are approved by the City, as amended from time to time, and set forth in **Exhibit “D”** attached hereto.

#### 10.02 Proceeds Fee.

(a) Lessee covenants and agrees to pay as an additional fee hereunder an amount equal to three percent (3%) of any Gross Proceeds (as hereinafter defined) from a Sale (as hereinafter defined) of the Lessee’s Leasehold Interest in the Leased Premises, or any portion thereof, as the case may be, at the times and in the manner hereinafter set forth (the “Proceeds

Fee”). This section 10.02 applies only to the sale of Lessee’s Leasehold Interest in the Leased Premises, or any portion thereof, at Corpus Christi International Airport and no other location.

(b) Payments of the Proceeds Fee shall be paid immediately upon a Sale as follows: upon the Closing and payment of the total purchase price in a Sale, accompanied by a certificate of the chief financial officer of the Lessee as to the amount of Gross Proceeds of the Sale. At the election of the City, the City and the Lessee shall coordinate payment of the Proceeds Rent through an escrow.

(c) Lessee shall, at the time of any such Sale, deliver to the City a statement certifying the amount of the Gross Proceeds for such Sale and the amount of the Proceeds Fee due and payable to the City. Such statement shall set forth in detail reasonably satisfactory to the City the computation of Gross Proceeds, and Proceeds Fee therefor, together with such other information as the City may deem reasonably necessary for the determination of the Proceeds Fee, such as the purchase agreement and/or sale closing statement. Except for such changes as are necessary to calculate the Gross Proceeds from the Sale, the statements required above shall be prepared in accordance with generally accepted accounting principles on the accrual basis consistently applied and otherwise in such manner as the City shall have approved in writing.

(d) For purposes of this Section, capitalized terms set forth below shall have the meanings ascribed to them below:

“Beneficial Interest” shall mean the interest of the Beneficiary in any trust of which it is beneficiary if the Lessee is ever a land trust.

“Beneficiary” shall mean the Beneficiary under a trust which at any time the Lessee is a trustee under a land trust.

“Gross Proceeds” shall mean the purchase price in a Sale (including, without limitation, (1) the principal and interest of any financing to which the Sale is subject, or which is assumed by the Lessee and (2) the fair market value of any consideration consisting of property other than cash).

“Leasehold Interest” shall mean the Lease between the City and Lessee and all resulting income streams and contracts resulting from Lessee’s use of the Leased Premises, as defined herein.

“Sale” shall mean (i) a sale, assignment, transfer or other conveyance of any portion of Lessee's interest under this Lease (including an assumption and assignment of the Lease by Lessee as debtor or debtor in possession or by a trustee in bankruptcy acting on behalf of Lessee) and/or in the Leased Premises or any portion of the Leased Premises; (ii) execution and delivery of a contract to convey any portion of Lessee's interest under this Lease upon payment of part or all of the purchase price which is accompanied by a transfer of possession and the risks and benefits of ownership to the purchaser; (iii) a taking by eminent domain of any portion of Lessee's interest under this Lease; (iv) a transaction or series of related transactions involving Lessee which has the economic equivalence to the owners of interests in Lessee as a transaction described as a Sale, regardless of the form of such transaction, whether by sales of direct or indirect interests in Lessee (including, without limitation, sales or other transfer of any membership interests in Lessee or in any constituent members of Lessee or in any corporate stock, partnership interests or Beneficial Interests in any future tenant

organized as a corporation, partnership or trust, respectively, or in any constituent shareholders, partners or Beneficiaries thereof) or sales of assets by an entity which owns Lessee's interest under this Lease and other property.

(e) The City shall not, as a result of the rights granted herein to receive Proceeds Fee, be considered as a co-owner, co-partner or joint venturer with Lessee in the Leased Premises.

(f) The Lessee shall not be required to pay Proceeds Fee on its receipt of proceeds from business interruption or loss of rents insurance payments.

## **ARTICLE 11. PRIVILEGES AND CONDITIONS**

11.01 The City hereby grants to Lessee and any assignees and/or sub lessees pursuant to Article 26 herein, the following general, non-exclusive privileges, uses and rights, subject to the terms, conditions and covenants herein set forth:

(a) The general use by Lessee, for commercial aviation activities, of all common aircraft facilities and improvements, which are now, or may hereafter be, connected with or appurtenant to said Airport, except as hereinafter provided. "Common airport facilities" shall include all necessary landing area appurtenances, including, but not limited to, approach areas, runways, taxiways, unleased aprons provided for in 10.01(b) of this Lease, public roadways, sidewalks, navigational and aviation aids, the airfield lighting facilities, terminal facilities or other common or public facilities appurtenant to said Airport.

(b) The right of ingress to and egress from the Leased Premises, over and across common or public roadways serving the Airport for Lessee and sub lessees, its agents, contractors, employees, patrons, invitees, suppliers of service and furnishers of material. Said right shall be subject to such ordinances, rules and regulations as now, or may hereafter, apply at the Airport.

(c) Lessee must remain in compliance at all times with all FAA, Department of Homeland Security and all other governmental organizations with jurisdiction over the Airport as well as all rules, laws and regulations as may be amended from time to time.

11.02 The granting and acceptance of this Lease is conditioned upon compliance with the covenant that the right to use said common Airport facilities, in common with others so authorized, shall be exercised subject to and in accordance with the laws of the United States, State of Texas and City of Corpus Christi, the rules and regulations promulgated by their authority with reference to aviation and navigation, and all reasonable and applicable rules, regulations and ordinances of the City, now in force or hereafter prescribed or promulgated by charter authority or by law, as may be amended from time to time.

11.03 The City reserves the right to enter the Leased Premises at any reasonable time for the purpose of inspecting same or verifying that fire, safety, sanitation regulations and other provisions contained in this Lease are being adhered to by Lessee.

## **ARTICLE 12. AS IS ACCEPTANCE AND CONDITION OF PREMISES**

12.01 The parties agree that this Lease is granted by City, at Lessee's request, and that the Leased Premises are currently occupied by Lessee or have been personally and carefully

reviewed by Lessee and/or Lessee's agents or representatives prior to executing this Lease Agreement.

12.02 Lessee has had full opportunity to examine all of the Leased Premises and hereby accepts the Leased Premises "AS IS" and with all faults. Except for environmental matters not caused by or reasonably discoverable by Lessee prior to the Commencement Date of this Lease Agreement. Lessee's taking possession of the Leased Premises shall be conclusive evidence of Lessee's acceptance thereof in an "AS IS" condition, and Lessee hereby accepts same in its present condition as suitable for the purpose for which leased.

12.03 Lessee agrees that no representations respecting the condition of the Leased Premises and no promises to improve same, either before or after the execution hereof, have been made by City or its agents to Lessee, unless contained herein or made a part hereof by specific reference.

### **ARTICLE 13. CONSTRUCTION/CAPITAL IMPROVEMENT BY LESSEE**

13.01 Lessee shall have the right to erect, alter, remodel and renovate buildings and make other improvements, in accordance with the CIP plan on the Leased Premises, provided that Lessee shall submit to the Aviation Director plans and specifications prepared by registered architects and engineers setting forth the renovations, construction, alterations or improvements that Lessee desires to perform, in such detail as may be required by the Aviation Director, and provided that approval of such plans and specifications by said Director and any other plan review and permitting departments at the City is obtained as set forth below.

13.02 The Aviation Director agrees to examine and approve or disapprove plans and specifications submitted in accordance with the provisions above, within forty-five (45) days after receipt thereof, and to give Lessee written notification of same. Lessee agrees to submit any additional information, plans or drawings required by the City to complete review of Lessee's plans and specifications. Any delay by Lessee in providing the requested additional information, plans or drawings to the Aviation Director shall extend the time period that the Aviation Director has to review said plans and specifications. The approval by City of such plans and specifications refers only to the conformity of same to the general architectural plan for the Leased Premises, as opposed to their architectural or engineering design. City, by giving its approval, assumes no liability or responsibility therefor or for any defect in any work performed according to such plans and specifications. Lessee agrees not to commence any renovations, construction, alterations or improvements until City has given written approval regarding Lessee's plans and specifications. City must obtain all necessary approvals and permits from the City prior to beginning construction.

13.03 Further, prior to the commencement of any construction, Lessee shall procure any and all additional approvals of the plans and specifications for its buildings and improvements required by any federal, state or municipal authorities, agencies, officers and departments having jurisdiction thereof and shall obtain any and all requisite building or construction licenses, permits or approvals. Construction shall comply with applicable building code requirements and with applicable regulations promulgated by any federal, state or municipal agency or department having jurisdiction thereof. Lessee specifically agrees that it shall hold City completely harmless from and against any and all claims, causes of action or liabilities, whether actual or potential, associated with any construction undertaken by Lessee hereunder.



13.04 The cost of any renovations, construction, alterations or improvements upon the Leased Premises shall be borne and paid for solely by Lessee. Except as may be otherwise set forth herein, The City has no financial or other obligation of any kind under this Lease, other than the renting to Lessee of the Leased Premises which are the subject hereof for the term and consideration hereinbefore set forth.

13.05 Upon completion of all renovations, construction, alterations or improvements, a conformed set of "as built" plans and a Certificate of Occupancy shall be provided by Lessee to the Aviation Director.

13.06 In undertaking any such renovations, construction, alterations or improvements, it is expressly understood that, where applicable, unless otherwise agreed to in writing by the parties, Lessee shall be responsible, at its sole expense, for any and all construction and maintenance of taxiways and connections to the Airport's runway and taxiway system, along an alignment and in accordance with designs and plans approved in advance, in writing, by the Aviation Director. It is further expressly understood and agreed that any improvements and access thereto constructed by Lessee on the Leased Premises shall be performed in such a manner that shall not cause flowage of surface drainage onto adjacent tracts or interrupt flow to the storm drainage system.

13.07 Any construction of a Capital Improvement pursuant to this Article 13 may, at the option of the Lessee be considered part of a Capital Improvement Plan and subject to the review and approval procedures in Article 5 hereof.

#### **ARTICLE 14. LIENS PROHIBITED**

14.01 Lessee shall not suffer or permit any mechanics or other liens to be filed against the fee of the Leased Premises, or against Lessee's leasehold interest in the land, buildings or improvements thereon, by reason of any work, labor, services or materials supplied, or claimed to have been supplied, to Lessee or to anyone holding the Leased Premises, or any part thereof, through or under Lessee.

14.02 If any such mechanics' lien or materialmen's lien described in Section 14.01 above shall be recorded against the Leased Premises, or any improvements thereon, Lessee shall cause the same to be removed or, bonded around pursuant to the terms of the Texas Property Code. In the alternative, if Lessee, in good faith, desires to contest the same, it shall be privileged to do so; however, in such case, Lessee hereby agrees to indemnify and save the City harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said mechanics' lien, cause the same to be discharged and removed prior to sale of the property or execution of such judgment.

#### **ARTICLE 15. UTILITIES CHARGES, MAINTENANCE AND REPAIR**

15.01 Lessee shall pay or cause to be paid any and all charges for water, sewer, trash pickup, heat, gas, electricity, phone, cable, fiber, internet and any and all other utilities used on the Leased Premises, throughout the term of this Lease or any extension thereof. This shall include, but not limited to, any utility connection fees and any and all additional costs related to utility connection, metering, maintenance, repair and usage.

15.02 Lessee shall, throughout the term of this Lease, assume the entire responsibility,

cost and expense for all repair and Maintenance of the Leased Premises and all buildings and improvements thereon, whether such repair or Maintenance be ordinary, extraordinary, structural or otherwise, normal wear and tear excepted. Additionally, without limiting the foregoing, Lessee shall:

(a) at all times maintain the buildings and improvements in a good state of repair and preservation, excepting ordinary wear and tear and obsolescence in spite of repair; and

(b) replace or substitute any fixtures and equipment which have become inadequate, obsolete, worn out, or unsuitable, with replacement or substitute fixtures and equipment, free of all liens and encumbrances, which shall automatically become a part of the buildings and improvements and revert to City ownership at termination of this Lease, as provided for herein; and

(c) at all times keep the Leased Premises, its buildings, improvements, fixtures, equipment and personal property, in a clean and orderly condition and appearance; and

(d) provide, and maintain in good working order, all obstruction lights and similar devices, fire protection and safety equipment, and all other equipment of every kind and nature required by applicable laws, rules, orders, ordinances, resolutions or regulations of any competent authority, including City and Aviation Director; and

(e) observe all insurance regulations and requirements as required in Article 7 herein concerning the use and condition of the Leased Premises, for the purpose of reducing fire hazards and insurance rates on the Airport; and

(f) repair any damage caused by Lessee to paving or other surfaces of the Leased Premises or the Airport, in connection with the scope of the Lease, caused by any oil, gasoline, grease, lubricants, flammable liquids and/or substances having a corrosive or detrimental effect thereon, or by any other reason whatsoever; and

(g) take measures to prevent erosion, including, but not limited to, the planting and replanting of grass on all unpaved or undeveloped portions of the Leased Premises; the planting, maintaining and replanting of any landscaped areas; the designing and constructing of improvements on the Leased Premises; and the preservation of as many trees as possible, consistent with Lessee's construction and operations; and

(h) be responsible for the maintenance and repair of all utility services lines serving the Leased Premises, including, but not limited to, water and gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers; and

(i) keep and maintain all vehicles and equipment operated by Lessee on the Airport in safe condition, good repair, properly licensed and insured, as required by this Lease; and

(j) replace broken or cracked plate glass, repair roofing material as needed, paint/repaint structures upon the Leased Premises and, where applicable, mow the grass; and

(k) provide and use suitable covered metal receptacles for all garbage, trash and

other refuse; assure that boxes, cartons, barrels or similar items are not piled in an unsightly, unsafe manner, on or about the Leased Premises; promptly collect and remove all trash and foreign materials from parking lots and Leased Premises; provide a complete and proper arrangement, satisfactory to the Aviation Director, for the adequate sanitary handling and disposal (away from the Airport), of all trash, garbage and refuse generated as a result of the operation of Lessee's business;

(l) at the expiration or termination of this Lease, deliver the Leased Premises to the City clean and free of trash and in good repair and condition, with all fixtures and equipment situated in the Leased Premises in good working order, reasonable wear and tear excepted; and

(m) within five (5) calendar days of receipt of the City's written request, Lessee shall provide documentation such as invoices, contracts, proof of payment and other records satisfactory to the Aviation Director as evidence of performance of major maintenance.

15.03 Following consultation with Lessee, the adequacy of the performance of the foregoing Maintenance and repair by Lessee shall be determined by the Aviation Director, whose reasonably exercised judgment shall be conclusive. No more than thirty (30) days after determining the inadequacy of such Maintenance or repair, the Aviation Director shall provide Lessee a written request that Lessee remedy such inadequate Maintenance or repair. Should Lessee fail to undertake any such Maintenance or repair within ten (10) days of receiving written notice from the Aviation Director, or if City performs any Maintenance or repair on behalf of and for Lessee necessitated by Lessee's failure to start or complete Maintenance or repairs, then the costs of such Maintenance or repair, plus any associated overhead reasonably determined by City, plus a 15% administrative fee, shall be reimbursed by Lessee to City no later than ten (10) days following receipt by Lessee of written demand from City for same. In cases not involving Maintenance or repair requiring exigent action, City shall provide Lessee a written request that Lessee perform such Maintenance or repair, at least thirty (30) days before City affects such Maintenance or repair on behalf of Lessee.

15.04 Any Maintenance or repair performed pursuant to this Article 15 will not be part of a Capital Improvement plan.

15.05 The Capital Investment and Capital Improvements to be made by Lessee, as required by this Lease Agreement, shall be in addition to the Maintenance required in Article 15 herein.

## **ARTICLE 16. TITLE**

16.01 It is expressly understood and agreed that any and all trade fixtures, furniture, equipment, and improvements that may be reasonably removed, placed or maintained by Lessee in the Leased Premises during the Term hereof shall be and remain Lessee's property, and the Leased Premises returned to its original condition at the sole expense of Lessee, normal wear and tear excepted. Provided that Lessee is not in default under this Lease, it may remove or cause to be removed all such items from the Leased Premises, with any damage caused by such removal repaired at the Lessee's sole expense. At City's sole election, any such items remaining on the Leased Premises more than ten (10) days after the expiration or termination of the term hereof, shall then belong to City without payment of consideration therefor.

16.02 Unless otherwise provided, all foundations, buildings, alterations, additions or improvements ("Improvements") made upon the Leased Premises by Lessee are and shall be the property of Lessee during the Term hereof. During said Term, absent the Aviation Director's written approval, such Improvements shall be conveyed, transferred or assigned, only to a person or entity to whom this Lease is being transferred or assigned, whereupon such Improvements shall become the property of the holder of the leasehold interest hereunder. Absent such written approval of the Director any attempted conveyance, transfer or assignment of Improvements, to any person or entity, whether voluntary, by operation of law or otherwise, shall be void and of no effect.

16.03 Title to Improvements made upon the Leased Premises by Lessee, and fixtures annexed thereto, shall vest in and become the property of the City, at no cost to City and without any instrument of conveyance, upon the expiration of the Term of this Lease or upon earlier termination thereof. Notwithstanding the foregoing, Lessee covenants and agrees, upon City's demand, on or after termination of the Lease, to execute any instruments requested by City in connection with the conveyance of such Improvements. City shall notify Lessee whether or not City intends take title to Improvements, or any portion thereof, as herein provided, at least sixty (60) days prior to the expiration of the Term of this Lease or earlier termination thereof. The City's failure to provide such notice, however, shall not act as a waiver of its rights hereunder; provided that City, within a reasonable time after receipt of Lessee's written request, advises Lessee of its election hereunder. No obligations under this section herein are waived by the termination of this Lease.

16.04 Should City elect not to take title to Improvements, or any portion thereof, as provided in Section 16.03 above, same shall be removed by Lessee, at its sole cost and risk, no later than midnight of the expiration or termination date of the Lease, in compliance with all applicable laws and regulations and, to the degree reasonably possible, the Leased Premises shall be restored to the condition that existed prior to the construction of same, provided however, that Lessee shall not be required to demolish or remove any building, structure or improvement that was the subject of a Capital Improvement Plan. Should Lessee fail to undertake such removal within ninety (90) days following the expiration or termination of this Lease, City may undertake such removal at Lessee's expense. The performance guarantee, required under this Lease, may not be applied towards any costs incurred by City for such removal.

## **ARTICLE 17. ENVIRONMENTAL COMPLIANCE**

17.01 Lessee agrees that it shall, at its sole expense, comply with all applicable federal, state and local statutes, laws, ordinances, rules and regulations concerning the use and operation of all fuel storage facilities presently existing upon the Leased Premises, including, but not limited to, regulations promulgated by the Environmental Protection Agency ("EPA") as well as all inspection, financial liability and inventory control recording requirements of the EPA, and that it shall provide City with copies of certificates of registration from the Texas Commission on Environmental Quality ("TCEQ") for any existing fuel storage facilities, together with copies of any required proof of financial responsibility and other documentation, such as an "Accord Form" certificate of insurance applicable to above ground fuel storage tanks, income statements or balance sheets, reasonably required by the Aviation Director or applicable regulatory agency. For purposes of this provision, "facilities" are defined as any mobile or fixed, onshore building, structure, installation, equipment, pipe, or pipeline used in fuel storage, fuel gathering, fuel transfer, or fuel distribution.

17.02 During the Term of this Lease and any extensions thereof, should changes in applicable statutes, laws, rules or regulations regarding fuel storage facilities and/or dispensing equipment necessitate the removal, modification or replacement of any component, piping, valves, or connections comprising part of the fuel storage facilities and/or dispensing equipment, potentially including the entire fuel storage facilities, in, on, upon or under the Leased Premises, then such removal, modification or replacement shall be timely undertaken and performed by Lessee, at its sole cost and expense. Furthermore, if requested by City, Lessee shall, no later than Midnight of the termination or expiration of this Lease, at its sole cost, remove said fuel storage facilities, dispensing equipment and/or component(s) thereof from the Leased Premises, perform any required soil or other investigations, perform regulatory remediation and restore the Leased Premises in a condition that complies with all applicable statutes, laws, rules, or regulations governing fuel storage facilities. Provided, however, that if Lessee has made significant improvements to such fuel storage facilities and/or dispensing equipment, as determined and approved by the Aviation Director, whose approval shall not unreasonably be withheld, such removal by Lessee upon termination or expiration shall not be required. Any such removal of Lessee's property shall be coordinated by Lessee so that there is no unreasonable interference with Airport customers' use of the Airport or of other aeronautical service providers' use and occupancy of other areas at the Airport. In the event Lessee plans to conduct any environmental remediation work on the Leased Premises, Lessee shall give the Aviation Director and the aeronautical service providers adjacent to Lessee written notice of the same, with a general description of the work to be conducted, including if Lessee anticipates that such work will impact the use and occupancy of adjacent areas at the Airport and, if so, how Lessee intends to minimize such impact. Following the termination or expiration of this Lease, City will conduct a comprehensive environmental assessment to determine compliance with TCEQ and/or EPA standards, at Lessee's sole expense, to reasonably determine if any environmental pollution or contamination exists and, if so, an accepted contamination removal program shall be implemented at Lessee's sole expense. Lessee or any City approved sub lessee shall remain liable for any discharge if contamination is found at a future date if such discharge is the responsibility of Lessee or sub lessee.

17.03 Lessee shall, in conducting any activity or business on the Leased Premises, including environmental response or remedial activities, comply with all environmental laws, including, but not limited to, those regarding the generation, storage, use, transportation and disposal of solid wastes, hazardous materials, toxic chemicals, special wastes or other contaminants, and all laws, regulations and notice requirements pertaining to releases or threatened releases of hazardous materials, toxic chemicals, special wastes or other contaminants into the environment. Lessee shall not cause the release, or permit its employees, agents, permittees, contractors, subcontractors, sublessees, or others in Lessee's control, supervision, or employment, to release (whether by way of uncapping, pouring, spilling, spraying, spreading, attaching or otherwise), into or onto the Leased Premises or any other location upon or above the Airport (including the air, ground and ground water thereunder and the sewer and storm water drainage systems thereon), any quantity of hazardous substances (as defined or established from time to time by applicable local, state, or federal law and including, among other things, hazardous waste and any other substances that have been or may in the future be determined to be toxic, hazardous or unsafe). To the extent any such release may exceed quantities or volumes permitted by applicable federal, Texas or local law, Lessee shall immediately notify the Aviation Director, TCEQ, and Local Emergency Planning Committee, as may be required under the federal Emergency Planning

and Community Right To Know Act. The Lessee, or any occupant of Leased Premises, shall be responsible for compliance with said Act, in the event of any such release.

17.04 Lessee shall remedy any release or threatened release caused by Lessee's operations at the Airport, as described above and, whether resulting from such release or otherwise, remove any hazardous materials, special wastes and any other environmental contamination caused by Lessee on, under or upon the Leased Premises, as may be required by a governmental or regulatory agency responsible for enforcing environmental laws and regulations. Such work shall be performed, at Lessee's sole expense, after Lessee submits to City a plan, approved in writing by the appropriate governmental or regulatory agency(ies) responsible for enforcing such environmental laws and regulations, for completing such work. City shall have the right to review and inspect all such work at any time, using consultants and representatives of its choice, at City's sole cost and expense. Specific cleanup levels for any environmental remedial work shall be designed to meet all of the applicable environmental laws and regulations, to the satisfaction of the appropriate government or regulatory agency responsible for enforcing environmental laws and regulations.

**17.05 Lessee agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, officers, agents and employees, from and against any and all reasonable losses, claims, liability, damages, injunctive relief, injuries to person, property or natural resources, costs, expenses, enforcement actions, actions or causes of action, fines and penalties, arising as a result of action or inaction of Lessee, its employees, agents or contractors, in connection with the release, threatened release or presence of any hazardous material, contaminants, or toxic chemicals at, on, under, over or upon the Leased Premises or Airport, whether or not foreseeable. The foregoing indemnity includes, without limitation, all reasonable costs at law or in equity for removal, clean-up, remediation and disposal required to bring the Leased Premises or Airport to be in compliance with, all applicable environmental laws and regulations and all reasonable costs associated with claims for damages to persons, property or natural resources arising out of Lessee's use and occupancy of the Leased Premises or its operations at the Airport. In the event that the City, it's elected and appointed officials, officers, agents and employees is named in any enforcement action or lawsuit by any party in connection with the environmental condition of the Leased Premises caused by the action or inaction of the Lessee, Lessee shall defend the City, it's elected and appointed officials, officers, agents and employees and indemnify and hold harmless City, it's elected and appointed officials, officers, agents and employees from any reasonable costs, damages, fines and penalties resulting therefrom.**

17.06 Nothing in this Lease shall prohibit Lessee from pursuing contribution or indemnity for such cleanup costs or remediation by other responsible parties and the Aviation Director shall provide reasonable cooperation and coordination in such endeavors.

17.07 In addition to any other rights of access herein regarding the Leased Premises, City shall, upon reasonable notice, have access thereto in order to inspect and confirm that the Lessee is using same in accordance with all applicable environmental laws and regulations. Lessee shall, upon the Aviation Director's reasonable demand and at Lessee's sole expense, demonstrate to said Director (through such tests, professional inspections, samplings, or other methods as may be reasonably required by said Director) that Lessee has not caused or permitted any release of hazardous substances or contaminants in excess of quantities or volumes permitted by applicable federal, Texas or local law. Qualified

independent experts, chosen by Lessee, subject to City's approval, which approval shall not be unreasonably withheld, shall conduct any such tests and assessments. Lessee shall provide copies of reports from any such testing or assessments to City upon receipt. Should Lessee not provide same to City, City may conduct, or cause to be conducted, such tests, inspections, samplings and assessments, and Lessee shall reimburse City for all costs of such actions, no later than thirty (30) days following receipt by Lessee of invoices therefor. City reserves the right to conduct any of the above actions, at the Aviation Director's discretion, when in the opinion of same, additional or supplemental assessments are in City's best interest.

17.08 Lessee, at City's request, shall make available for inspection and copying, upon reasonable notice and at reasonable times, any or all of the non-privileged documents and materials Lessee has prepared pursuant to any environmental law or regulation, which may be retained by City or submitted to any governmental regulatory agency; provided, such documents and materials relate to environmental regulatory compliance and pertain to the Airport or the Leased Premises. If any environmental law or regulation requires Lessee to file any notice or report of a release or threatened release of regulated materials on, under or about the Leased Premises or the Airport, Lessee shall promptly submit such notice or report to the appropriate governmental agency and simultaneously provide a copy of such report or notice to City. In the event that any written allegation, claim, demand, action or notice is made against Lessee regarding Lessee's failure or alleged failure to comply with any environmental law or regulation, Lessee, as soon as practicable, shall notify City in writing and provide same with copies of any such written allegations, claims, demands, notices or actions so made.

17.09 The parties to this Lease, including the tenants or sublessees who may enjoy a future right of occupation through Lessee, acknowledge a right and a duty in City, exercised by the Aviation Director, to review safety and potential environmental impacts of any proposed operation, business, maintenance or other activity of the Lessee and its sublessees. To this end, said Director shall have authority to disapprove an activity of the Lessee and/or any sublessee not otherwise expressly permitted under this Lease, on the basis of a risk assessment. The parties understand that Leased Premises are not intended for use involving refining, processing, manufacturing, maintenance (not already required by the Minimum Standards), overhaul, or similar heavy industrial activities entailing use, storage, manufacture, or transport of critical volumes of regulated or hazardous materials or toxic chemicals. For purposes of this Lease, "critical volumes" are those which pose or may pose an unreasonable risk to Airport property, its occupants, employees or the traveling public.

#### **ARTICLE 18. SIGNS**

Any signs installed on the Leased Premises shall be submitted to the Aviation Director for approval prior to installation. Lessee shall neither erect signs nor distribute advertising matter upon Airport Premises, without the prior written consent of the Aviation Director. All signage must be in compliance with applicable City code standards and restrictions.

#### **ARTICLE 19. REGULATIONS**

Lessee's officers, agents, employees, contractors, subcontractors, tenants and subtenants shall obey all rules and regulations promulgated by City, its authorized agents in charge of the Airport, or other lawful authority, to insure the safe and orderly conduct of operations and traffic thereon.

## **ARTICLE 20. QUALITY OF SERVICES**

Lessee shall, at all times, furnish good, prompt and efficient commercial aviation services, in compliance with the applicable Minimum Standards, adequate to meet demand for same at the Airport, furnish said services on a non-discriminatory basis to all users thereof, and charge non-discriminatory prices for each unit of sale or service; provided, however, that Lessee will be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

## **ARTICLE 21. TIME OF EMERGENCY**

During time of war or national emergency, City shall have the right to lease the landing area or any part thereof to the United States for government use, and, if such lease is executed, the provisions of this Lease, insofar as they are inconsistent with those of the Government lease, shall be suspended.

## **ARTICLE 22. SUBORDINATION OF LEASE & RIGHT OF RECAPTURE**

22.01 This Lease shall be subordinate to the provisions of any existing or future agreement between City and the United States of America and/or the State of Texas regarding operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or state funds for the development of the Airport. Should the effect of such agreement with the United States be to take any of the property under lease, or substantially alter or destroy the commercial value of the leasehold interest granted herein, City shall not be held liable therefore, but, in such event, Lessee may cancel this Lease upon ten (10) days' written notice to City. Notwithstanding the foregoing, City agrees that, in the event it becomes aware of any such proposed or pending agreement or taking, City shall utilize its best efforts to give the maximum possible notice thereof to Lessee. Any portion of the Leased Premises recaptured from Lessee under this provision shall result in a proportionate abatement of rent as of the date the recapture is effectuated.

22.02 City shall have the right to recapture any or all of the Leased Premises to the extent that such are necessary for the City's development, improvement, and or maintenance of the Airport's runways and taxiways; for protection or enhancement of flight operations; or for other development in compliance with any current or future Airport Master Plan and Airport layout plan. In the event of any such recapture, Lessee and City shall execute an amendment reflecting a corresponding adjustment to the Leased Premises and rent, according to the then applicable rental rates. In the event Lessee has made an investment in accordance with an approved Capital Improvement Plan during the Initial Term of this Agreement or any extension thereof and a portion or all of the Leased Premises are recaptured, the total Direct Construction Costs for the approved Capital Improvement Plan during the Term of the Lease shall be amortized on a straight line basis over the Initial Term or the Renewal Period of the Lease Agreement (whichever is applicable) and a payment issued by the City to the Lessee for the unamortized amount of the Direct Construction Costs for the approved Capital Improvements completed by Lessee and accepted by the City for the remaining balance of the Initial Term or Renewal Period of the Lease Agreement. The City will make this payment to Lessee within 60 calendar days following delivery by Lessee to City of all necessary invoices, checks, contracts or other financial or construction documents necessary for the City to calculate the unamortized amount of Direct Construction Costs invested by Lessee in the Capital Improvements which has not been amortized.



22.03 City shall have the right to recapture any or all of the Leased Premises to the extent that such are necessary for the City's development, improvement, and or maintenance of the Airport's runways and taxiways; for protection or enhancement of flight operations; or for other development in compliance with any current or future Airport Master Plan and Airport layout plan. In the event of any such recapture, Lessee and City shall execute an Amended Agreement reflecting a corresponding adjustment to the Leased Premises and rent.

### **ARTICLE 23. SECURITY**

23.01 Lessee shall comply with all rules, regulations, statutes, orders, directives or other mandates of the United States or State of Texas, regarding Airport security requirements or measures. Additionally, Lessee shall comply with the Airport Security Program, as may be amended from time to time, a copy of which will be provided by City to Lessee upon request.

23.02 City reserves the right to require Lessee to install access control system(s) and/or surveillance cameras at all points of access from public areas to security-restricted areas. Airport security officials must be able to access, inspect and monitor such access control system(s) and/or surveillance cameras.

23.03 Lessee shall comply with all current and future mandates of the Transportation Security Administration, of successor agency, for background investigations of its personnel.

**23.02 Lessee shall indemnify and hold harmless City, its officers and employees from any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or State of Texas, by reason of Lessee's failure to comply with any applicable security provision and/or requirement for compliance set forth herein. Lessee is responsible for payment of all such fines and penalties.**

### **ARTICLE 24. DEFAULT AND REMEDIES**

24.01 Each of the following shall constitute an event of default by Lessee or its parent company, successor company or related company(ies):

(a) Lessee shall fail to pay any rent as provided for in this Lease Agreement and such failure shall continue for a period of ten (10) days after receipt by Lessee of written notice thereof.

(b) Lessee shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained, and if such neglect or failure should continue for a period of thirty (30) days after receipt by Lessee of written notice of same, or if more than thirty (30) days shall be required because of the nature of the default, if Lessee shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default.

(c) Lessee shall become insolvent; take the benefit of any present or future insolvency statute; make a general assignment for the benefit of creditors; file a voluntary petition in bankruptcy or a petition or answer seeking a reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property.

(d) An Order of Relief shall be entered, at the request of Lessee or any of its creditors, under federal bankruptcy, reorganization laws or any law or statute of the United States or any state thereof.

(e) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Lessee and shall not be dismissed within thirty

(30) days after the filing thereof.

(f) Pursuant to, or under the authority of, any legislative act, resolution, rule, or any court, governmental, agency or board order or decree or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of Lessee and such possession or control shall continue in effect for a period of fifteen (15) days.

(g) Lessee shall become a corporation in dissolution or voluntarily or involuntarily forfeit its corporate charter.

(h) The rights of Lessee hereunder shall be transferred to, pass to or devolve upon, by operations of law or otherwise, any other person, firm, corporation or other entity, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceeding or occurrence described in Paragraphs c through g of this Section 24.01.

(i) Lessee shall voluntarily discontinue its operations at the Airport for a period of ninety (90) consecutive days.

(j) If Lessee sells, transfers or assigns this Lease to or is sold, transferred or assigned this Lease from any entity or organization that have an interest in any other FBO operating at the Airport.

24.02 In the event any default shall occur, City then, or at any time thereafter, but prior to the removal of such condition of default, shall have the right, at its election, either to terminate this Lease and/or any sublease agreements that Lessee may have, by giving at least five (5) days written notice to Lessee, at which time Lessee will then quit and surrender the Leased Premises to City, but Lessee shall remain liable as herein provided, or enter upon and take possession of the Leased Premises (or any part thereof in the name of the whole), without demand or notice, and repossess the same as of the City's former estate, expelling Lessee and those claiming under Lessee, forcibly if necessary, without prejudice to any remedy for arrears of rent or preceding breach of Lease.

24.03 City's repossession of the Leased Premises shall neither be construed as an election to terminate this Lease and/or any sublease agreements that Lessee may have nor shall it cause a forfeiture of rents or other charges remaining to be paid during the balance of the term hereof, unless a written notice of such intention be given to Lessee, or unless such termination is decreed by a court of competent jurisdiction.

24.04 Upon repossession, City shall have the right, at its election, whether or not this Lease and/or any sublease agreements that Lessee may have shall be terminated, to relet the Leased Premises or any part thereof for such period(s), which may extend beyond the term hereof, at such rent and upon such other terms and conditions as City may, in good faith, deem advisable. Notwithstanding any law or anything contained herein to the contrary, to the full extent permitted under applicable law, Lessee and City agree that City's duty to relet the Leased Premises or otherwise to mitigate damages hereunder shall be limited to those

requirements set forth in the Texas Property Code, as amended. City shall in no event be liable, and Lessee's and sub lessees' liability shall not be affected or diminished whatsoever, for failure to relet the Leased Premises, or in the event the Leased Premises are relet, for failure to collect any rental under such reletting, so long as the City uses objectively reasonable efforts to comply with said Property Code. City and Lessee agree that any such duty shall be satisfied and City shall be deemed to have used objective reasonable efforts to relet the Leased Premises and mitigate City's damages by: (a) posting a "For Lease" sign on the Leased Premises; (b) advising City's lease agent, if any, of the availability of the Leased Premises; and (c) advising at least one (1) outside commercial brokerage entity of the availability of the Premises.

24.05 In the event that City elects to relet the Leased Premises, rentals received by same from such reletting shall be applied: first, to the payment of any indebtedness, other than rent due hereunder from Lessee under this Lease; second, to the payment of any cost of such reletting; third, to the payment of rent due and unpaid hereunder; and finally, the residue, if any, shall be held by City and applied hereunder. Should that portion of such rentals received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable during that month by Lessee hereunder, then Lessee shall pay such deficiency to City. Such deficiency shall be calculated and paid monthly. Lessee shall also pay to City, as soon as ascertained, any costs and expenses incurred by City in such reletting not covered by the rentals received from such reletting of the Leased Premises.

24.06 If City shall terminate this Lease or take possession of the Leased Premises by reason of a condition of default, Lessee and those holding under Lessee, shall forthwith remove their goods and effects from the Leased Premises. If Lessee or any such claimant shall fail to effect such removal forthwith, City may, without liability to Lessee or those claiming under Lessee, remove such goods and effects and store same for the account of Lessee or of the owner thereof at any place selected by City, or, at City's election, and upon giving fifteen (15) days' written notice to Lessee of date, time and location of sale, City may sell the same at public auction or private sale on such terms and conditions as to price, payment and otherwise, as City in its sole discretion may deem advisable. If, in City's judgment, the cost of removing and storing, or of removing and selling any such goods and effects, exceeds the value thereof or the probable sale price thereof, as the case may be, City shall have the right to dispose of such goods in any manner City may deem advisable.

24.07 Lessee shall be responsible for all costs of removal, storage and sale, and City shall have the right to reimburse the Airport from the proceeds of any sale for all such costs paid or incurred by City. If any surplus sale proceeds remain after such reimbursement, City may deduct from such surplus any other sum due to City hereunder and shall pay over to Lessee any remaining balance of such surplus sale proceeds.

24.08 If City shall enter into and repossess the Leased Premises as a result of Lessee's default in the performance of any of the terms, covenants or conditions herein contained, then Lessee hereby covenants and agrees that it will not claim the right to redeem or re-enter the said Premises to restore the operation of this Lease, and Lessee hereby waives the right, and the right of any party claiming through or under Lessee, to such redemption and re-entrance under any present or future law, and does hereby further, for any party claiming through or under Lessee, expressly waive its right, if any, to make payment of any sum or sums of rent, or otherwise, of which Lessee shall have made default under any of the covenants of the Lease and to claim any subrogation of the rights of Lessee under these presents, or any of the covenants thereof, by reason of such payment.

24.09 All rights and remedies of City herein created or otherwise existing at law are cumulative, and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. All such rights and remedies may be exercised and enforced concurrently, whenever and as often as deemed desirable.

24.10 If proceedings shall, at any time, be commenced for recovery of possession, as aforesaid, and compromise or settlement shall be effected either before or after judgment whereby Lessee shall be permitted to retain possession of the Leased Premises, then such proceeding shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach thereof or to this Lease.

24.11 Any amount paid or expense or liability incurred by City for the account of Lessee may be deemed to be additional rental and the same may, at the option of City, be added to any rent then due or thereafter falling due hereunder.

#### **ARTICLE 25. HOLDING OVER**

It is agreed and understood that any holding over by Lessee or sublessee, with City's written consent, at sole discretion of City, after the termination of this Lease, shall not renew and extend same, but shall operate and be construed as a tenancy from month-to-month, not to exceed six (6) months, upon all the terms and conditions set forth herein, except that rental shall be paid to City by Lessee for all buildings on the Leased Premises at one hundred twenty-five percent (125%) the then current rents, fees and charges in effect as of the end of the primary term of this Lease or the ground rental rate established through appraisal. Lessee shall be liable to City for all loss or damage resulting from such holding over against City's will after the termination of this Lease, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing rental by City, in the event that Lessee fails or refuses to surrender possession, shall not operate to give Lessee any right to remain in possession beyond the period for which such amount has been paid nor shall it constitute a waiver by City of its right to immediate possession thereafter.

#### **ARTICLE 26. ASSIGNMENT AND SUBLET**

26.01 Lessee shall not transfer or assign this Lease or Lessee's interest in or to the Leased Premises, or any part thereof, without having first obtained City's prior written consent, which may be given only by or pursuant to an ordinance enacted by the City Council of the City of Corpus Christi, Texas. Lessee may not assign or sublet this Lease to any other FBO operating at the Airport or to any entity or organization that has any financial, equity or ownership interest in any other FBO operating at the Airport. Notwithstanding the foregoing and for so long as any pledge or collateral assignment of Lessee's interest in the Lease shall be by instrument substantially in such form as shall have previously been approved by the City Council, the consent of City to such pledge or collateral assignment may be given by City acting by and through the Aviation Director.

26.02 Lessee shall not sublet the Leased Premises or any part thereof without having first obtained the Aviation Director's written consent, which will be granted in the Aviation Director's sole discretion, and co-signature to any sublease. Failure either to obtain City's prior written consent or to comply with the provisions herein contained shall operate to prevent any such transfer, assignment or subletting from becoming effective. In the event Lessee requests permission to sublease, the request shall be submitted to the said Director prior to the

effective date of the sublease requested and shall be accompanied by a copy of the proposed sublease agreement(s) and of all agreement(s) collateral thereto. The identity of the sublessee, the area or space to be subleased, the rental to be charged, the type of business to be conducted, reasonable financial history and all other relevant information requested by said Director shall be specified. It is expressly understood and agreed that the storage of aircraft inside any hangar at the Leased Premises pursuant to what is commonly referred to as a "use and occupancy agreement" as part of the permitted FBO services offered at the Airport shall not constitute a sublease which would otherwise be subject to the terms and conditions of this section 26.02.

26.03 Should the subletting of the Leased Premises be approved by City, however, Lessee agrees and acknowledges that it shall remain fully and primarily liable under this Lease, notwithstanding any such sublease and that any such sublessee shall be required to attorn to City hereunder.

26.04 The receipt by the City of rent from an assignee, subtenant or occupant of the Leased Premises shall not be deemed a waiver of the covenant in this Lease against assignment and subletting or an acceptance of the assignee, subtenant or occupant as a tenant or a release of the Lessee from further observance or performance by Lessee of the covenants contained in this Lease. No provision of this Lease shall be deemed to have been waived by the City, unless such waiver is in writing, signed by the Aviation Director.

## **ARTICLE 27. FIRE AND OTHER DAMAGE**

27.01 In the event the Leased Premises shall be partially damaged by fire or other casualty through no fault of Lessee, Lessee shall give immediate notice thereof to City and the Leased Premises shall be repaired, at City's expense, without unreasonable delay, unless City determines that the damage is so extensive that repair or rebuilding is not feasible. From the date of such casualty until repair, monthly rents, fees and charges hereunder shall abate based on the proportion of the Leased Premises destroyed, or rendered uninhabitable, bears to the total Premises; provided, however, that if said Premises shall be so slightly damaged in any such way so as to be rendered unusable, the rent hereunder shall not cease or be abated during any repair period. In the event that the damage to the Premises, by fire or other casualty, is so extensive that the Premises are rendered wholly unusable, and such damage to the Premises, in the exclusive judgment of City, makes occupancy and use to be impractical, then at the option of the City, and upon notice to Lessee, this Lease, as it applies to said Premises, shall cease, and the rent hereunder shall be apportioned and paid up to date of such damage. If the City elects to restore the Premises, City shall notify Lessee of such intention within thirty (30) days of the date of the damage, otherwise the Lease, as applicable to said Premises, shall be deemed canceled and of no further force or effect.

27.02 The City's obligation to rebuild or repair under this Article shall, in any event, be limited to restoring said Leased Premises to substantially the condition that existed prior to the commencement of Lessee's Capital Improvements, if any, performed by Lessee and shall further be limited to the extent of the insurance proceeds available to City for such restoration. Lessee agrees that if the City elects to repair or rebuild as set forth in this Article, then Lessee will proceed with reasonable diligence, at its sole cost and expense, to rebuild, repair and restore its Capital Improvements to the Leased Premises, signs, fixtures, furnishings, equipment and other items provided or installed by Lessee in or about the Leased Premises in a manner and to a condition at least equal to that which existed prior to the damage or destruction.

## **ARTICLE 28. LAWS AND ORDINANCES**

Lessee agrees to comply promptly with all laws, ordinances, orders and regulations affecting the Leased Premises, including, but not limited to, those related to its cleanliness, safety, operation, security, environmental, use and business operations. Lessee shall comply with all Federal, State and local regulations concerning its operation on the Airport and shall indemnify and hold harmless City, its officers and employees, from any charges, fines or penalties that may be assessed or levied by any department or agency of the United States, the State of Texas, or any other governmental agencies, or their successor agencies, with jurisdiction over the Airport by reason of Lessee's failure to comply with the terms of this Article or with any other terms set forth in this Lease .

## **ARTICLE 29. TAXES AND LICENSES**

Lessee shall, at its sole cost and expense, pay on or before their respective due dates, to the appropriate collecting authority, all Federal, State and local taxes and fees, which are now or may hereafter be levied upon the Lessee, Leased Premises, the business conducted thereon or upon any of Lessee's property used in connection therewith including, but not limited to, any possessory interest taxes. Lessee shall also maintain and provide to the City upon request, in current status, all Federal, State and local licenses and permits required for the operation of its business.

## **ARTICLE 30. NONDISCRIMINATION & AFFIRMATIVE ACTION REGULATIONS**

30.01 Any discrimination by Lessee, its sublessees, agents or employees, based on race, color, creed, sex, age, religion, national origin or handicap, in employment practices, use of or admission to the Leased Premises, is prohibited.

30.02 Lessee for itself, its heirs, representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained or otherwise operated on the Leased Premises, for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR pt 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

30.03 Lessee for itself, its representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (a) no person, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, in the use of said facilities; (b) 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, creed, sex, age, religion, national origin or handicap shall be excluded from participation, denied the benefits of, or otherwise be subjected to discrimination; and (c) that Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to 49 CFR pt 21, Nondiscrimination in Federally

Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

30.04 Lessee agrees that it will comply with applicable statutes, Executive Orders and such rules as are promulgated by applicable state, federal or municipal agencies to assure that no person shall be excluded from participating in any activity conducted with or benefiting from Federal assistance on the basis of race, creed, color, national origin, sex age, or handicap. Lessee, its successors and assigns, shall be obligated to comply with the provisions of this Section 30.04 for the period during which Federal assistance is extended to the Airport during the Term of this Lease, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures of improvements thereon. In these cases, this Section 30.04 shall apply to Lessee, its successors and assigns, through the later of: (a) the period during which such property is used by City, its successors and assigns for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which City, its successors or assigns, retains ownership or possession of the Leased Premises.

### **ARTICLE 31. COMPLIANCE WITH STATE & FEDERAL LAWS**

31.01 The following provisions are in this Lease Agreement for compliance with state and federal law, and the City does not opine on their validity or enforceability. Lessee shall bear the entire sole burden for complying with any of these clauses. Prior to the enforcement of any of the following clauses, the City will give at least 30 days' notice of alleged violation thereof and an opportunity for the Lessee to be heard concerning the alleged violation, effect thereof on the City, and proposed remedial measures:

(a) Lessee warrants that it is and will continue to be an equal opportunity employer and hereby covenants that no employee or customer will be discriminated against because of race, religion, sex, age, disability, creed, color, or national origin.

(b) Lessee shall provide all services and activities required to comply with the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, Public Law 93-1122, Section 504, and with the provisions of the Americans with Disabilities Act of 1990, Public Law 101-336 [S.933].

(c) Lessee agrees to comply with Tex. Gov't Code § 2252.908 and submit Form 1295 to the City with the signed agreement. The Parties agree that the City is not responsible for the information contained in Form 1295.

(d) In accordance with Tex. Gov't Code §2252.909, Lessee must include in each contract for the construction, alteration or repair of an improvement to the Leased Premises a condition that the contractor execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code and a performance bond equal to the amount of the contract and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications and contract documents. Lessee must provide the City with a notice of commencement at least 90 days prior to start of construction, alteration or repair that complies with Texas Gov't Code § 2252.909.

### **ARTICLE 32. WAGES and EMPLOYMENT**

Lessee shall comply with all federal, state and local wage and employment laws, ordinances,

rules and regulations. All employees must be legally employable in the United States.

### **ARTICLE 33. FORCE MAJEURE**

If either party shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, war, terrorism, inability to procure materials, restrictive governmental laws or regulations or other cause, without fault and beyond the control of the party obligated (the financial inability of the party excepted), performance of such act shall be extended by a period equal to the period of such delay; provided, however, that nothing in this paragraph shall excuse Lessee from the prompt payment of any rental except as may be expressly provided otherwise in this Lease; and further provided that the party relying on this paragraph shall provide written notice to the other party notifying such other party of the force majeure event promptly after such force majeure event, and shall proceed with all diligence to complete the performance of the act upon the cessation of the force majeure event.

### **ARTICLE 34. ATTORNEYS' FEES**

Excluding an action to enforce the indemnification provisions of this Lease Agreement, in the event that City or Lessee brings an action under this Lease Agreement to enforce any term, covenant or obligation of this Lease Agreement, each party shall be responsible for their own attorneys' fees incurred in the defense or prosecution thereof.

### **ARTICLE 35. SEVERABILITY**

If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, it is the parties' intention that the remainder hereof not be affected. In lieu of each clause or provision that is illegal, invalid or unenforceable, the parties intend that there be added, as a part of this Lease, a clause or provision, as similar in terms to such illegal, invalid or unenforceable clause or provision, as may be possible, yet be legal, valid and enforceable.

### **ARTICLE 36. AMENDMENT**

This Lease, together with its authorizing ordinance, constitutes the entire agreement between the parties. No amendment, modification or alteration of the terms of this Lease shall be binding, unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

### **ARTICLE 37. NOTICES**

With the exception of notices to be provided to the City under the hazardous materials/substances provision of Section 17 and the indemnification provisions of Section 24 of this Lease, all notices required to be sent under this Lease are deemed sufficient if in writing and sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery service with proof of delivery, or delivered in person, and properly addressed as indicated below:

**If to City:**

Director of Aviation  
Corpus Christi International Airport 1000 International Drive  
Corpus Christi, Texas 78406



**If to Sterling:**

Mr. Shawn Morgan, President Sterling Air Services, LLC 514 Hangar Lane  
Corpus Christi, Texas 78406

or to such other respective addresses as the parties may designate to each other in writing from time to time.

**ARTICLE 38. RELATIONSHIP OF PARTIES**

Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship, between the parties hereto. It is understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, creates a relationship other than one of City and Lessee.

**ARTICLE 39. CUMULATIVE REMEDIES NO WAIVER – NO ORAL CHANGE**

The specific remedies of the parties under this Lease are cumulative and do not exclude any other remedies to which they may be lawfully entitled, in the event of a breach or threatened breach hereof. The failure of either party ever to insist upon the strict performance of any covenant of this Lease, or to exercise any option herein contained, shall not be construed as its future waiver or relinquishment thereof. City's receipt of a rent payment, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach. Further, no waiver, change, modification or discharge by either party of any provision of this Lease shall be deemed to have been made or be effective, unless in writing and signed by the party to be charged. In addition to other remedies herein, the parties shall be entitled to an injunction restraining the violation, or attempted violation, of any of the covenants, conditions or provisions hereof, or to a decree compelling performance of same; subject, however, to other provisions herein.

**ARTICLE 40. CONFLICT OF INTEREST**

Lessee warrants and certifies, and this Lease Agreement is made in reliance thereon, that Lessee, its officers, employees, representatives and agents are neither officers nor employees of the City of Corpus Christi, Texas. Lessee further warrants and certifies that it has tendered to the City a true and correct Disclosure of Interest Statement in compliance with Section 2-349 of the City's Code of Ethics.

**ARTICLE 41. GENERAL PROVISIONS**

41.01 Incorporation of Required Provisions. City and Lessee incorporate herein by this reference all provisions lawfully required to be contained herein by any governmental body or agency.

41.02 Nonexclusive Rights. It is understood and agreed that nothing herein contained shall be construed to grant to Lessee any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act, as amended, for the conduct of any activity on the Airport property, except that, subject to the terms and provisions hereof, Lessee shall have the right to exclusive possession of the Leased Premises.

41.03 Removal of Disabled Aircraft. Lessee shall promptly remove any disabled aircraft that is in the care, custody, or control of Lessee from any part of the Airport (other than the Leased Premises) including, without limitation, runways, taxiways, aprons, and gate positions, and place any such disabled aircraft in such storage areas as may be designated by the Aviation Director. Except as to aircraft subject to bailment and/or for which Lessee is owed money from a customer, Lessee may store such disabled aircraft only for such length of time and on such terms and conditions as may be established by City. If Lessee fails to remove any of disabled aircraft promptly, the Aviation Director may, but shall not be obligated to, cause the removal of such disabled aircraft, provided, however, the obligation to remove or store such disabled aircraft shall not be inconsistent with federal laws and regulations and Lessee agrees to reimburse City for all costs of such removal, and Lessee further hereby releases City from any and all claims for damage to the disabled aircraft or otherwise arising from or in any way connected with such removal by City unless caused by the negligence or recklessness of City.

41.04 Airport Access License/Permit. City reserves the right to establish a licensing or permit procedure for vehicles requiring access to the Airport operational areas and to levy directly against Lessee or its suppliers a reasonable regulatory or administrative charge (to recover the cost of any such program) for issuance of such Airport access license or permit.

41.05 Compliance with 14 CFR pt 77. Lessee agrees to comply with the notification and review requirements covered in Part 77, Title 14, Code of Federal Regulations, FAA Regulations, in the event future construction of a building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises.

41.06 Reservations re: Airspace and Noise. There is hereby reserved to City, its successors, 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 Leased Premises.

41.07 Inspection of Books and Records. Each party hereto, at its expense and on reasonable notice, shall have the right from time to time to inspect and copy the books, records, and other data of the other party relating to the provisions and requirements hereof, provided such inspection is made during regular business hours and such is not prohibited by the U.S. Government.

41.08 Independent Contractor. Lessee is not an employee or agent of City by reason of this Lease, or otherwise. Lessee shall be solely responsible for its acts and omissions arising from or relating to its operations or activities at Airport, or lease of property herein. Nothing herein, shall be construed to imply that this a joint venture between the City and Lessee.

41.09 Authority of Agreement. Lessee warrants and represents that it has the right, power, and legal capacity to enter into, and perform its obligations under this Lease, and no approvals or consents of any persons are necessary in connection with it. The execution, delivery, and performance of this Lease Agreement by the undersigned Lessee representatives have been duly authorized by all necessary corporate action of Lessee, and this Lease will constitute a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms.

41.10 Authority of the Aviation Director. The Aviation Director shall administer this Lease on behalf of City. Whenever this Lease calls for approval by City, such approval shall be

evidenced, in writing, by either the Aviation Director or the City Manager of the City of Corpus Christi or his designee. In no event shall this language be considered a waiver by Lessee to object to decisions by the Aviation Director which it considers to be arbitrary, capricious or inconsistent with any express obligations to act reasonably set forth herein.

41.11 Consent. Unless stipulated otherwise herein, whenever the consent or approval of either party hereto is required or authorized hereunder, such consent or approval shall not be unreasonably withheld, unreasonably conditioned, or unreasonably delayed.

41.12 Net Agreement. It is the intent and purpose of the City and Lessee that all rents payable by Lessee herein shall be absolutely net to the City so that this Lease shall yield to City the entire rent specified, in each year of this Lease, free of any charges, assessments, impositions or deductions of any kind or character which may be charged, assessed, or imposed on or against Lessee or the Leased Premises, without abatement, deduction or set-off by Lessee.

41.13 Noise Control. Lessee, for itself and each of its officers, representatives, agents, employees, guests, patrons, contractors, subcontractors, licensees, subtenants, invitees, or suppliers shall not conduct any operation or activity on the Leased Premises, or elsewhere at Airport, in which the sound emitting therefrom is of such volume, frequency or intensity at such time as to constitute a nuisance. The Aviation Director shall have the sole and exclusive authority to determine what constitutes a nuisance under the provisions of this Lease Agreement except those operations and activities having noise levels not in violation of federal, State, or local governmental standards shall not be deemed a nuisance.

41.14 Time is of the Essence. Time shall be of the essence in complying with the terms, conditions and provisions of this Lease.

41.15 Vehicular Parking. Vehicular parking in the areas included in the Leased Premises shall be restricted to parking directly related to Lessee's operations on the Leased Premises by Lessee, its officers, representatives, agents, employees, guests, patrons, volunteers, contractors, subcontractors, licensees, and suppliers. Access to vehicular parking areas within the Leased Premises shall be coordinated through the Airport's overall parking management program.

41.16 Incorporation of Exhibits. All exhibits referred to in this Lease Agreement are intended to be and hereby are specifically made a part of this Lease.

- EXHIBIT A: Aerial Map
- EXHIBIT B: Leased Premises
- EXHIBIT C: Insurance Requirements
- EXHIBIT D: Corpus Christi International Airport Schedule of Fees and Charges
- EXHIBIT E: Fuel Flowage Fees
- EXHIBIT F: Apron Remain Overnight Fees

## **ARTICLE 42. AUDIT**

42.01 Lessee shall keep complete and accurate accounts, records and books pertaining to the lease of the Leased Premises and FBO services rendered in connection with the permitted uses under this Lease Agreement, including all expenses, costs and expenditures for the

Leased Premises and other information reasonably necessary or pertinent to determine the amounts due and payable under this Lease. Such records may be kept by Lessee at its local office or at the management office for the Leased Premises for seven (7) years after each annual financial statement has been delivered to City. Such books and records shall be made available to the City and its agents (or copies shall be furnished at the City's request) at all times, on not less than five (5) business days' notice, during regular business hours for examination and audit. If such books and records are located outside the City of Corpus Christi, Lessee shall make them available to the City within the City of Corpus Christi.

42.02 If the results of such examination or audit by the City establishes a deficiency in Rent, Fees or Charges payable to the City, Lessee shall within ten (10) days' pay to the City the deficiency. In the event that a deficiency in such Rent, Fees or Charges is found in any calendar year which is five percent (5%) or more, Lessee shall pay the full cost of any audit or examination requested by the City if Lessee is responsible for such deficiency, and Lessee shall also pay interest on that deficiency at the rate of 6% per annum for the time that that deficiency was owed to the City. Under no circumstances, shall said interest rate exceed the maximum non-usurious interest rate as allowed by law. The inspection on behalf of the City may be made by an officer, employee or other designee of the City.

42.03 City shall have the right during each calendar or fiscal year to authorize an audit of Lessee's records pertaining to its operations at the airport. Such audits shall be undertaken by the City's staff or a firm of certified public accountants, satisfactory to City. Except with respect to an audit of Gross Proceeds as set forth in Section 10.02 of the Lease Agreement, the cost of such audit shall be paid by City, unless the results of such audit reveal a discrepancy of more than three percent (3%) between the amounts that should have been paid under this Lease Agreement and the amounts actually paid during any calendar or fiscal year. In case of such discrepancy, the full cost of the audit shall be paid by Lessee. Any additional auditing expense resulting from Lessee's inability or refusal to provide records as required by the auditor shall be paid by Lessee. The Lessee shall forthwith pay to the City the full amount of all rents, fees and charges found to be due and owing based upon the results of the audit if a discrepancy exists plus a \$500 late fee. This amount shall be paid within thirty (30) days of written notice by City.

#### **ARTICLE 43. PARTIES BOUND**

This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, as permitted hereby.

#### **ARTICLE 44. TEXAS LAW TO APPLY**

All obligations under this Lease are performable in Nueces County, Texas, and shall be construed pursuant to the laws of the State of Texas, except where state law shall be preempted by any rules, laws or regulations of the United States.

#### **ARTICLE 45. GENDER**

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

#### **ARTICLE 46. CAPTIONS**

The captions of the provisions contained herein are for convenience in reference and are not intended to define, extend or limit the scope of any provision of this Lease.

#### **ARTICLE 47. ENTIRE AGREEMENT**

This Lease comprises the final and entire agreement, including all terms and conditions thereof, between the parties hereto, and supersedes all other agreements, oral or otherwise, regarding the subject matter hereof, none of which shall hereafter be deemed to exist or to bind the parties hereto. The parties intend that neither shall be bound by any term, condition or representation not herein written.

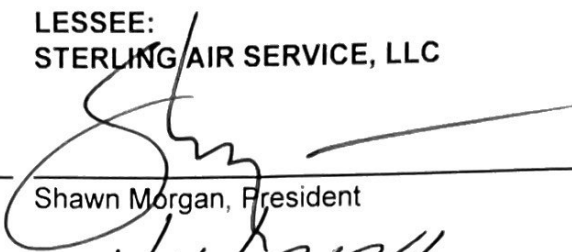
*Signatures on next page.*

IN WITNESS WHEREOF, the undersigned have duly executed this Lease as of the dates set forth below.

LESSOR:  
CITY OF CORPUS CHRISTI

LESSEE:  
STERLING AIR SERVICE, LLC

\_\_\_\_\_  
Health Hulburt, Assistant City Manager

  
\_\_\_\_\_  
Shawn Morgan, President

\_\_\_\_\_  
Date

1/01/2024  
\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Rebecca Huerta, City Secretary

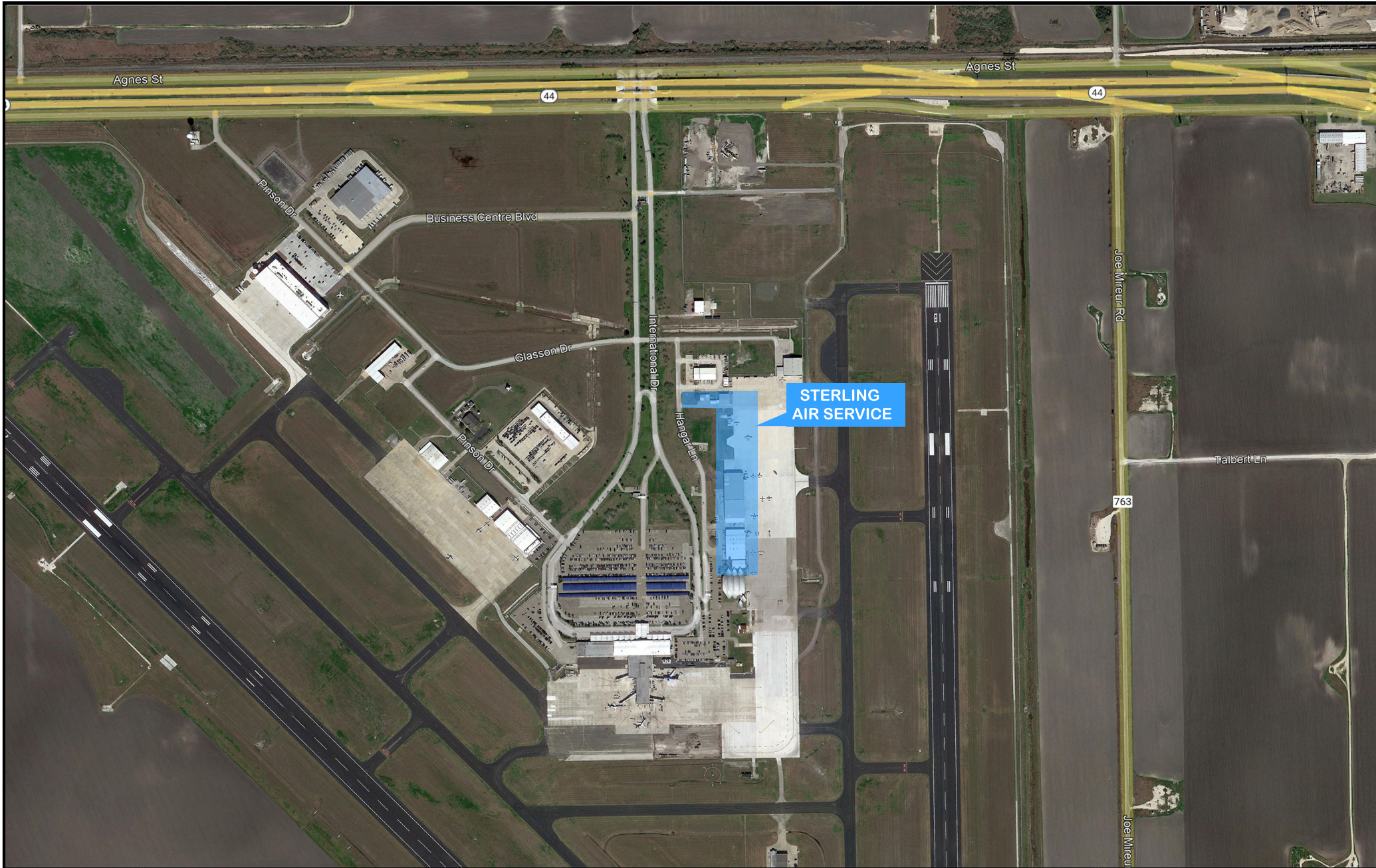
\_\_\_\_\_  
Date

\_\_\_\_\_  
AUTHORIZED BY

COUNCIL ON \_\_\_\_\_  
\_\_\_\_\_

Approved as to legal form: \_\_\_\_\_

\_\_\_\_\_  
Assistant City Attorney,  
For Miles Risley, City Attorney

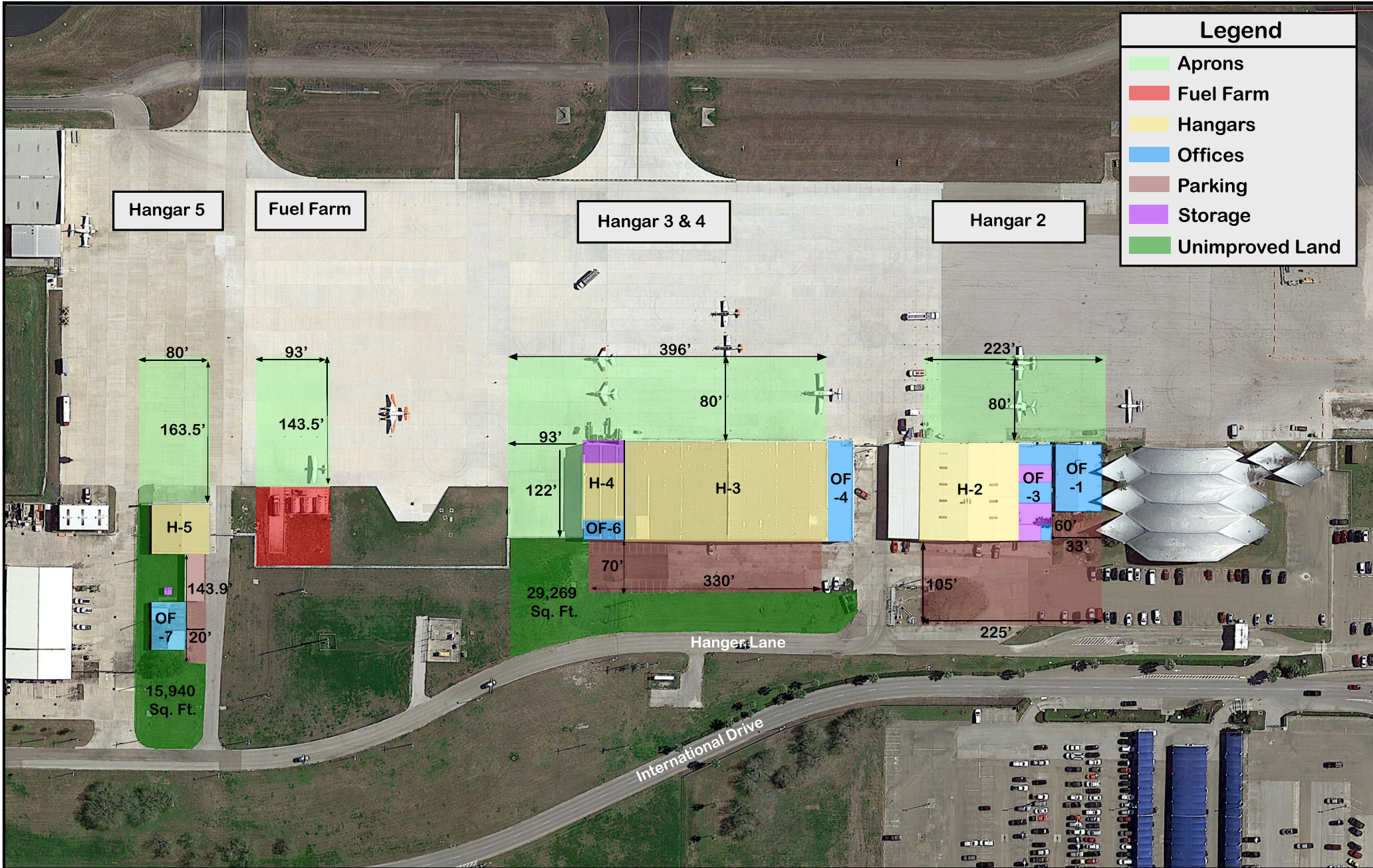


**EXHIBIT A**  
**STERLING AIR SERVICE SITE LOCATION PLAN**  
*Hangar Lane*

Not to Scale

Sheet No. 1 of 1

Prepared by:	Randy Schumann
Approved by:	Kevin Smith
Date:	10/31/2023



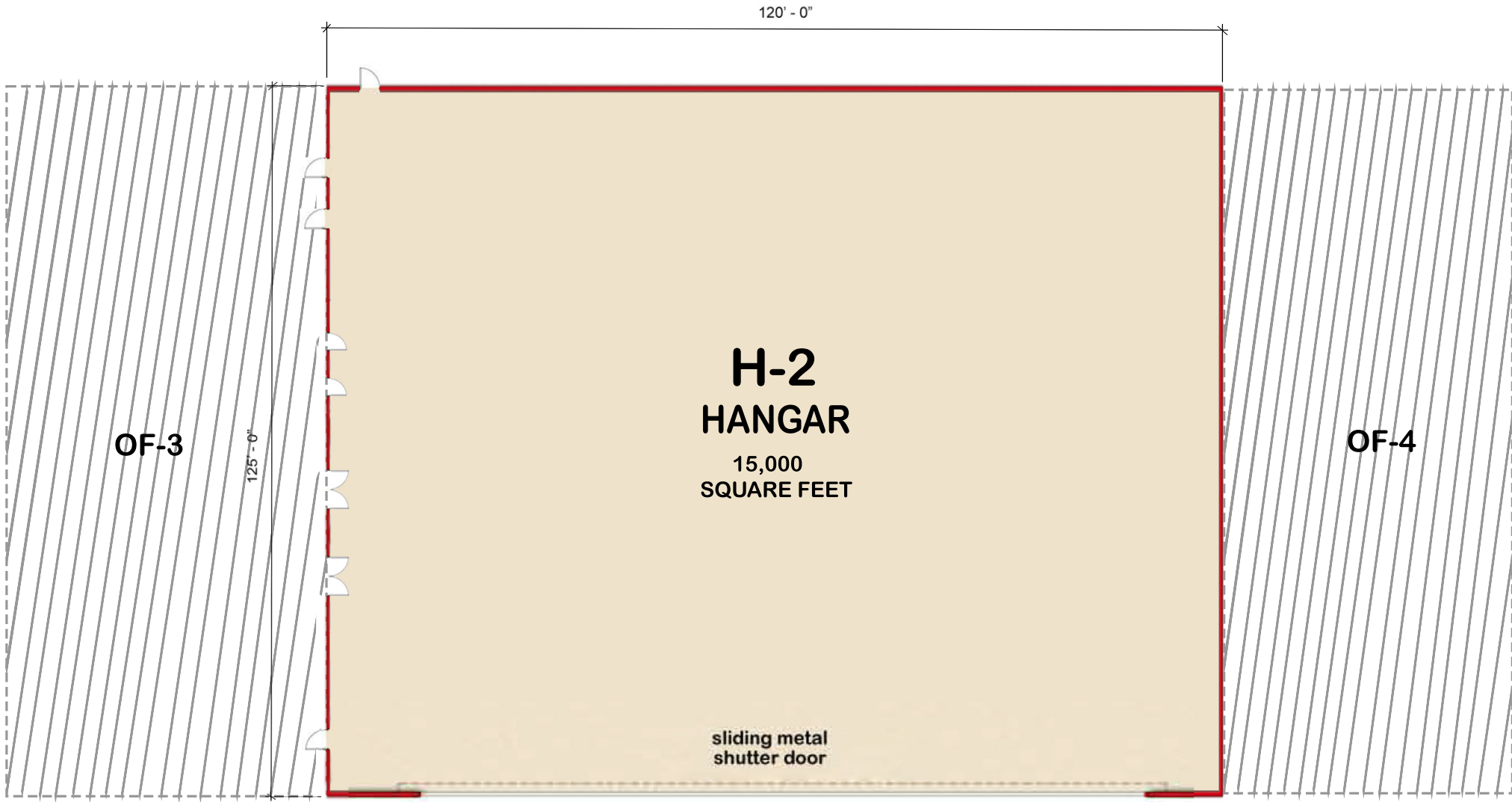
**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
*Hangar Lane*

Not to Scale

Sheet No. 1 of 9

Prepared by: Randy Schumann  
 Approved by: Kevin Smith  
 Date: 10/31/2023





**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
*550 Hangar Lane*

Not to Scale

Sheet No. 2 of 9

Prepared by: Randy Schumann

Approved by: Kevin Smith

Date: 10/31/2023



**OF-1** 4,895 SQUARE FEET



**OF-3**

**TOTAL**  
4,640  
SQUARE FEET



Not to Scale

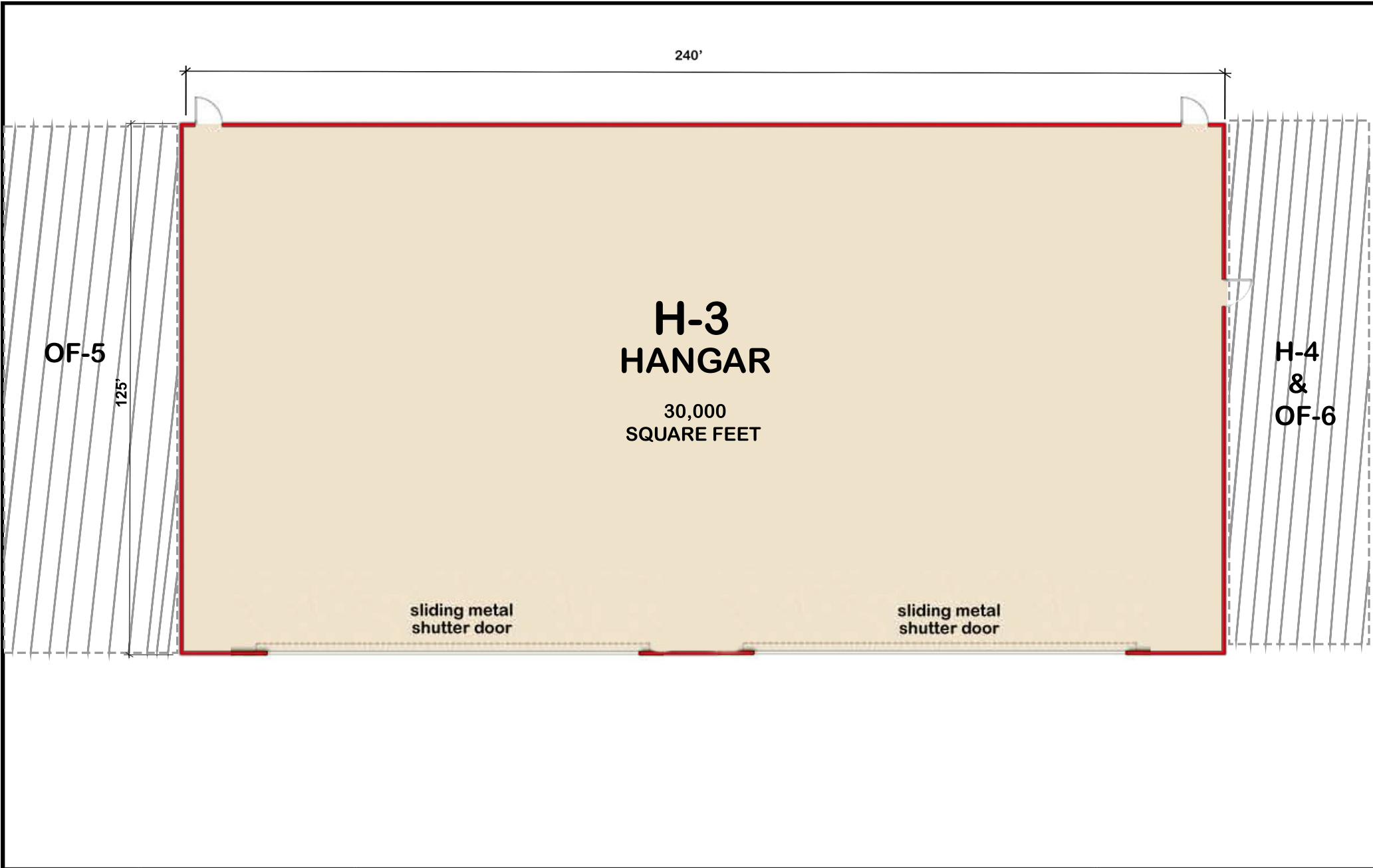
**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
574 Hangar Lane & 550 Hangar Lane

Sheet No. 3 of 9

Prepared by: Randy Schumann

Approved by: Kevin Smith

Date: 10/31/2023

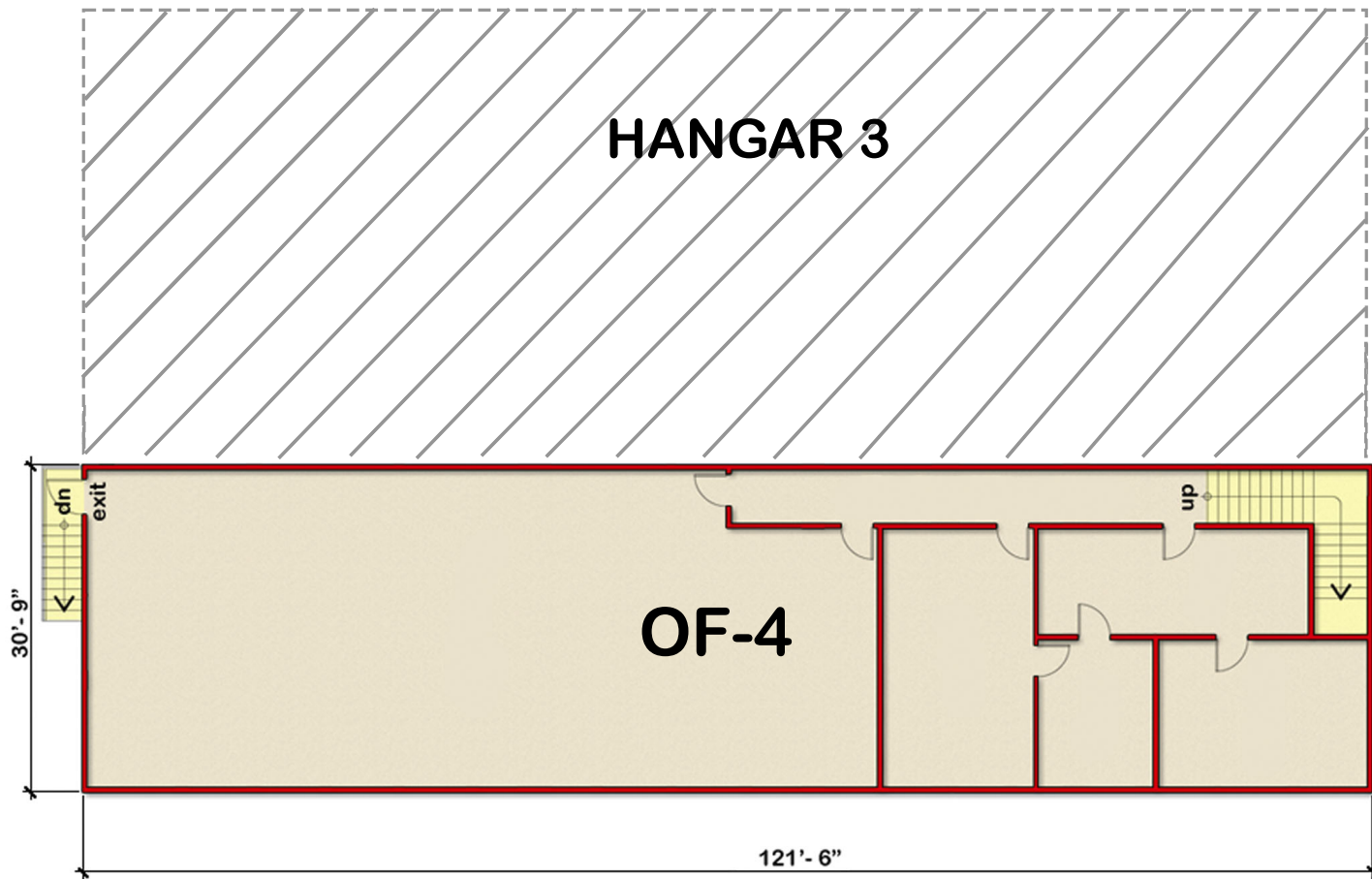


**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
*514 Hangar Lane*

Not to Scale Sheet No. 4 of 9

Prepared by:	Randy Schumann
Approved by:	Kevin Smith
Date:	10/31/2023

**SECOND FLOOR**



**TOTAL  
3,736  
SQUARE FEET**



**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
*514 Hangar Lane*

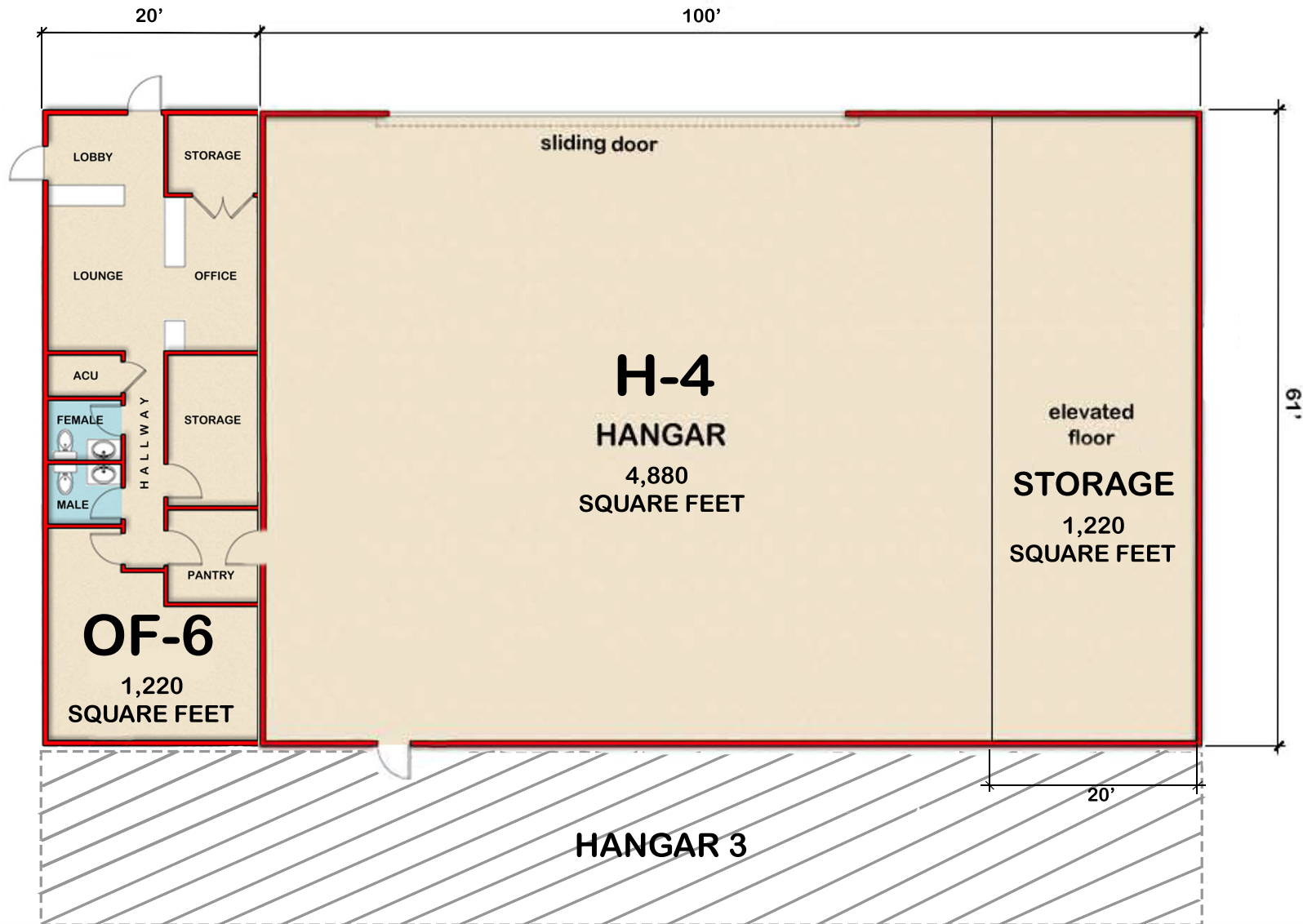
Not to Scale

Sheet No. 5 of 9

Prepared by: Randy Schumann

Approved by: Kevin Smith

Date: 10/31/2023



**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
 514 Hangar Lane

Not to Scale

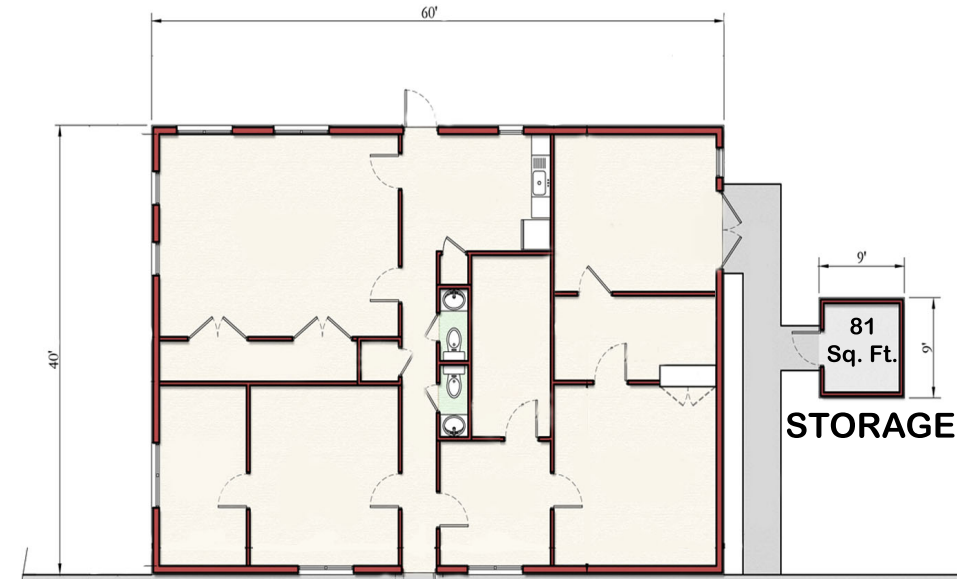
Sheet No. 6 of 9

Prepared by: Randy Schumann

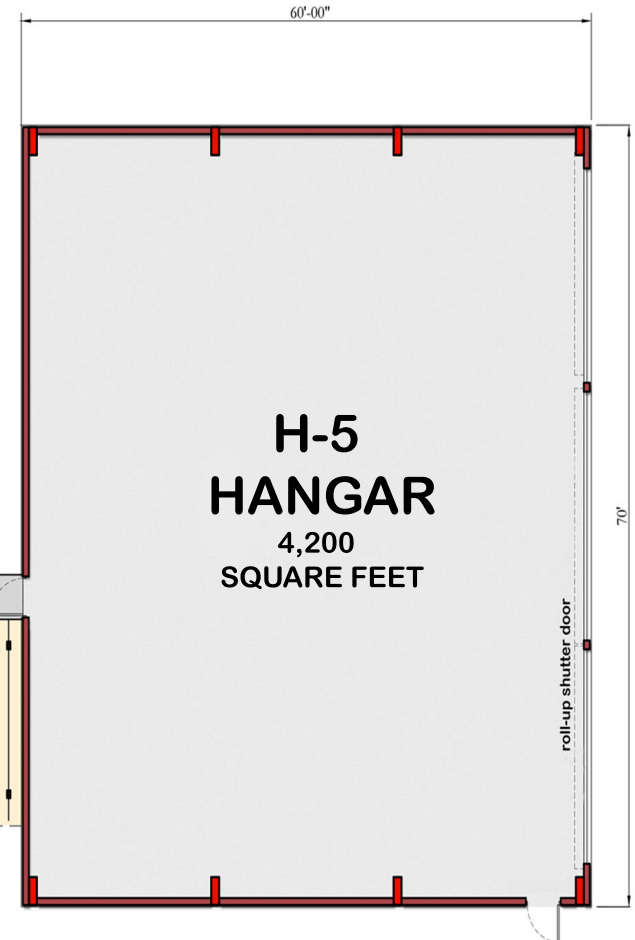
Approved by: Kevin Smith

Date: 10/31/2023

**OF-7**  
2,400  
SQUARE FEET



**H-5  
HANGAR**  
4,200  
SQUARE FEET



OPEN  
PARKING LOT

COVERED  
PARKING LOT

**VEHICLE AREA**  
2,878  
SQUARE FEET



**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
402 Hangar Lane

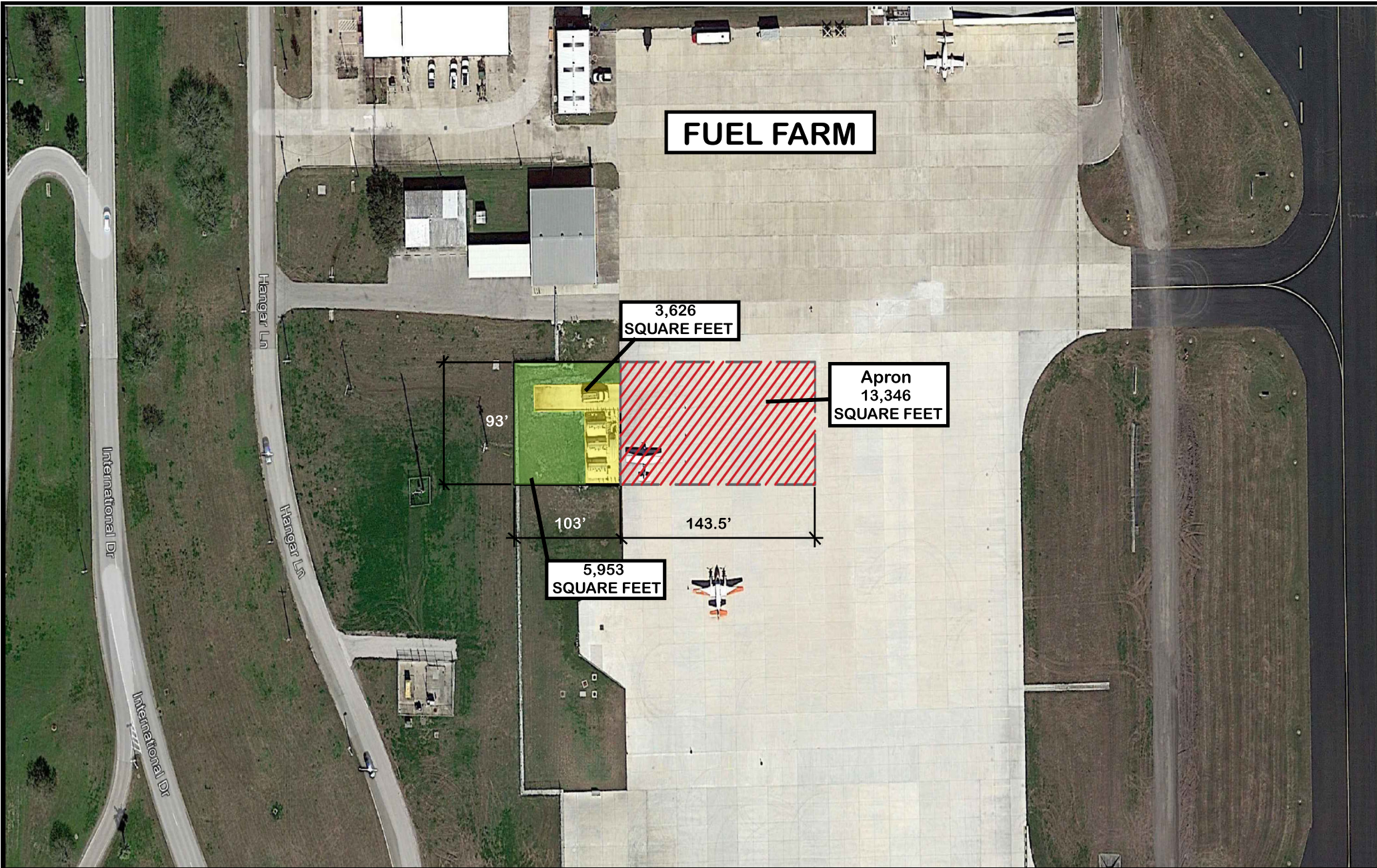
Not to Scale

Sheet No. 7 of 9

Prepared by: Randy Schumann

Approved by: Kevin Smith

Date: 10/31/2023



**EXHIBIT B**  
**STERLING AIR SERVICE LEASED PREMISES**  
*Near 514 Hangar Lane*

Not to Scale

Sheet No. 8 of 9

Prepared by: Randy Schumann

Approved by: Kevin Smith

Date: 10/31/2023

Premises	Acreage	SF from 2023 Appraisal	Annual Market Per SF	Monthly Rent Per SF	Monthly Cost	Annual Cost
<b>HANGAR 2</b>						
EGA-APRON (Hangar 2)	0.410	17,840	\$0.60	\$0.05000	\$ 892.00	\$10,704.00
EGA-H2 (Hangar 2)	0.344	15,000	\$1.60	\$0.13333	\$ 2,000.00	\$24,000.00
EGA-OF-1 (Office adjacent to Hangar 2)	0.112	4,895	\$7.50	\$0.62500	\$ 3,059.38	\$36,712.56
EGA-OF-3 (Office adjacent to Hangar 2)	0.057	2,470	\$1.60	\$0.13333	\$ 329.34	\$3,952.08
EGA-OF-3 (Storage with Hangar 2)	0.050	2,170	\$1.80	\$0.15000	\$ 325.50	\$3,906.00
EGA-VEHICLE AREAS (Hangar 2)	0.588	25,605	\$0.45	\$0.03750	\$ 960.19	\$11,522.28
					<b>\$ 7,566.41</b>	<b>\$90,796.92</b>
<b>HANGARS 3</b>						
EGA AERONAUTICAL LAND (H-3)	0.672	29,269	\$0.35	\$0.02917	\$ 853.68	\$10,244.16
EGA-APRON (Hangar 3)	0.727	31,680	\$0.60	\$0.05000	\$ 1,584.00	\$19,008.00
EGA-H3 (Hangar 3)	0.689	30,000	\$0.40	\$0.03333	\$ 1,000.00	\$12,000.00
EGA-VEHICLE AREAS (H-3)	0.530	23,100	\$0.45	\$0.03750	\$ 866.25	\$10,395.00
					<b>\$ 4,303.93</b>	<b>\$51,647.16</b>
<b>HANGARS 4</b>						
EGA-APRON (Hangar 4)	0.260	11,346	\$0.60	\$0.05000	\$ 567.30	\$6,807.60
EGA-H4 (Hangar 4)	0.112	4,880	\$0.40	\$0.03333	\$ 162.67	\$1,952.04
EGA-H4 (Storage inside Hangar 4)	0.028	1,220	\$0.40	\$0.03333	\$ 40.67	\$488.04
EGA-OF-6 (Office adjacent to Hangar 4)	0.028	1,220	\$0.40	\$0.03333	\$ 40.67	\$488.04
					<b>\$ 811.31</b>	<b>\$9,735.72</b>
<b>HANGAR 5</b>						
EGA AERONAUTICAL LAND (H-5)	0.366	15,940	\$0.35	\$0.02917	\$ 464.92	\$5,579.04
EGA-APRON (Hangar 5)	0.300	13,080	\$0.60	\$0.05000	\$ 654.00	\$7,848.00
EGA-H5 (Hangar 5)	0.096	4,200	\$3.90	\$0.32500	\$ 1,365.00	\$16,380.00
EGA-OF-7 (Office adjacent to Hangar 5)	0.055	2,400	\$7.15	\$0.59583	\$ 1,430.00	\$17,160.00
EGA-OF-7 (Storage adjacent to Hangar 5)	0.002	81	\$3.75	\$0.31250	\$ 25.32	\$303.84
EGA-VEHICLE AREA ( H-5)	0.066	2,878	\$0.45	\$0.03750	\$ 107.93	\$1,295.16
					<b>\$ 4,047.17</b>	<b>\$48,566.04</b>
<b>FUEL FARM</b>						
EGA AERONAUTICAL LAND (Fuel Farm)	0.220	9,579	\$0.35	\$0.02917	\$ 279.39	\$3,352.68
EGA-APRON (Fuel Farm)	0.306	13,346	\$0.60	\$0.05000	\$ 667.30	\$8,007.60
					<b>\$ 946.69</b>	<b>\$11,360.28</b>
<b>TOTALS</b>	<b>6.019</b>				<b>\$17,675.51</b>	<b>\$212,106.12</b>



Not to Scale

**EXHIBIT B  
STERLING AIR SERVICE LEASED PREMISES**

Sheet No. 9 of 9

Prepared by: Randy Schumann

Approved by: Kevin Smith

Date: 10/31/2023



**EXHIBIT C**  
**INSURANCE REQUIREMENTS**  
**Sterling Air Service, LLC**

**I. LESSEE’S LIABILITY INSURANCE**

- A. Lessee (Sterling Air Service, LLC) must not commence work under this agreement until all insurance required has been obtained and such insurance has been approved by the City. Lessee must not allow any subcontractor to commence work until all similar insurance required of any subcontractor has been obtained.
- B. Lessee must furnish to the City’s Risk Manager and Contract Administer one (1) copy of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City’s Risk Manager. The City must be listed as an additional insured on the General Liability and Auto Liability policies **by endorsement**, and a waiver of subrogation is required on all applicable policies. **Endorsements** must be provided with COI. Project name and/or number must be listed in Description Box of COI.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
Commercial General Liability Including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence <input type="checkbox"/> \$10,000,000 Per Occurrence <input type="checkbox"/> \$20,000,000 Per Occurrence <input checked="" type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/>
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$5,000,000 Combined Single Limit Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/>
WORKERS’ COMPENSATION  EMPLOYER’S LIABILITY	Statutory  \$1,000,000 /\$1,000,000 /\$1,000,000 Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/>
HANGARKEEPERS LIABILITY Repair, taxiing or towing of aircraft, or in any way having care, custody or control of third-party aircraft.	\$2,000,000 Per Occurrence \$2,000,000 Per Aircraft Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/>
AIRCRAFT LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased  Bodily Injury and Property Damage Including Passengers, Caused by Operations of Aircraft. In Air and On Ground. Commercial Self-Fueling.	\$1,000,000 Per Occurrence <input type="checkbox"/> \$10,000,000 Per Occurrence <input type="checkbox"/> \$20,000,000 Per Occurrence <input checked="" type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/>

<p><b>AIRPORT LIABILITY INSURANCE</b> (FBO's) Including products and completed operations, property damage, bodily injury, and owned and non-owned aircraft coverage.</p>	<p>\$10,000,000 Per Occurrence</p> <p>Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/></p>
<p><b>CRIME/EMPLOYEE DISHONESTY</b> Lessee shall name the City of Corpus Christi, Texas as Loss Payee</p>	<p>\$25,000 Per Occurrence</p> <p>Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/></p>
<p><b>POLLUTION LEGAL LIABILITY</b> Including: Sudden and Accidental Pollution Coverage. Cleanup and Remediation. Fuel Storage Tanks and Fueling or Refueling Operations.</p>	<p>\$2,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.</p> <p>Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/></p>
<p><b>UNDERGROUND STORAGE TANK POLLUTION LIABILITY</b> Including: Coverage for third-party bodily injury and property damage (on and off-site). The UST insurance shall also include clean up, remediation, restoration costs, and other related costs and expenses. If this coverage is claims-made, the policy retro date shall be set and maintained not later than the inception date of this Agreement. This insurance shall be continuously in place during the full term of this Agreement, including any extensions or renewals thereof, and for a period of at least one year after the final termination of this Agreement. Lessee is responsible for maintaining underground storage tanks.</p>	<p>\$2,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.</p> <p>Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/></p>
<p><b>PROPERTY INSURANCE</b> Lessee shall maintain property coverage on an "ALL RISK OF PHYSICAL LOSS" form for 100% of the value of all improvements leased from the City. Coverage shall include fire, wind, hail, theft, vandalism, and malicious mischief. Coverage shall be written on a replacement cost basis. Lessee shall name the City of Corpus Christi, Texas as Loss Payee.</p>	<ul style="list-style-type: none"> <li>• Insurance limit shall be equal to replacement cost value for each respective lease space included in the Agreement.</li> <li>• Insurance shall be per occurrence basis.</li> </ul> <p>Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/></p>
<p><b>PERSONAL PROPERTY INSURANCE</b></p>	<p>Lessee, at their own expense, shall be responsible for insuring all owned, leased or rented personal property.</p> <p>Required <input checked="" type="checkbox"/> Not Required <input type="checkbox"/></p>

***Subcontractors***

Lessee shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Lessee shall ensure that City is an additional insured on insurance required from subcontractors. For CGL coverage subcontractors shall provide coverage with a format at least as broad as CG 20 38 04 13.

Required

Not Required

- C. In the event of accidents of any kind related to this agreement, Lessee must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

II. ADDITIONAL REQUIREMENTS

- A. Applicable for paid employees, Lessee must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to assure that all workers' compensation obligations incurred by the Lessee will be promptly met.
- B. Lessee shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Lessee's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.
- C. Lessee shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Lessee shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi  
Attn: Risk Manager  
P.O. Box 9277  
Corpus Christi, TX 78469-9277

- D. **Lessee agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**
- List the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy;
  - Provide for an endorsement that the "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
  - Workers' compensation and employers' liability policies must provide a waiver of subrogation in favor of the City; and
  - Provide 30 calendar days advance written notice directly to City of any, cancellation, non-renewal, material change or termination in coverage and not less than 10 calendar days advance written notice for nonpayment of premium.

- E. Within 5 calendar days of a cancellation, non-renewal, material change or termination of coverage, Lessee shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Lessee's performance should there be a lapse in coverage at any time during this agreement. Failure to provide and to maintain the required insurance shall constitute a material breach of this agreement.
- F. In addition to any other remedies the City may have upon Lessee's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Lessee to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Lessee hereunder until Lessee demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Lessee may be held responsible for payments of damages to persons or property resulting from Lessee's or its subcontractor's performance of the work covered under this agreement.
- H. It is agreed that Lessee's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

2023 Insurance Requirements Exhibit  
Aviation – FBO/Fixed Base Operator  
Contracts for General Services Performed Onsite – Sterling Air Service, LLC  
11/15/2023 Risk Management – Legal Dept.

# EXHIBIT D



## SCHEDULE OF FEES AND CHARGES

---

Fiscal Year 2024

October 1, 2023 – September 30, 2024

---

## TABLE OF CONTENTS

INTRODUCTION .....	3
GENERAL .....	3
METHOD OF CALCULATION .....	3
DEFINITIONS .....	3
WAIVER OF FEES OR CHARGES .....	4
AMENDMENTS AND ADDITIONS .....	4
AIRCRAFT OPERATIONS .....	5
RATE CLASSIFICATIONS .....	5
LANDING FEES .....	5
FUEL FLOWAGE FEES .....	5
TERMINAL APRON PER USE CHARGES .....	5
TERMINAL APRON REMAIN OVERNIGHT FEES .....	6
GENERAL AVIATION APRON REMAIN OVERNIGHT FEES .....	6
AIRCRAFT HANGAR STORAGE .....	6
AIRPORT TERMINAL BUILDING .....	6
TERMINAL SPACE RATES .....	7
COMMON USE CHARGES .....	7
FEDERAL INSPECTION SERVICES FEES .....	7
INTERNATIONAL WASTE DISPOSAL .....	7
PARKING AND GROUND TRANSPORTATION .....	9
PUBLIC PARKING .....	9
PARKING EXEMPTIONS AND DISCOUNTS .....	9
COMMUTER PERMITS .....	10
COMMERCIAL GROUND TRANSPORTATION .....	10
TRANSPORTATION NETWORK COMPANY FEES .....	10
BADGING FEES .....	11
BADGING FEES .....	11
KEY FEES .....	11
CONFERENCE FACILITY RENTAL FEES .....	12
AVIATION CONFERENCE ROOM .....	12
AVIATION TRAINING ROOM .....	13
AVIATION BOARD ROOM .....	14

# INTRODUCTION

## **GENERAL**

The Corpus Christi International Airport (“CCIA”) Schedule of Fees and Charges has been approved by the CCIA Board Members (“Board”) and/or the Corpus Christi City Council (“City”). The Schedule of Fees and Charges is updated annually and available on the CCIA website for tenants and other airport users. The rates, fees, and charges specified herein are effective on October 1, 2023.

Please direct any questions or comments concerning the schedule of fees and charges to the CCIA Finance Manager at (361) 826-1757.

## **METHOD OF CALCULATION**

Airline Lease and Use Agreements imposed on each Signatory and Non-Signatory airline are an obligation to pay rentals, fees, and charges for the use and occupancy at the airport. These payments, together with rentals, fees, and charges paid by airport users will produce annual revenues sufficient to pay operational and maintenance expenses of the airport, plus payment of principal and interest on the CCIA debt service and other obligations required to be paid from the revenues of the airport. The Airline Lease and Use Agreement contains formulas for the calculation of airport rates, fees, and charges. Copies of the Airline Lease and Use Agreement may be obtained from the Department of Aviation.

## **DEFINITIONS**

Aircraft – shall mean a fixed-wing aircraft, helicopter, and other rotary-wing airships.

Airline Lease and Use Agreement – shall mean an agreement between the City of Corpus Christi and an airline in which the airline agrees to pay rentals, fees, and charges for its use of and operation (or right to operate) at the Corpus Christi International Airport (“Airport”), including the use of the terminal and facilities, and services in which the amount will be sufficient to produce revenues in each fiscal year as required to satisfy the Airport’s obligations (“Agreement”).

Maximum Approved Landed Weight – shall mean the Federal Aviation Administration certified approved landed weight of a specific aircraft.

Scheduled Airline – shall mean a carrier having a published arrival and departure schedule in the “Official Airline Guide”.

Non-Scheduled Airline – shall mean a carrier not having a published arrival and departure schedule in the “Official Airline Guide”. A Non-Scheduled Airline may operate on an ad-hoc basis or have a program of operations for a particular travel season.

Signatory Aircraft – shall mean aircraft operated by an entity that has entered and executed an Agreement with the City.

Non-Signatory Aircraft – shall mean an aircraft operated by an entity which has not executed an agreement with the City substantially similar to the Agreement.

Commercial Ground Vehicle – shall mean any ground vehicle operator including the public operator of a military, church, school bus and/or other vehicle (except those specifically addressed and defined elsewhere) who utilize the CCIA facilities by entering and exiting via the commercial lane, toll plazas and/or parking booth.

### **WAIVER OF FEES OR CHARGES**

The CCIA Director of Aviation, or his/her designee, may waive or adjust charges or fees where there is good cause to support such waiver or adjustment. Requests should be submitted in writing within fifteen (15) days of the charge or fee to the CCIA Finance Manager. All fees and charges under the rules set forth in the Schedule of Fees and Charges are due until such time that the request is reviewed and/or approved. If approved any past due account balances on file with CCIA will be satisfied before a refund is issued to the requestor. In some cases, a waiver may be kept on file with the Aviation Administrative Office.

### **AMENDMENTS AND ADDITIONS**

The CCIA Director of Aviation, or his/her designee, has the authority to make interim additions, deletions, and/or adjustments to any charge set forth in the Schedule of Charges. If new charges or amendments are implemented, a thirty (30) day advance Notice of Revision will be issued by the CCIA Finance Department to tenants or other interested parties.



# AIRCRAFT OPERATIONS

## RATE CLASSIFICATIONS

The **Signatory Rate** is calculated pursuant to the formula set forth in the Agreement and is applicable to those Airlines that execute an Agreement with the City.

The **Non-Signatory Rate** is 125% of the Signatory Rate and is applicable to those Airlines that have not executed an Agreement with the City.

Rates may be proportionately adjusted for both Signatory and Non-Signatory classifications.

## LANDING FEES

The airport is authorized to collect landing fees for those operations applicable under Section 9-54 of the City Code of Ordinances.

Signatory Rate	\$ 2.93 per 1,000 pounds maximum landed weight
Non-Signatory Rate	\$ 3.66 per 1,000 pounds maximum landed weight

## FUEL FLOWAGE FEES

Fuel flowage fees will be paid when fuel first arrives onto airport property for delivery into a fuel tank.

Fixed Based Operator (FBO)	\$ 0.09 per gallon
Specialized Aviation Service Operator (SASO)	\$ 0.09 per gallon
Owned Self Fueling Tanks	\$ 0.09 per gallon
Commercial Self-Fueling Tanks	\$ 0.09 per gallon

## TERMINAL APRON PER USE CHARGES

Per Use Charge is the commensurate facility use charge in lieu of “exclusive” space rent and joint use charges assessed to Airline for baggage make up, joint use hold room and associated apron and baggage.

Signatory Rate	\$ 128.09 per aircraft
Non-Signatory Rate	\$ 160.11 per aircraft

**TERMINAL APRON REMAIN OVERNIGHT FEES**

Terminal remain overnight (RON) fees will be applicable to all aircraft parked on the terminal apron overnight.

Signatory Rate	\$ 180.00 per aircraft
Non-Signatory Rate	\$ 225.00 per aircraft

**GENERAL AVIATION APRON REMAIN OVERNIGHT FEES**

General Aviation RON fees apply to ramps owned by CCIA and managed by an FBO or SASO. General Aviation RON fees will be applicable to all aircraft parked on the general aviation aprons overnight. All fees and charges may be adjusted periodically by the Director of Aviation. An FBO or SASO may not charge more than the published rate below without written permission from the Director of Aviation.

Up to 12,500 lbs.	\$ 35.00
Between 12,500 – 60,000 lbs.	\$ 60.00
Over 60,000 lbs.	\$ 110.00

Helicopter	\$ 40.00
Cabin Class Charter	\$ 275.00

**AIRCRAFT HANGAR STORAGE**

A monthly fee will be charged for aircraft stored in a hangar owned and/or operated by CCIA or managed by a third party under a current management agreement. Aircraft must be part of a fully executed CCIA Hangar Space Agreement and must comply with all insurance requirements. The Director shall provide the final interpretation of the category of which an aircraft is classified based on total size of aircraft.

<b>Aircraft Type</b>	<b>Price per Month</b>
Small Single Engine	\$ 325.00
Light Twin	\$ 375.00
Heavy Twin	\$ 450.00
Turbo Prop	\$ 475.00
Light Jet	\$ 500.00
Owned by Aeronautical Non-Profit	\$ 1.00

**AIRPORT TERMINAL BUILDING**

**TERMINAL SPACE RATES**

Terminal rates are calculated on a per square foot basis and include but are not limited to costs associated with operations and maintenance, allocated shares of debt service, and overhead expenses, less any credits or transfers.

	<b>Annual</b>	<b>Monthly</b>
<b>Class 1</b> - Ticketing/Gate Lounge*	\$ 89.69	\$ 7.48 per sq ft
<b>Class 2</b> - Operations Area	\$ 89.69	\$ 7.48 per sq ft
<b>Class 3</b> - Cargo Facility: Office Space	\$ 24.00	\$ 1.87 per sq ft
<b>Class 4</b> - Cargo Facility: Storage	\$ 15.00	\$ 0.94 per sq ft
<b>Class 5</b> – Common Use Ticket Counter (Flat Rate)	\$250.00/Flight	

\*Class 1 includes Airline Office/Counter, Gate Lounge, Unclaimed Baggage Office

**COMMON USE CHARGES**

CCIA has approximately 6,003 square feet of common use space identified as Baggage Claim/Terminal and 3,271 square feet of common use space identified as Security Checkpoint. Rates shall be calculated based on enplaned passengers.

Common use charges for terminal-based signatory include but are not limited to the following. Non-signatory rates are 125% the listed signatory rates below.

	<b>Annual</b>	<b>Monthly</b>
Baggage Claim	\$ 89.69	\$ 7.48 per sq ft
Terminal Security	\$ 89.69	\$ 7.48 per sq ft

**FEDERAL INSPECTION SERVICES FEES**

Federal Inspection Services (FIS) fees are applicable to all passengers deplaned into the FIS from commercial airline flights. FIS fees are not applicable to passengers deplaned into the FIS from general aviation or corporate flights with less than 15 passengers.

Federal Inspection Services Fee	\$ 2.50 per passenger
---------------------------------	-----------------------

**INTERNATIONAL WASTE DISPOSAL**

International waste associated with an international flight into the FIS which requires disposal will be subject to international waste disposal fees.

Signatory Rate	\$ 20.00 per aircraft
Non-Signatory Rate	\$ 35.00 per aircraft

# PARKING AND GROUND TRANSPORTATION

## **PUBLIC PARKING**

Public parking rates are set in Section 9-35 of the City Code of Ordinances.

<b>Long Term Parking</b>	
Daily Rate	\$ 9.00 per day
Misplaced or Lost Ticket	\$ 11.00 per day
<b>Terminal Short Term Parking</b>	
First 3 Hours	No Charge
Daily Rate after 3 Hours	\$ 12.00 per day
Misplaced or Lost Ticket	\$ 14.00 per day
<b>Covered Parking</b>	
First 3 Hours	No Charge
Daily Rate after 3 Hours	\$ 12.00 per day
Misplaced or Lost Ticket	\$ 14.00 per day

## **PARKING EXEMPTIONS AND DISCOUNTS**

The following exemptions and discounts may apply for Terminal Short Term, Long Term, and Covered parking customers. Commuter program customers are not eligible.

- A 10% discount is available when parking thirty days or more with a valid parking entry ticket. The discount will be applied when exiting the parking lot.
- The CCIA Director of Aviation may waive fees for City employees, active airport Board Members, elected members of the City Council, Texas House, Senate, U.S. Congress, Disabled Veterans, Purple Heart recipients, and visitors conducting official business at the airport.
- Employees of CCIA may utilize the designated employee parking lot at no cost with a valid CCIA issued security badge. Access will be activated within 24 hours of issuance.
- NO REFUNDS AFTER EXIT

**COMMUTER PERMITS**

Commuter Permits are available for airline employees who register at the Parking Plaza.

Commuter Permit Fee	\$ 45.00 per month
---------------------	--------------------

**COMMERCIAL GROUND TRANSPORTATION**

Commercial vehicles are required to use the CCIA commercial lane and must have either a valid prepaid monthly AVI tag or pay a per trip charge. Payment for a permit must be made in advance and are due on or before the 1<sup>st</sup> of each month. All commercial vehicles require a designated permit and may not be used for multiple vehicles unless otherwise approved by the CCIA Operations Manager.

<b>Vehicle Type</b>	<b>Permitted Vehicle (per month)</b>	<b>Non-Permitted Vehicle (billed monthly)</b>
Taxi Cabs	\$55.00	\$5.00 per gate access
Hotel/Guest Accommodation Vehicles and Courtesy Shuttles	\$55.00	\$5.00 per gate access
Delivery Vehicles	\$55.00	\$5.00 per gate access
Charter Vehicles ( <i>Under 25 pax</i> )	\$55.00	\$5.00 per gate access
Charter Vehicles ( <i>Over 25 pax</i> )	\$55.00	\$25.00 per gate access

**TRANSPORTATION NETWORK COMPANY FEES**

Transportation network companies (TNCs) must remit TNC fees on a monthly basis. Transportation Network Companies are not permitted to operate on City property (CCIA) without a valid permit. TNCs wishing to begin business at CCIA should contact the Finance Manager and Operations Manager.

Transportation Network Company Fee	\$ 2.00 pickup
------------------------------------	----------------

## BADGING FEES

### **BADGING FEES**

<b>New Badge</b>	
Level 1 (SIDA)	\$ 120.00
Level 2 (AOA)	\$ 70.00
Level 4 (Public Area)	\$ 70.00
<b>Renewal</b>	
Annual Badge Renewal	\$ 60.00
<b>Reissue and Replacements</b>	
Damaged Badge	\$ 30.00
Lost Badge	\$ 200.00

Badges must be returned to the Airport Badging Office within thirty days of expiration. Failure to return an expired badge will result in assessment of a Lost Badge Fee toward the badge holder.

### **KEY FEES**

New Key Issue	\$ 10.00
Re-Keying of Door, per core	\$ 25.00
Re-Keying of Door, per key	\$ 10.00

Additional fees will be applied if multiple core and key replacements are required, based on key type.

# CONFERENCE FACILITY RENTAL FEES

## AVIATION CONFERENCE ROOM

The Conference Room is approximately 1,000 square feet and can accommodate up to 65 people. Rates include tables, chairs, video projection, and WiFi connectivity.

<b>General Public Rates</b>	
Deposit (required for reservation)	\$ 50.00 non-refundable
Hourly Rate	\$ 35.00
Daily Rate	\$ 190.00
Room Setup	\$ 25.00
Laptop (per day)	\$ 35.00
Technician (per hour) (if needed)	\$ 65.00
Clean Up Fee	\$ 25.00
<b>Airport Tenant Rates</b>	
Deposit	Not Required
Hourly Rate	\$ 17.50
Daily Rate	\$ 95.00
Room Setup	\$ 25.00
Laptop (per day)	\$ 35.00
Technician (per hour) (if needed)	\$ 65.00
Clean Up Fee	\$ 25.00



## **AVIATION TRAINING ROOM**

The Training Room is approximately 525 square feet and can accommodate up to 50 people. The room includes 8 tables, 20 chairs, video projection, and WiFi connectivity.

<b>General Public Rates</b>	
Deposit (required for reservation)	\$ 50.00 non-refundable
Hourly Rate	\$ 20.00
Daily Rate	\$ 115.00
Laptop (per day)	\$ 35.00
Technician (per hour) (if needed)	\$ 65.00
Clean Up Fee	\$ 25.00
<b>Airport Tenant Rates</b>	
Deposit	Not Required
Hourly Rate	\$ 10.00
Daily Rate	\$ 60.00
Laptop (per day)	\$ 35.00
Technician (per hour) (if needed)	\$ 65.00
Clean Up Fee	\$ 25.00

**AVIATION BOARD ROOM**

The Board Room is approximately 600 square feet and can accommodate up to 28 people. The room includes an executive table with 12 executive chairs and additional seating for 16 people. The room includes a large TV, speaker podium, and WiFi connectivity.

<b>General Public Rates</b>	
Deposit (required for reservation)	\$ 50.00 non-refundable
Hourly Rate	\$ 25.00
Daily Rate	\$ 150.00
Laptop (per day)	\$ 35.00
Technician (per hour) (if needed)	\$ 65.00
Clean Up Fee	\$ 25.00
<b>Airport Tenant Rates</b>	
Deposit	Not Required
Hourly Rate	\$ 15.00
Daily Rate	\$ 75.00
Laptop (per day)	\$ 35.00
Technician (per hour) (if needed)	\$ 65.00
Clean Up Fee	\$ 25.00

Rental fees must be paid in advance. Fees may apply for damages to City property, deposits will be forfeited and additional costs for damages will be billed.

City Departments and tenant airlines may request, at no charge, the use of CCIA rooms or facilities for official City business. A waiver of fees may be submitted to the Director of Aviation for any nonprofit organization. Availability of facilities may vary based on prior room reservations.



**EXHIBIT E:**  
**FUEL FLOWAGE FEES**  
 Monthly Revenue Report  
 Corpus Christi  
 International Airport

Reporting Period  
 (MM/DD/YYYY)

From:   
 To:

Company	Location
	1000 International Blvd. Corpus Christi, TX 78406

Fuel Description	Gallons Purchased	Rate	Total Fees
Fixed Based Operator (FBO)		\$	\$
Specialized Aviation Service Operator (SASO)		\$	\$
Owned Self Fueling Tanks		\$	\$
Commercial Self-Fueling Tanks		\$	\$

Type	Gallons Purchased
Jet AV	
Military Jet AV	
Low Lead	
AV Gas	

**TOTAL DUE TO CRP** \$

Report (including revisions) and backup are due **on the 10th of each month** .

**Signatures**

The undersigned hereby certifies that this report is a true, accurate, and complete statement of Company's Gross Revenue in accordance with the CCIA Schedule of Fees and Charges per fiscal year.

**Prepared By**


Signature  
 Name  
 Title  
 Date Signed  
 (MM/DD/YYYY)

**Management**


Signature  
 Name  
 Title  
 Date Signed  
 (MM/DD/YYYY)

**For CCIA Use Only**

**EXHIBIT F:  
APRON REMAIN OVERNIGHT FEES**



**Effective:** 10/1/2023

Monthly Revenue Report

**Corpus Christi**  
International Airport

**Reporting Period**  
(MM/DD/YYYY)

**From:**

**To:**

Company	Location
	1000 International Blvd. Corpus Christi, TX 78406

Aircraft Weight (lbs)	Number of Aircrafts	Rate	Total Fees
Up to 12,500		\$	\$
12,500 - 60,000		\$	\$
Over 60,000		\$	\$
Helicopter		\$	\$
Cabin Class Charter		\$	\$
			\$

**TOTAL DUE TO CRP** 75%

**\$**

*Report including revisions are due **on the 10th of each month**.*

**Signatures**

*The undersigned hereby certifies that this report is a true, accurate, and complete statement of Company's Gross Revenue in accordance with the CCIA Schedule of Fees and Charges per fiscal year.*

**Prepared By**


Signature  
Name  
Title  
Date Signed  
(MM/DD/YYYY)

**Management**


Signature  
Name  
Title  
Date Signed  
(MM/DD/YYYY)

**For CCIA Use Only**

Revised: 9/17/2023

Form is subject to change as needed; tenant will be notified in advance of any modifications.