

**SECOND AMENDMENT TO LEASE
BETWEEN THE
CITY OF CORPUS CHRISTI
AND
ATLANTIC AVIATION**

**STATE OF TEXAS §
 §
COUNTY OF NUECES §**

THIS second amendment ("Second Amendment") to the Corpus Christi International Airport Amended and Restated Hangar and Fixed Base Operator's Lease ("Lease") is entered into by and between the City of Corpus Christi ("Lessor" or "City"), Mercury Air Center – Corpus Christi, Inc., dba Atlantic Aviation ("Lessee"), and Atlantic Aviation FBO Holdings, LLC ("Atlantic"), as guarantor of the Lease.

WHEREAS, Lessee desires to demolish certain improvements at and on the Leased Premises and construct new replacement improvements and also to reconstruct and renovate other improvements, with a total investment of \$3,300,000 in capital improvement funding, as consideration provided to exercise three optional five-year lease periods, for a 15-year extension of the term of the Lease, with all improvements to be completed in accordance with the requirements of the Lease, Addendum No. 1 (the "First Amendment"), and this Second Amendment; and

WHEREAS, subject to the terms and conditions set forth in the Lease, the First Amendment, and this Second Amendment, coupled with Lessee's full and faithful compliance with the foregoing instruments and Lessee's completion of all improvements as described and set out in this Second Amendment, Lessor is willing to extend the term of the Lease for an additional 15-year period.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants made between the parties as stated in this Second Amendment and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to this Second Amendment agree to execute this instrument and proceed subject to the following terms, conditions and covenants:

- 1. Incorporation of Preamble.** The preamble provisions set out above in this Second Amendment are incorporated by reference into the body of this document and constitute additional provisions under the Lease and First Amendment.
- 2. Effective Date.** This Second Amendment takes effect on the 61st day following final approval by the City Council and publication in the official newspaper of the City, as required by the City Charter.
- 3. Effect of Second Amendment.** This Second Amendment supplements and expands the provisions of the Lease and First Amendment between the Lessor and Lessee and the duties and responsibilities undertaken by the parties. The parties acknowledge and agree that all terms, conditions, and covenants of the Lease and First Amendment not changed by execution of this Second Amendment continue in full force and effect. The parties further agree that any ambiguities or conflicts between or among the documents may not be construed against the

drafter. In the event of a conflict between or among the documents addressing the same matter, the parties agree that the more stringent provision controls. For purposes of this Second Amendment, the parties agree that the specific language included in this document modifies the terms and conditions of the Lease and First Amendment as necessary and desired to effectuate the purposes and plans of the parties.

4. Definitions; Usage. All words and phrases not defined in this Second Amendment or modified herein retain the definitions contained in the Lease and First Amendment. For brevity in this document, any reference to the Lease is deemed to collectively include the First Amendment, this Second Amendment, and all exhibits and documents attached to, referenced, or incorporated by reference into those instruments and which are the subjects of the lease relationship between the parties.

5. Capital Improvement Plan Provisions.

A. The preliminary Capital Improvement Plan of Lessee is attached to this Second Amendment as **Exhibit A**, which exhibit is incorporated by reference into this document. As of the Effective Date of this Second Amendment, the Capital Improvements to be completed by Lessee are comprised of the following: (i) demolition and construction of a new two-story terminal/office building of approximately 6,979 square feet, replacing the building currently identified as "WGA of 1" in the Lease; (ii) full renovation and remodeling of the offices identified as "WGA of 2" and build-out of a new second-story storage area inside WGA of 2; (iii) renovations to hangar #1 identified as "WGA-H1"; (iv) renovations to hangar #2 identified as "WGA-H2"; (v) renovations to hangar #3 identified as "WGA-H3"; (vi) partial renovation of approximately 6,890 square feet to the concrete apron; and (vii) full renovation of the parking lot areas of the Leased Premises totaling 44,141 square feet.

B. The Lessor, by execution of this Second Amendment, consents to the destruction of the building identified as "WGA of 1" above upon Commencement of Construction in consideration of Lessee's promise to undertake, fund, construct, and complete a new two-story terminal/office building in its place. Additionally, Lessor consents to Lessee's renovating of the interior of the intermediate offices inside WGA-H2 in order to fully complete the interior renovations and build out a new second-story storage area above the offices.

C. The Capital Improvements required to be constructed by Lessee must be developed and constructed in accordance with and subject to all of the terms, conditions, and covenants of the Lease.

D. Prepared Plans and Specifications. Prior to constructing the Capital Improvements, Lessee shall cause to be prepared, by competent and licensed architects and engineers, complete plans and specifications for such Capital Improvements. Such plans and specifications must be submitted to the Director for approval, which approval shall not be unreasonably withheld. Lessee may not make any substantial changes or alterations to the plans and specifications following the Director's initial approval unless further written approval of the Director is sought and obtained; provided, however, such further written approval is not required with respect to any changes or alterations made to the plans and specifications at the request of the City's Development Services Department so long as such changes or alterations comply with all municipal fire, building and other applicable city, state and federal laws, rules, regulations and code requirements, including any landscaping or design requirements of the Airport and the terms and provisions of any required building permits (collectively, "Building Regulations"). All plans and specifications must include the budget details associated with each proposed Capital Improvement.

E. Final Construction Budget Information. Not later than 45 days prior to Commencement of Construction, Lessee shall provide to Lessor a detailed budget for the construction and renovation of the planned Capital Improvements, and Lessor shall have 10 working days in which to provide any comments it may have with respect to any matters contained in such budget. Lessee's budget must contain and reflect all costs and expenses to be included in connection with the development of any necessary infrastructure and construction of the Capital Improvements. If Lessor provides comments to the budget, Lessor and Lessee shall work together in good faith to address any comments that Lessor may have with respect to the construction budget.

F. Construction Contracts. After Lessor's final approval of the plans and specifications for the Capital Improvements, Lessee shall enter into a construction contract with a reputable, licensed contractor and will cause all such work reflected by such plans and specifications to be performed by the contractor.

G. Bonding. Prior to the Commencement of Construction, Lessee shall provide Lessor with a performance bond in an amount sufficient to fully fund the value of the construction of the Capital Improvements, in accordance with the Lease. Lessee shall also provide a payment bond in an amount sufficient to ensure that all workmen receive full payment for all materials and labor provided in constructing and completing the Capital Improvements.

H. Indemnification of Lessor during Construction. Lessee must include in all contracts entered into for the construction and renovation of the Capital Improvements a provision requiring the contractor to indemnify, hold harmless, defend, and insure the parties to the Lease, including their respective officers, employees, and agents, against the risk of legal liability for death, injury or damage to persons or property, direct or consequential, arising or alleged to arise out of, or in connection with, the performance of any or all of the construction work, whether the claims and demands made are just or unjust, unless same are caused by the gross negligence or willful act of one of the parties to the Lease or their respective officers, employees, or agents. Lessee must also require the contractor to include a provision in each subcontract entered into between the contractor and any subcontractor for the construction or renovation of the Capital Improvements the same provision required in this paragraph (of the contractor) for indemnification of the parties to the Lease.

I. Construction Insurance. Lessee shall not begin Commencement of Construction until all insurance required by Exhibit B to this Second Amendment has been obtained by Lessee and approved by Lessor's Risk Manager. Exhibit B is attached to this Second Amendment, the terms and conditions of such exhibit being incorporated by reference into this document as if fully set out here in their entirety. From the date immediately prior to Commencement of Construction and continuing until completion of the Capital Improvements by Lessee and issuance of a certificate of occupancy ("CO") by Lessor, Lessee must ensure that the requirements of Exhibit B are met and remain in full force and effect. Following completion of the Capital Improvements and issuance of the CO by Lessor, the insurance requirements of the original Lease executed in 2013 control for the remainder of the Lease term, unless otherwise modified or amended as set out in the Lease. Lessee shall require the contractor to furnish proof of insurance with the same types of coverage and limits as is required of Lessee pursuant to this Second Amendment.

J. Compliance with Building Regulations. All plans and specifications for the Capital Improvements, and all renovations, remodeling, refurbishing, and construction upon the Leased Premises, must comply with all applicable Building Regulations, unless otherwise exempt. The

plans and specifications are subject to final submission and permit review by Lessor, in the ordinary course of Lessor's governmental business processes. Lessee will coordinate design and construction with Lessor's applicable departments and divisions including, but not limited to, the Aviation Department and the Development Services Department.

K. Change Orders. The Director of Aviation will promptly review all design-related change orders submitted by Lessee through completion of the Capital Improvements.

L. First-Class Quality. All construction, including workmanship and materials, must be of first-class quality. For the purposes of this Second Amendment, the term "*first-class quality*" means of the same quality as materials used to construct, renovate, and rehabilitate other buildings, parking lots, and concrete aprons used for the same or similar purposes already constructed on the Airport.

M. Temporary License Granted. In order to undertake construction and renovation of the Capital Improvements, a temporary license is granted to Lessee by the City on a small parcel of land adjacent to the Leased Premises for Lessee's use in positioning and utilizing a temporary modular building for Lessee's continued operations. The licensed area ("License Area") is set out in a separate subagreement attached as **Exhibit C**, the terms and conditions of such exhibit being incorporated by reference into this document as if fully set out here in their entirety. For the purposes of the Lease, the Minimum Standards to which the Lessee must adhere, and the rules, regulations, directives, and policies applicable to tenants of the Airport, the License Area is deemed to be real property occupied and under the control of Lessee to the same extent as if the area were the subject of a formal short-term lease between the parties during the pendency of construction of the Capital Improvements and continuing until all buildings and personal property of the Lessee have been removed, the License Area is restored by Lessee to Lessor's reasonable satisfaction, and the License Area returned to Lessor's control, such return to be documented in writing by the parties. Upon a return of the License Area to Lessor as set out in this paragraph, the temporary license agreement between the parties terminates without further action required by either party.

N. Good Order. During construction, Lessee shall be responsible for causing the Leased Premises and License Area to be kept in good order and condition in accordance with commercially reasonable standards. Lessee shall coordinate all construction traffic within the Airport boundaries with the Director so as to not inhibit regular Airport vehicular traffic and to keep roadways safe and clean. All construction parking and staging will occur on the Leased Premises unless agreed to in advance by the Director in writing. Lessee will also coordinate with Lessor and the FAA any construction activities that are reasonably anticipated to affect the operations of the Airport. Lessee is solely responsible for notifying and coordinating all temporary relocations of Lessee's employees, sublessees, occupants, and guests made necessary or as are required during the pendency of any construction work.

O. Inspections. During the progress of all work, the Director or another authorized representative of Lessor may enter upon the Leased Premises and License Area and make such inspections as may be reasonably necessary for the purpose of satisfying Lessor that the work or construction is being performed in accordance with the terms and provisions of the Lease and Building Regulations, provided however, that Lessor shall not unreasonably interfere with the progress of such work.

P. Utilities. Lessee shall be responsible for arranging and paying for, at its sole cost, all utility connections necessary for utilizing the Leased Premises, the License Area, and all temporary buildings, and all utilities required under the plans and specifications for the Capital Improve-

ments; provided, however, Lessor shall assist and reasonably cooperate with Lessee, at no cost to Lessor, in making available to the Leased Premises' property line the existing utility infrastructure, it being understood and agreed that Lessee shall accept the existing utility infrastructure in their currently existing locations on an "AS IS", "WHERE IS" basis, with no obligation on the part of Lessor to provide or construct any utilities needed for the Improvements.

Q. Taxes and Licenses. During the construction of the Capital Improvements, Lessee must cause to be paid, prior to delinquency, any and all taxes of whatever character, including ad valorem and intangible taxes, if applicable, that may be levied or charged upon the Leased Premises, the Capital Improvements, License Area, or any operations thereon. Lessee shall cause to be paid any and all sales taxes arising in connection with the occupancy or use of the Leased Premises and License Area whether the taxes are assessed against the Lessee or any sublessee. Lessee must obtain and pay for all licenses or permits necessary or required by law for the construction of the Capital Improvements and must require any sublessee to obtain and pay for all licenses and permits necessary or required by law for the installation of equipment and furnishings, and any other licenses necessary for the conduct of its operations. If Lessee or any sublessee wishes to contest any tax or charge, such contest will not be a default under the Lease, so long as Lessee or such sublessee diligently prosecutes the contest to conclusion and promptly pays whatever tax is ultimately owed. Further, Lessee shall cause any taxes not being contested to be paid prior to delinquency.

R. Aviation-Related Infrastructure. The parties agree that Lessee shall construct and install any required infrastructure improvements or enhancements necessary or desirable for the intended operation of the Capital Improvements as part of construction, such construction to be in accordance with the plans and specifications approved by the parties.

S. Improved Access. Lessor agrees to cooperate with Lessee with respect to any roadway or access improvements required to enhance passenger vehicle traffic to the Leased Premises, provided however, that the costs of any necessary modifications shall be the sole responsibility of Lessee.

T. Liens. Lessee intends to self-finance the construction and renovation costs of the Capital Improvements. In the event Lessee decides otherwise, Lessee shall be responsible for securing any construction financing required. The terms and conditions of the construction financing are subject to the sole discretion of Lessee, and Lessee agrees that it shall not allow any lien to attach to the Leased Premises or Lessee's leasehold interest, except as expressly permitted in the Lease or approved in writing by Lessor. Notwithstanding any such express provision or approval, Lessor's fee simple interest in the surface estate burdened by Lessee's leasehold estate and rent received from sublessees and managed areas, if any, must in all events be exempt from any such lien.

U. Submission of Certificate of Occupancy. Upon completion of the construction and renovation of all Capital Improvements and prior to the physical occupancy of the buildings by Lessee or any of Lessee's sublessees, Lessee shall provide a copy of the issued CO to the Director.

V. As-Built Plans. Upon final completion and acceptance by the Lessor and Lessee of the Capital Improvements, Lessee and Lessee's architect shall (i) certify to the Director that the Capital Improvements were completed according to the approved final plans and specifications and in compliance with all applicable Building Regulations and (ii) provide two sets of Mylar "as-built" plans and one electronic copy of the record construction documents to the Director, who will keep one set of plans on file at the Director's office in the Airport terminal and will provide

the other set to the City Secretary or Engineering Department, as applicable. Lessee must keep said delivered documents current during the pendency of the remaining Lease term by providing to the Director two new sets of Mylar "as-built" plans and one new electronic copy of all record construction documents in the event any alteration, modification, or addition in excess of \$10,000 is made to the Capital Improvements and completed during the Lease term. The final square footage of the Capital Improvements shown in the "as-built" plans delivered by Lessee will serve as the new square footage figure used to calculate the lease rates applicable to the Capital Improvements.

W. Ownership of Improvements. Upon completion of the Capital Improvements and acceptance by the City, ownership of the leasehold Capital Improvements constructed pursuant to this Second Amendment vests with Lessee, free and clear of all liens and other encumbrances or adverse interests on the real property, exclusive of Lessee's and its sublessees' removable fixtures, until the expiration of the Lease term on January 19, 2034, at which time ownership of all Capital Improvements constructed by Lessee vests with the City in accordance with the terms of the Lease.

6. Extended Lease Term.

A. In exchange for Lessee's promises to fully fund, construct, and faithfully complete the intended Capital Improvements valued at \$3,300,000 as set out in this Second Amendment, Lessee shall be granted an additional 15 years to the term of the Lease. Completion of the Capital Improvements is currently anticipated to occur by the end of April, 2017. Unless earlier terminated in accordance with the terms and conditions of the Lease, the parties intend and agree that each shall have vested rights as of the Effective Date of this Second Amendment and, accordingly, each agrees that the extended Lease term shall be fully binding upon the parties and shall be in full force and effect from and after the Effective Date, subject to Lessee's promised completion and Lessor's intended acceptance of the Capital Improvements. Once all Capital Improvements have been completed and accepted as contemplated by this Second Amendment, the new expiration date of Lessee's Lease term with the addition of the three five-year Option periods is anticipated to be January 19, 2034.

B. The extended Lease term period is subject to all of the terms, conditions, and covenants of the Lease, First Amendment, and this Second Amendment, and all such provisions of the instruments shall continue in full force and effect between the parties. If Lessee fails to timely renew the one remaining five-year Option renewal period provided under the Lease, with such exercise by Lessee remaining conditioned upon an additional \$1,100,000 investment, then all options with regard to any possible subsequent extension or renewal shall expire and be null and void.

7. Rent during Construction.

A. Commencing on the Effective Date of this Second Amendment, Lessee shall continue to pay Lessor the same Premises Rent rates previously agreed to by the parties.

B. Terminal Land Rent Rate. Upon Commencement of Construction, Lessee shall continue to pay to Lessor the existing rate for the terminal/office building identified as "WGA of 1" until such time as major demolition of the building commences. "Major demolition" means destruction that renders the terminal building unusable for Lessee's operation, such as by removal of the roof or exterior walls. The Director, in his sole discretion, shall determine when the building is deemed unusable. Once deemed unusable, the Director shall provide written notice to the Lessee. On the date following written notice to the Lessee that the terminal

building has been deemed unusable, Lessee shall be assessed the prevailing aeronautical improved land annual market rate of \$0.30 per square foot, on a continuing monthly basis, on the portion of the Leased Premises to be occupied by the future terminal building, such square foot portion currently anticipated to be approximately 3,444 square feet. This revised annual market rate for the terminal land will remain in effect until a CO has been issued for the newly constructed terminal building.

C. License Area Rent Rate. Upon Commencement of Construction, Lessee intends to occupy the License Area on a temporary basis for use with portable buildings. On the date Lessee places any portable building or Lessee's personal property upon or at the License Area, Lessee shall be assessed the prevailing aeronautical improved land annual market rate of \$0.30 per square foot, on a continuing monthly basis, for the License Area, such area currently anticipated to be approximately 4,020 square feet. This annual market rate for the License Area will remain in effect until all temporary buildings and personal property have been removed by Lessee and the License Area subagreement is terminated, as set out in this Second Amendment.

8. By execution of this Second Amendment, Lessee undertakes to invest not less than \$3,300,000 in order to exercise three five-year Options pursuant to the Lease and to construct and renovate the Leased Premises as set out in this instrument. In the event Lessee deems it necessary to expend more than the minimum investment in this paragraph, Lessee acknowledges and agrees that no portion of funds beyond the minimum investment will result, or be deemed to result, in the exercise of the fourth Option as described in the Lease nor in any additional period of years being added to the Lease.

9. Article 3, section 3.03, of the Lease is modified to include new subparts (c), (d), (e), and (f) to recognize Lessee's contemplated demolition and construction of a new terminal/office building, the included renovations, any future anticipated improvements to the Leased Premises that may be undertaken by Lessee, and the effect on the Appraisal periods, to read as follows:

"(c) Notwithstanding the fact that the intended five-year period relevant to the next Appraisal cycle is due to occur in 2016, Lessee acknowledges and agrees that Lessor may deem it necessary to exclude Lessee's Leased Premises from the Appraisal due to the Commencement of Construction and to complete a separate supplemental appraisal report ("Supplemental Appraisal"), to be appended to the full five-year Appraisal report, once all newly constructed Capital Improvements have been completed and accepted.

"(d) Lessor reserves the right to conduct a Supplemental Appraisal during the term of Lease or current Option period, if any, or any applicable extended term of the Lease, if new development, construction, or renovation of real property improvements is undertaken by Lessee during the remaining term of the Lease.

"(e) Any Supplemental Appraisal report, although completed at a time beyond or outside the intended five-year period relevant to the Appraisal cycle, will not serve to extend the effective date of any rent rate increase that may be made pursuant to subpart (a) of this section."

"(f) Notwithstanding subpart (e) above and the other provisions of this section, Lessee intends to undertake completion of a new terminal/office building and other improvements, as stated in the Second Amendment, which completion date is anticipated to occur at the end of April, 2017. Lessee acknowledges and

agrees that a separate Supplemental Appraisal will be conducted within a reasonably short period of time following completion of all construction, and any rent rate increases which may be indicated in the post-construction Supplemental Appraisal will not become effective until at least 30 days' advance notice to Lessee, as such notice period is set out in the Lease. Unless amended (as stated in the Lease), any new rent rates attributable to the post-construction Supplemental Appraisal of the April, 2017, Capital Improvements will take effect and remain in effect until completion of the next five-year Appraisal cycle currently anticipated to occur in 2021."

10. Article 16, section 16.02, is amended by adding the following sentence to the beginning of the section:

"Lessee acknowledges that all Improvements presently existing on the Leased Premises are owned by the City of Corpus Christi."

11. **Compliance with Law.** Lessee shall ensure that it complies with all laws, rules, regulations, and codes that may be applicable to Lessee by execution of this Second Amendment and will further ensure that all provisions of the Lease, First Amendment, and this Second Amendment that may be applicable to Lessee's conduct and performance in undertaking, constructing, and occupying the Capital Improvements to be completed pursuant to this Second Amendment will be observed.

12. **Triplicate Counterparts.** This Second Amendment may be executed in any manner of triplicate counterparts, each of which is deemed to be an original of this instrument for all purposes.

13. **Entire Agreement.** This Second Amendment and the attachments and exhibits attached to this document and incorporated by reference set forth the entire agreement of the parties with respect to undertaking construction and renovation of intended Capital Improvements on the Leased Premises and extension of the additional 15 years of the Lease term. Excluding the executed Lease, First Amendment, and the License Area subagreement, no other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind exist between the parties regarding this Second Amendment.

[signature page follows]

EXECUTED in triplicate by the parties, to take effect upon the Effective Date of this Second Amendment.

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta, City Secretary

Ronald L. Olson, City Manager

Date: _____

Date: _____

Approved as to legal form: _____, 2016

Elizabeth Hundley
Assistant City Attorney
for the City Attorney

LESSEE: Mercury Air Center—Corpus Christi, Inc., doing business as Atlantic Aviation

Louis Pepper, Chief Executive Officer

Date: 2/19/2016

LEASE GUARANTOR: Atlantic Aviation FBO Holdings, LLC

Louis Pepper, ~~President~~ Authorized Person

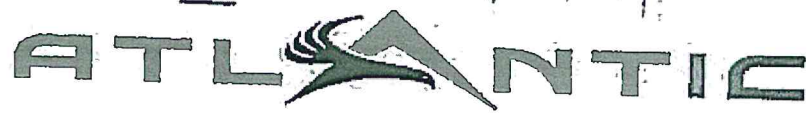
Date: 2/19/2016

ATTACHED AND INCORPORATED EXHIBITS:

Exhibit A – Capital Investment and Development Plan

Exhibit B – Insurance Requirements for Construction

Exhibit C – Temporary License Area Subagreement w/Attachments



Capital Investment and Development Proposal

West Ramp General Aviation Facilities at Corpus Christi International
Airport

Revised January 7, 2016

EXHIBIT A

Development Team

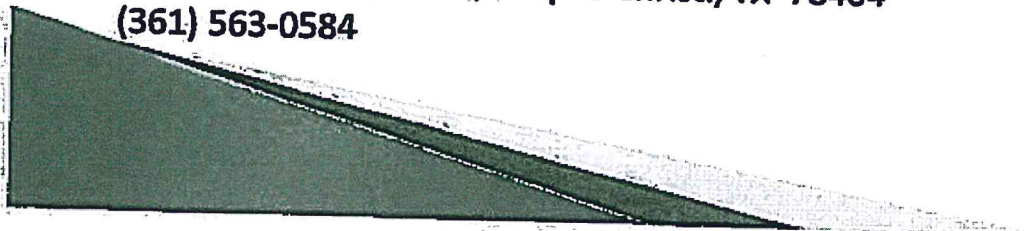
Michael Simmang, Regional Director - Atlantic Aviation
4309 Emma Browning Avenue, Austin, TX 78719
(512) 925-3884

Tomas Torres, General Manager - Atlantic Aviation
549 Pinson Drive, Corpus Christi, TX 78406
(361) 289-1881

Ahed Shakhsher, Project Manager – Pivot CM, LLC
11845 Waterhaven Court, Reston, VA 20190
(703) 673-6549

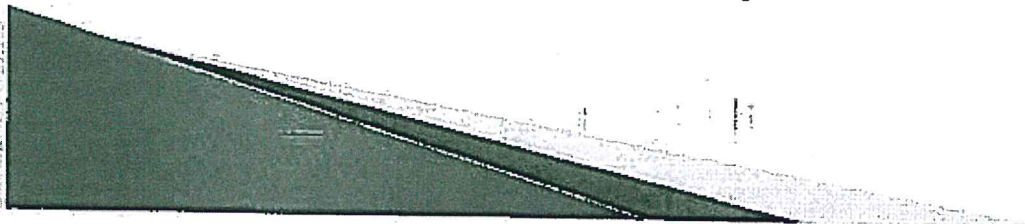
Teal Construction Company , Michael Miller – Preconstruction Manager
5110B IH-37, Corpus Christi, TX 78407
(361) 882-4825

WKMC Architects, Inc., William McCord, AIA
909 S. Tanchua Street, Corpus Christi, TX 78404
(361) 563-0584

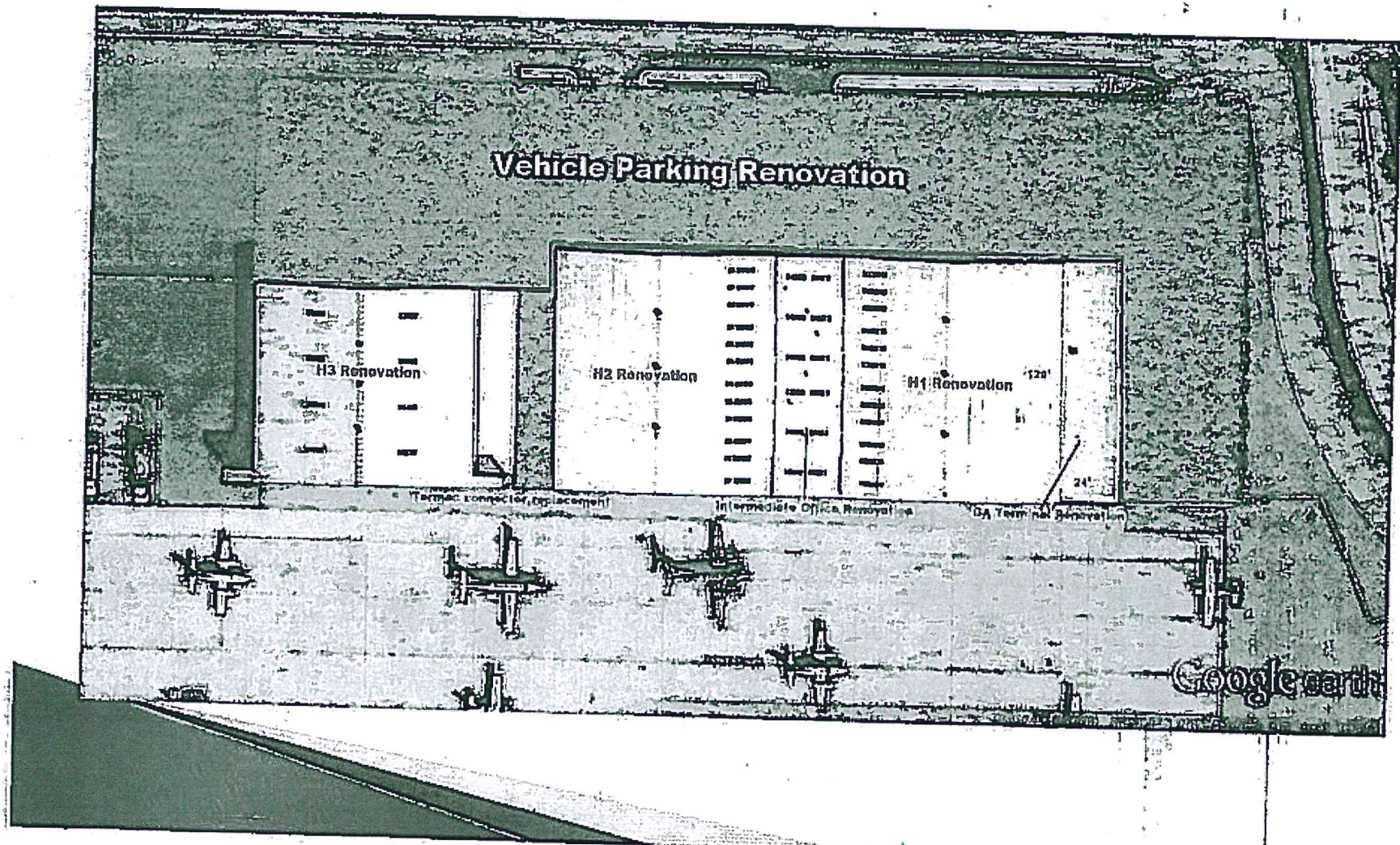


Site Dynamics

- ▶ Budgeted cost of this project - \$3,300,000.00
- ▶ Additional improvements not included in construction scope:
 - New GA Terminal furnishings
 - Advanced information technology throughout entire leasehold to increase security and customer conveniences
- ▶ Projected start date – March 1, 2016 (pending City Council and CCIA Notice-to-Proceed)
- ▶ Expected project completion date – November 1, 2016



Proposed Work Site – West GA

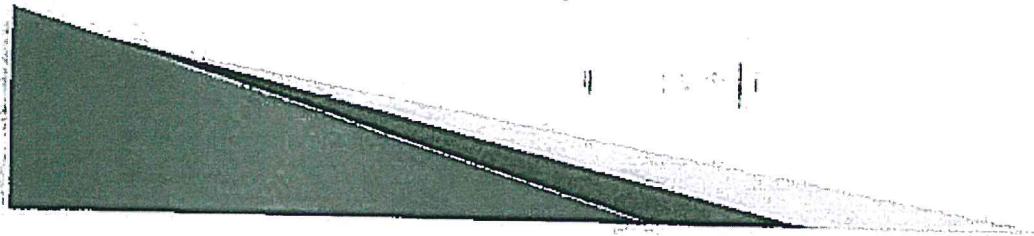


Project Objectives

Atlantic Aviation intends to renovate the facilities to meet company standards in regards to appearance, technology, and operations. These standards address the expectations of customers and host authorities in the aviation community. Further, the projected investment level is expected to satisfy requirements to obtain additional lease term as stated in the *Corpus Christi International Airport Amended and Restated Hangar and Fixed Base Operators Lease*.

There are six major areas that Atlantic Aviation will be renovating:

1. General Aviation Terminal Building
2. Hangar One
3. Intermediate Offices (between Hangars One and Two)
4. Hangar Two
5. Hangar Three
6. Existing Vehicle Parking Area



General Aviation Terminal

The Scope of work will include:

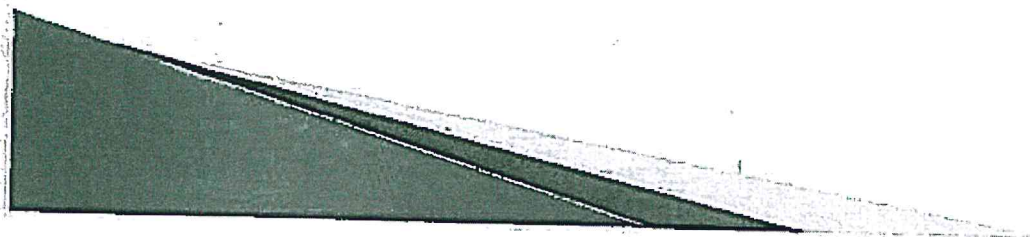
- ▶ Relocating administrative and operational functions to a modular trailer positioned at the southeast corner of the adjacent parking lot.
- ▶ Coordinating security and AOA access with CCPD and TSA during this temporary condition.
- ▶ Completely demolish the existing building.
- ▶ Construct a new two-story building on the ground where the former terminal was located.
- ▶ The building will have new façade, ADA toilets and up-to-date finished space.



Hangar One

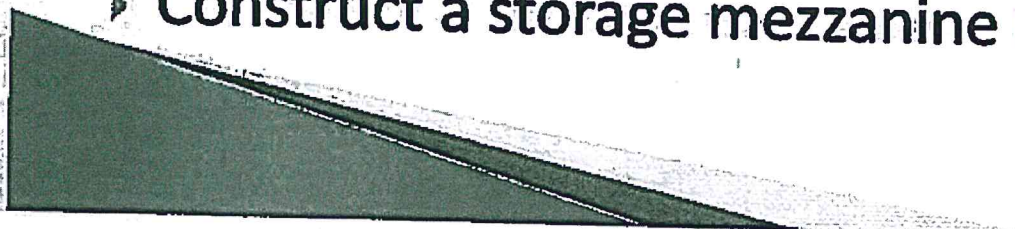
Hangar One will receive the most extensive renovation of the three hangars. Scope of work shall include:

- ▶ Demolition of all temporary structures within the hangar.
- ▶ Remove and replace existing hangar door tracks.
- ▶ Paint the hangar interior
- ▶ Install new emergency and exit lighting.
- ▶ Install new door to allow emergency egress to landside.
- ▶ Replace cracked concrete slab between the hangar and the ramp.



Intermediate Offices

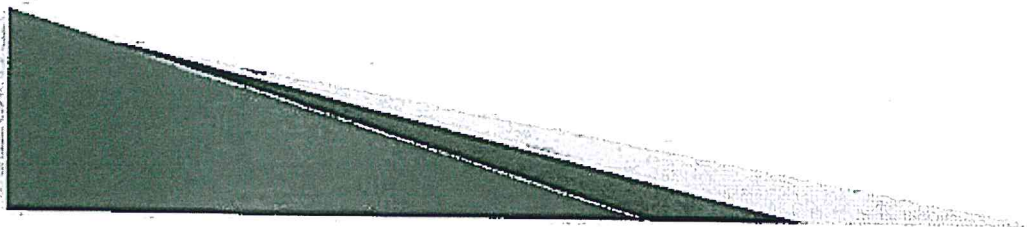
The scope of work will include:

- ▶ The tenants will be relocated to temporary modular trailers (location reflected in accompanying documents).
 - ▶ Renovation of existing office space.
 - ▶ Modify Hangars One & Two doors to allow egress from the offices to the airside.
 - ▶ Layout and finishes of the tenant space will be coordinated with the current Atlantic Tenants.
 - ▶ Construct a storage mezzanine level as allowed by code.
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Hangars Two and Three

The scope of work will include:

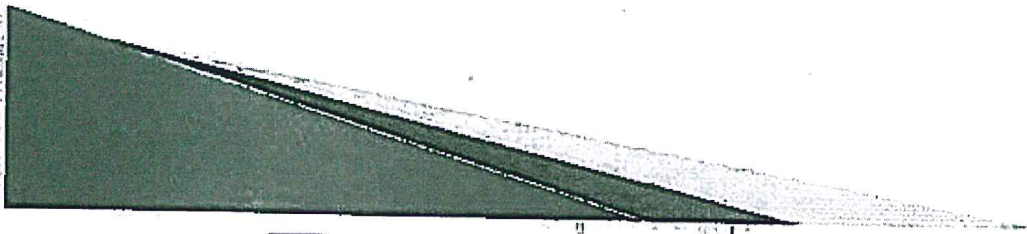
- ▶ Paint the hangars' interior.
- ▶ Install new emergency and exit lighting.
- ▶ Install exterior door to allow emergency egress to landside.
- ▶ Replace concrete slab between the hangar and the ramp.



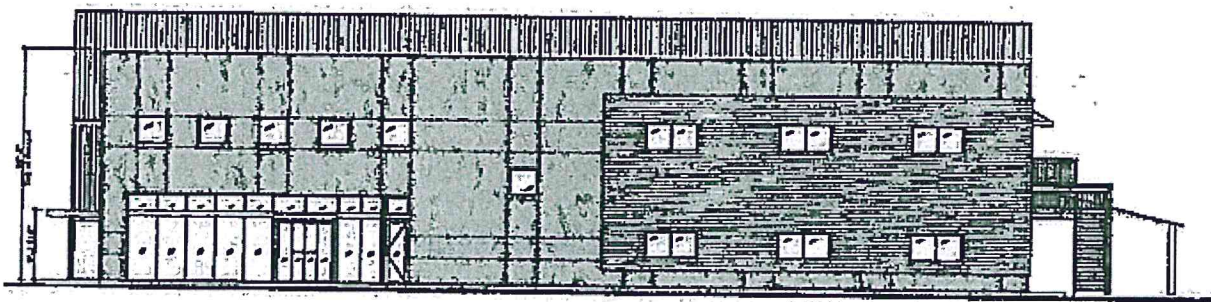
Vehicle Parking Area

The scope of work will include:

- ▶ Repair damaged base
- ▶ Mill, concrete stabilized, and relayed the parking lot per the recommendations of the civil engineer.
- ▶ Re-stripe for parking usage in accordance with the ADA and local governances.
- ▶ Pave the air-side alley between Hangars Two and Three similar to the vehicle parking area.



General Aviation Terminal Renovation



View from Northwest

SCALE: 3/32" = 1'-0"

Capital Improvements West Ramp General Aviation Facilities
at
Corpus Christi International Airport

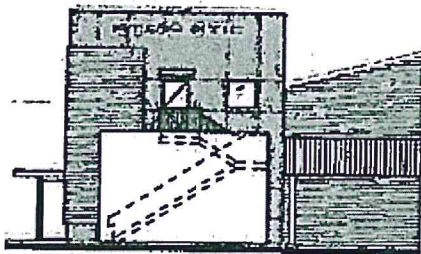
ATLANTIC

Atlantic Aviation
549 Pinson Drive
Corpus Christi, TX
78406

TAL
Test Construction
6114-B LA 27
Corpus Christi, TX 78407
(512) 863-4823

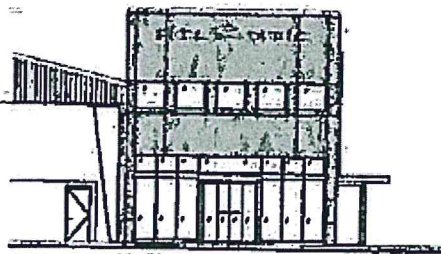
WKMC
WKMC Architects
400 S. Townsend
Corpus Christi, TX 78404
(512) 867-8000

General Aviation Terminal Renovation



View from Northeast

SCALE: 3/16" = 1'-0"



View from Southeast

SCALE: 3/16" = 1'-0"

Capital Improvements West Ramp General Aviation Facilities
at
Corpus Christi International Airport

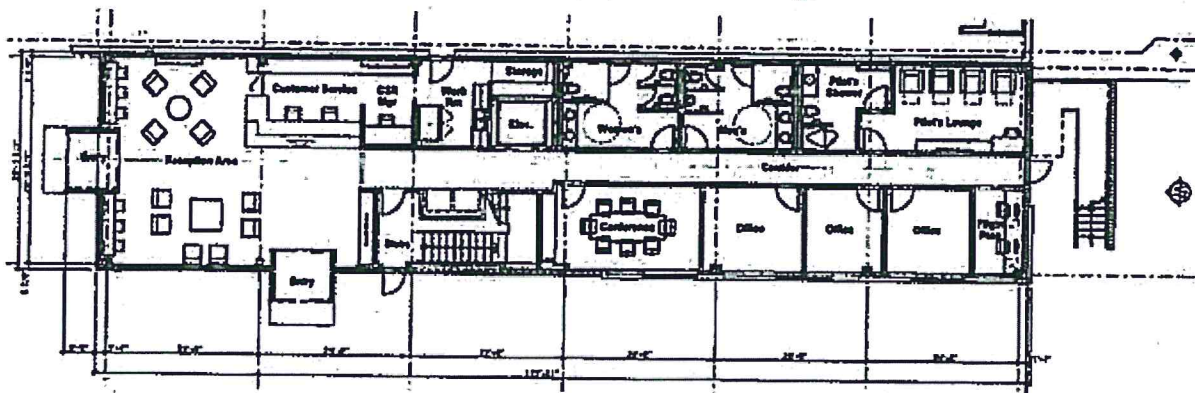
ATLANTIC

Atlantic Aviation
549 Pinson Drive
Corpus Christi, TX
78406

OTAL
Total Construction
3113-04-01-32
Corpus Christi, TX 78407
(361) 953-4523

W&M
W&M Architects
809 S. Tamworth
Corpus Christi, TX 78404
(361) 827-0230

General Aviation Terminal Renovation



FBO First Floor - Plan

SCALE: 3/32" = 1'-0"

Capital Improvements West Ramp General Aviation Facilities
at
Corpus Christi International Airport

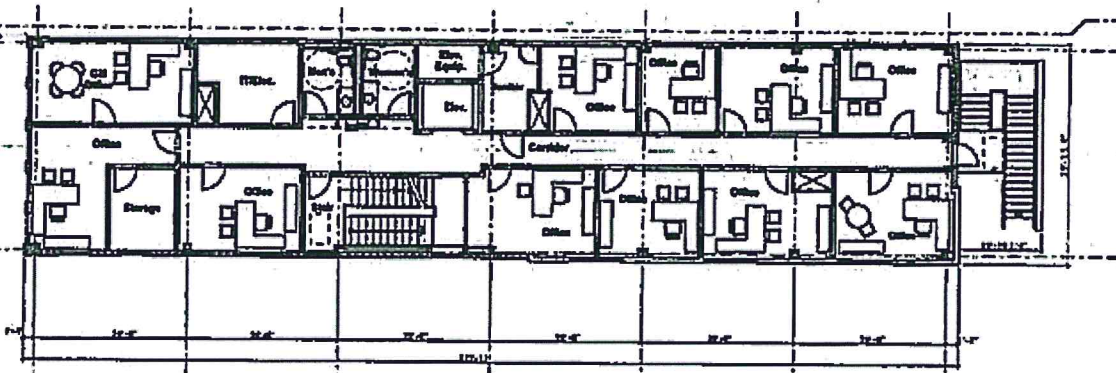
ATLANTIC

Atlantic Aviation
549 Pinson Drive
Corpus Christi, TX
78406

TIAL
Test Construction
8118-0100 97
Corpus Christi, TX 78407
(409) 823-4223

WKS
WKS Architects
800 S. Tamarac
Corpus Christi, TX 78404
(409) 823-0000

General Aviation Terminal Renovation



FBO Second Floor - Plan

SCALE: 3/32" = 1'-0"

Capital Improvements West Ramp General Aviation Facilities
at
Corpus Christi International Airport

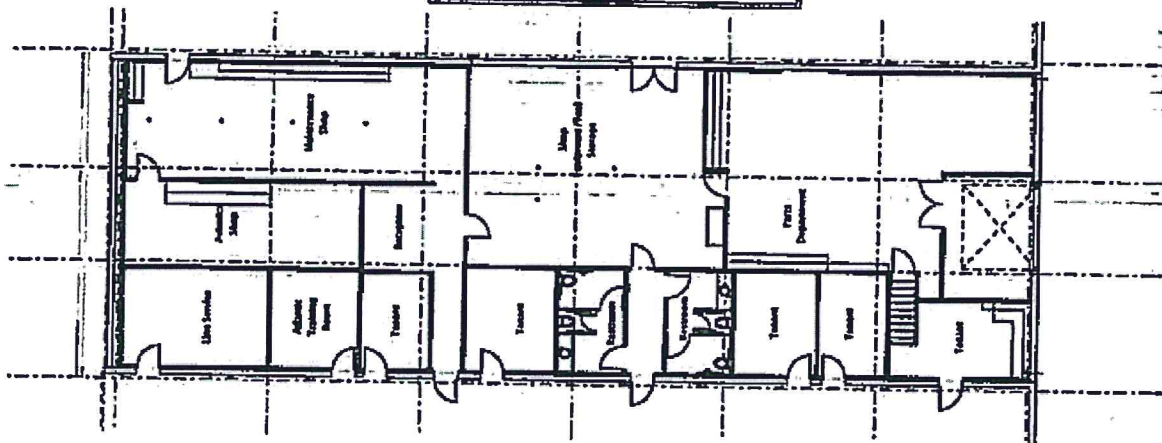
ATLANTIC

Atlantic Aviation
549 Pinson Drive
Corpus Christi, TX
78406

TEAL
Teal Construction
8108-B 13th St
Corpus Christi, TX 78407
(911) 953-4423

WMC ARCHITECTS
WKMC Architects
900 E. Taravella
Corpus Christi, TX 78404
(361) 867-6995

Intermediate Office Renovation



Intermediate Office & Shoppes - Floor Plan

SCALE: 3/32" = 1'-0"

Capital Improvements West Ramp General Aviation Facilities
at
Corpus Christi International Airport

ATLANTIC

Atlantic Aviation
549 Pinson Drive
Corpus Christi, TX
78406

TEAL
Teal Construction
6110-B LAM. ST.
Corpus Christi, TX 78407
(361) 943-4625

WKMC ARCHITECTS
WKMC Architects
600 E. Yonahville
Corpus Christi, TX 78406
(361) 967-6000



Teal Construction Company Construction Managers | General Contractors 5110B IH-37 | Corpus Christi, TX 78407 Phone 361-882-4825 | Fax 361-882-4630

Improvements to Atlantic Aviation CRP

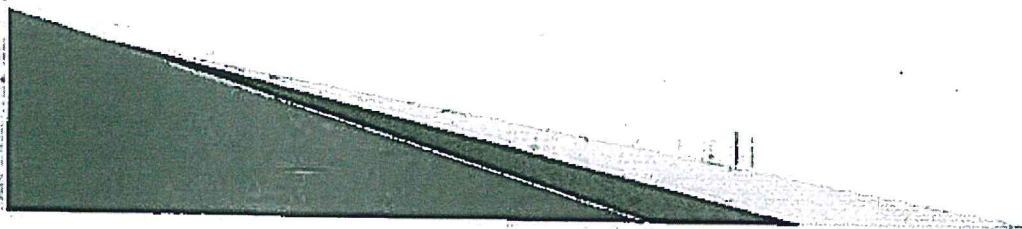
Corpus Christi International Airport

Proposed Construction Budget:

Div.	Area of Work	\$/SF	Cost	%
2	SITEWORK	\$22.93	\$316,463.00	9.6%
3	CONCRETE	\$6.34	\$87,500.00	2.7%
4	MASONRY	\$0.24	\$3,360.00	0.1%
5	METALS	\$12.83	\$177,000.00	5.4%
6	WOOD/PLASTIC	\$7.03	\$97,010.00	2.9%
7	THERMAL/MOISTURE	\$5.39	\$74,380.00	2.3%
8	DOORS/WINDOWS	\$15.77	\$217,650.00	6.6%
9	FINISHES	\$38.21	\$527,311.00	16.0%
10	SPECIALTIES	\$5.15	\$71,030.00	2.2%
11	EQUIPMENT	\$0.00	\$0.00	0.0%
12	FURNISHINGS	\$0.00	\$0.00	0.0%
13	SPECIAL CONSTRUCTION	\$1.05	\$14,464.00	0.4%
14	CONVEYING	\$5.80	\$80,000.00	2.4%
15	MECHANICAL	\$16.16	\$223,000.00	6.8%
16	ELECTRICAL	\$12.04	\$166,159.00	5.0%
	SUBTOTAL	\$148.94	\$2,055,327.00	
	GENERAL CONDITIONS	\$20.81	\$287,154.00	8.7%
	OH&P	\$13.52	\$186,642.00	5.7%
	INSURANCE	\$1.82	\$25,123.00	0.8%
	BOND	\$3.30	\$45,607.00	1.4%
	TEMP CONSTRUCTION	\$3.84	\$53,037.00	1.6%
	PERMITS	\$1.98	\$27,295.00	0.8%
	TAXES	\$7.69	\$106,056.00	3.2%
	CONST. MANAGEMENT	\$2.90	\$40,000.00	1.2%
	SUBTOTAL 1	\$204.80	\$2,826,241.00	
	A&E	\$16.32	\$225,280.00	6.8%
	SUBTOTAL 2	\$221.12	\$3,051,521.00	
	CONTINGENCY	\$18.01	\$248,479.00	7.5%
	TOTAL	\$239.13	\$3,300,000.00	

Customer Focus

As always, providing for our customers' safety and satisfaction are at the top of Atlantic's corporate culture. To this end, our site management and staff will take every measure to minimize inconveniences, and communicate progress to those we serve. Expect to see additional customer perks as we go through this process. The end result will definitely be worth the effort!





December 14, 2015

Mr. Fred Segundo, A.A.E.
Director of Aviation
Corpus Christi International Airport
1000 International Drive
Corpus Christi, TX 78406

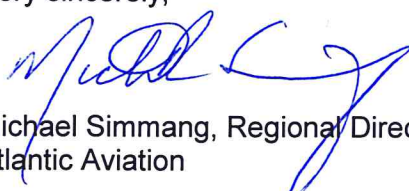
Dear Mr. Segundo,

Per the *Corpus Christi International Airport Amended and Restated Hangar and Fixed Base Operator's Lease*, Mercury Air Center – Corpus Christi, Inc. dba Atlantic Aviation acknowledges the requirement for a Capital Improvement Plan and related budget for presentation to the City of Corpus Christi in consideration of exercising three of the four available Option terms commencing at the end of the initial term.

Per your directions in the note on Friday, December 11, 2015, it is Atlantic Aviation's intent to:

- Submit all final as-built drawings and plans when complete and stamped by an engineer of record.
- Submit all final direct construction costs of the project after completion of all improvements.
- Invest no less than \$3.3 million in Direct Construction Costs in order to extend the term of the Amended and Restated Lease for an additional 15-year period.
- Provide a performance bond or irrevocable standby letter of credit in the prescribed time and amount in accordance with the Amended and Restated Lease and Addendum #1.

Very sincerely,



Michael Simmang, Regional Director
Atlantic Aviation

EXHIBIT B

INSURANCE REQUIREMENTS

I. LESSEE'S CONTRACTOR'S LIABILITY INSURANCE

- A. Lessee's contractor must not commence occupancy of Property located at the Corpus Christi International Airport under this contract until all insurance required has been obtained and such insurance has been approved by the City. Lessee's contractor must not allow any sub-Lessee's contractor to commence work until all similar insurance required of any sub-Lessee's contractor has been obtained.
- B. Lessee's contractor must furnish to the City's Risk Manager and Director of Aviation Dept. two (2) copies of Certificates of Insurance 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, and a waiver of subrogation is required on all applicable policies. Endorsements must be provided with Certificate of Insurance. Project name and/or number must be listed in Description Box of Certificate of Insurance.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-day advance written notice of cancellation, non-renewal, material change or termination required on all certificates and policies.	Bodily Injury and Property Damage Per occurrence - aggregate
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 \$2,000,000 Aggregate
AUTO LIABILITY (including) 1. Owned 2. Hired and Non-Owned 3. Rented/Leased	\$1,000,000 Combined Single Limit
WORKERS' COMPENSATION All states endorsement required if Lessee's contractor is not domiciled in State of Texas.	Statutory
EMPLOYER'S LIABILITY	\$500,000 /\$500,000 /\$500,000
BUILDER'S RISK All Perils including Collapse	For total value of construction project

PERSONAL PROPERTY INSURANCE	Lessee's contractor, at their own expense, shall be responsible for insuring all owned, leased or rented personal property.
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- C. In the event of accidents of any kind related to this contract, Lessee's contractor 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's contractor 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's contractor will be promptly met. An All States Endorsement shall be required if Lessee's contractor is not domiciled in the State of Texas.
- B. Lessee's contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Lessee's contractor'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's contractor shall be required to submit a copy of the replacement Certificate of Insurance to City at the address provided below within 10 days of any change made by the Lessee's contractor or as requested by the City. Lessee's contractor shall pay any costs incurred resulting from said changes. All notices under this Exhibit 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's contractor 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, and volunteers, as additional insureds by endorsement with regard to operations, completed operations, 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 will provide a waiver of subrogation in favor of the City; and
 - Provide thirty (30) calendar days advance written notice directly to City of any, cancellation, non-renewal, material change or termination in coverage and not less than ten (10) calendar days advance written notice for nonpayment of premium.

- E. Within five (5) calendar days of a cancellation, non-renewal, material change or termination of coverage, Lessee's contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Lessee's contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
- F. In addition to any other remedies the City may have upon Lessee's contractor'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's contractor to stop work hereunder, and/or withhold any payment(s) which become due to Lessee's contractor hereunder until Lessee's contractor demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Lessee's contractor may be held responsible for payments of damages to persons or property resulting from Lessee's contractor's or its sub-Lessee's contractor's performance of the work covered under this contract.
- H. It is agreed that Lessee's contractor'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 contract.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this contract.

2016 Insurance Requirements
Aviation Dept.
Atlantic Building Project
2/2/2016 ds Risk Management

EXHIBIT C

LICENSE AGREEMENT FOR TEMPORARY MODULAR BUILDINGS

STATE OF TEXAS §
 §
COUNTY OF NUECES §

THIS license agreement ("Agreement") is entered into by and between the City of Corpus Christi ("City"), a Texas home-rule municipal corporation, Mercury Air Center – Corpus Christi, Inc., dba Atlantic Aviation, and Atlantic Aviation FBO Holdings, LLC, (the two latter parties to be collectively referred to in this Agreement as the "Licensees"). This Agreement forms part of the Second Amendment to the Lease, such lease being presently in effect, and is joined to the Second Amendment instrument by mutual agreement of all parties.

WHEREAS, City owns the real property and improvements located at the Corpus Christi International Airport, Corpus Christi, Texas, and being more particularly described as a unique parcel of unplatted real property ("Premises"), as shown in Attachment "A";

WHEREAS, the Licensees desire to utilize the Premises on a temporary basis during the period in which Licensees construct and renovate certain improvements ("Improvements") on an adjacent parcel of real property presently under lease (the "Leased Premises") by the Licensees; and

WHEREAS, the Licensees have requested City to allow the use and occupancy of the Premises for Licensees' need to relocate their business operations while the Leased Premises is under construction and renovation.

NOW THEREFORE, in accordance with Article IX, Section 1, of the City's City Charter and in consideration of the payment of rentals under the Lease by Licensees and the amounts to be paid pursuant to the Second Amendment, the City does grant to Licensees, for the term and upon the conditions stated in this Agreement, a License for the right to install, operate, occupy, maintain, repair, and remove one or more portable modular buildings ("Temporary Buildings") on the Premises. The area which the Licensees are granted for the location of the Temporary Buildings is referred to in this Agreement as the "License Area." Licensees agree that the License Area may not be expanded, enlarged, or altered in any way nor shall the number of Temporary Buildings exceed two without the prior written approval of the City, acting by and through the City Manager or his designee ("City Manager") or the Director of Aviation ("Director").

TO HAVE AND TO HOLD the same License granted unto Licensees, their successors and assigns, together with the right under the conditions specified in this Agreement, to at any time enter upon the above described License Area to install,

operate, occupy, maintain, repair, or remove Licensee's Temporary Buildings, and being further understood that the License granted by this Agreement is subject to the Licensees' compliance at all times with the following conditions, the City and Licensee therefore agree as follows:

- A. The preamble language above is adopted by the parties as true and correct, the substance of which is incorporated by reference into this Agreement as if fully set out here in its entirety.
- B. This Agreement, and the rights granted under the Agreement, may be revoked at any time by the City upon providing the Licensees not less than 30 days' advance written notice by the City Manager or Director. In the event of a revocation of the License by the City Manager or Director, or the earlier termination of this Agreement by either party, no portion of any payment made under this Agreement is refundable to the Licensees.
- C. This Agreement is for a limited duration of time beginning on the date of Commencement of Construction, as such term is defined in the Lease, and continuing until the completion of the Improvements and occupancy of same by Licensees, at all times this Agreement remaining subject to termination under paragraph A above. In addition to other specified events or actions as stated in this Agreement that can result in termination of this Agreement, this Agreement also terminates if Licensees discontinue or abandon completion of the Improvements or fail to commence construction of the Improvements by the 36th month of the Lease. The License granted pursuant to this Agreement is made expressly subject and subordinate to the right of the City to use the Premises for any public purpose including, but not limited to, the laying of utility lines or traversing the License Area for security reasons. In the event the City gives notice of termination under paragraph A, Licensees shall promptly, at their sole cost and expense, make or cause to be made the removal of the Temporary Buildings. Licensee shall reimburse the City for the cost of the City's removal of the Temporary Buildings if Licensee does not promptly remove them within the notice period.
- D. This Agreement may not be assigned by Licensee without the City Manager's or the Director's prior written consent.
- E. The Licensees shall acquire and maintain at all times for the term of this Agreement insurance coverage pertaining to the License Area granted under this Agreement and the activities authorized by this Agreement. The types of required insurance coverages must be in the minimum amounts set forth in **Attachment "B"**, the substantive content of such document being incorporated by reference into this Agreement as if fully set out here in its entirety. The insurance policies must name the City as an additional insured and may not be canceled, renewed, or materially changed by Licensees unless at least 10 days advance written notice has been provided to the City.

Upon the City Manager's written request, Licensee shall provide copies of all requested insurance policies to the City's City Attorney.

- F. Should construction be deemed necessary by Licensees in the License Area, construction plans and specifications for all proposed work must be submitted in advance by the Licensees to the City's City Engineer and Director for approval prior to beginning the construction process. The plans and specifications must show the depth and location of the proposed construction and distance from existing water, storm water, wastewater, and gas lines. The Licensees shall also comply with all laws, rules, regulations, and ordinances applicable to construction in the City and on public property including, but not limited to, obtaining all required permits. Licensees shall incur and fully pay for all labor and materials used in the License Area and will not permit or suffer any mechanic's or materialman's liens of any nature whatsoever to be affixed against the Premises by reason or any work done or materials furnished to the License Area at the Licensees' request.
- G. Prior to the start of any approved construction, Licensees shall require every contractor and subcontractor to provide proof of insurance of the types and in the amounts required by the City's Risk Manager. Additionally, Licensees shall require their contractors and subcontractors to indemnify the City, its officers, employees, representatives, agents, licensees, and invitees in the same manner that Licensees have provided indemnification to the City pursuant to this Agreement and the Lease.
- H. Licensees shall provide all necessary and proper safety devices so as to prevent injuries or accidents in the License Area, in as much as possible.
- I. At least 48 hours prior to beginning any approved construction, Licensees shall contact 1-800-DIG-TESS and the Lone Star Notification Center (1-800-669-8344) as well as any other required agency or authority. Additionally, at least 48 hours prior to beginning any approved construction, Licensees shall give notice and verify depth and location of communication lines or communication fiber optic cables, whichever is applicable, to the following:
- City Utility Departments, including Water, Storm Water, Wastewater and Gas;
 - American Electric Power (AEP);
 - American Telephone and Telegraph (AT&T);
 - CenturyTel;
 - Time Warner;
 - Grande Communications; and
 - Any and all other certified telecommunications providers.

A City inspector may request that a utility line be uncovered to verify its depth or location.

- J. Any construction process and use of the License Area by Licensees shall not interfere with the construction, installation, operation, maintenance, repair, removal or replacement by the City or any of its agents, contractors, or franchisees of any existing or future proposed sidewalks, utility lines, or other uses. If the City or any franchisee with utilities currently located in the License Area needs access to the area, Licensees shall pay for removing or relocating any personal property or Temporary Buildings in the License Area to allow access to utility lines for maintenance, repair, replacement, or removal of the utility lines. Following any construction by Licensees, Licensees shall repair the License Area to its original condition or cease to use the License Area, at which time this Agreement immediately terminates.
- K. City Traffic Engineer requirements pertaining to this Agreement, if applicable in context:
 - 1. At least 48 hours prior to commencing any approved construction, the Licensees shall file and obtain approval for a traffic control plan with the City's Traffic Engineer. No closure or barricading of a public right-of-way or any portion of a public right-of-way may occur before approval of the traffic control plan and, if applicable, approval of a detour or barricade plan has been obtained from the City's Traffic Engineer.
 - 2. Should Licensees require a trench, pit, or similar excavation be dug during approved construction, the Licensees shall file and obtain approval for barricading said trench, pit, or excavation in accordance with the Texas Manual on Uniform Traffic Control Devices from the City's Traffic Engineer. [See paragraph "P" of this Agreement for additional requirements regarding trenches, pits and similar excavations.]
- L. If, as determined by the City Manager, damage occurs to any gas, water, storm water, or wastewater line, Licensees shall allow the City immediate access to the License Area to perform an assessment, make repairs, or take any other action deemed necessary by the City. Determination of the extent of damage and repairs necessary to restore the utility line(s) shall be made by the City Manager. All costs of the City associated with said damage and repair, including labor and materials, shall be paid by Licensees within 30 days of the City's invoice.
- M. Should construction become necessary near existing water or wastewater lines, Licensees shall take every precaution not to disturb the soil surrounding any such lines, including all thrust blocks.

- N. If any approved work is conducted near any existing water main, it shall be done under the inspection of a City inspector at a daily rate of \$310.35 for each day spent inspecting construction, installation, maintenance, repair, replacement, or removal in the License Area. A half-day, being four hours or more of work time by the City inspector, constitutes a whole working day for purposes of calculation. Any time in excess of eight hours a day, or on a Saturday, Sunday or holiday, shall be calculated at a daily rate of \$58.18 per hour. Any assessed inspection fees shall be paid by the Licensees to the appropriate City department within 30 days of the City's invoice. These amounts will be adjusted annually each year on October 1 to reflect any pay increases that may be attributable to the rates charged.
- O. At any and all times, Licensees shall be responsible for the repair and maintenance of the License Area including, but not limited to, any costs associated with damage occurring due to natural weather elements/occurrences or man-made forces. Should damage occur to the License Area, regardless of the type of damage, Licensees shall immediately repair the damage upon notice by the City. Failure to repair within the notice period provided to Licensees immediately terminates this Agreement without any further action needed on the part of the City.
- P. Licensees shall repair, or cause to be repaired, any damage to driveways, culverts, head walls, landscaping, sidewalks, curbs, gutters, and any other structure, public or private, resulting from or caused by reason of construction, installation, maintenance, repair, removal, replacement or operation of the License Area.
- Q. If a trench, pit, or other excavation is required during approved construction, no trenches, pits, or other excavation, other than bore pits, shall be left open overnight, except as specifically authorized by the City's Director of Development Services and City's Engineer. Bore pits are not allowed open for a period of longer than 14 calendar days, regardless of location. All trenches, pits, or other excavations, other than bore pits, shall be backfilled by the Licensees promptly and in accordance with current City standards and specifications and as per the City inspector's request. All trenches, pits, and other excavations, *including* bore pits, shall be barricaded by the Licensees in accordance with the Texas Manual on Uniform Traffic Control Devices and as approved by the City's Traffic Engineer. [See paragraph "J.2." of this Agreement for additional requirements pertaining to trenches, pits, and other excavations.]
- R. If backfilling becomes necessary, all backfill, specifically including in and around existing utilities, shall be made by Licensees according to current City standards and specifications and as required by a City inspector.

S. LICENSEE 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 LICENSEE'S USE OR OCCUPANCY OF THE LICENSE AREA UNDER THIS LICENSE AGREEMENT, INCLUDING ANY ACTS OR OMISSIONS OF LICENSEE, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT, SUB-LICENSEE, ASSIGNEE OR SUBCONTRACTOR OF LICENSEE, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OF PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS LICENSE AGREEMENT, 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 THE CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF THE CITY UNDER THIS LICENSE AGREEMENT. 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. LICENSEE AND THE CITY SHALL PROMPTLY ADVISE THE OTHER PARTY IN WRITING OF ANY CLAIM OR

DEMAND AGAINST THE CITY OR LICENSEE WHICH IS MADE KNOWN TO THE DISCLOSING PARTY RELATED TO OR ARISING OUT OF LICENSEE'S ACTIVITIES UNDER THIS LICENSE AGREEMENT, AND LICENSEE SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT LICENSEE'S REASONABLE COST. THE CITY SHALL HAVE THE RIGHT, AT ITS OPTION AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING LICENSEE OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH. IT IS THE EXPRESS INTENT OF THE PARTIES TO THIS LICENSE AGREEMENT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY EXTENDED BY LICENSEE 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 PARAGRAPH 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. LICENSEE 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. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF THE PERFORMANCE OF THIS LICENSE AGREEMENT.

- T. All signatories to this Agreement warrant and guarantee that they have the authority to act on behalf of the entity represented and make this Agreement binding and enforceable by their signatures.

- U. Unless otherwise stated in this Agreement, any notice required or permitted to be given under this Agreement must be sent in accordance with the provisions of the Lease between the parties and addressed to the notification addresses contained in that document. Any party may, by notice to the other parties in accordance with the provisions of the Lease, specify a different address or addressee for notice purposes of this Agreement.
- V. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created pursuant to this Agreement are performable in Nueces County, Texas. Venue for all actions arising from, out of, or related to this Agreement must be brought in Nueces County, Texas.
- W. This instrument, including exhibits, constitutes the entire agreement between the City and the Licensees, and no prior written, oral, or contemporaneous promises, warranties, or representations shall be binding upon any parties. This Agreement may only be amended by written instrument signed by authorized representatives of the City and Licensees and approved as required by City law.
- X. Any payments that may be due from the City pursuant to this Agreement may only be made from current revenues available to the City.

EXECUTED IN TRIPLICATE by the parties and made effective upon the Effective Date of the Second Amendment to the Lease between the parties, such Second Amendment being executed concurrently with this instrument and to which this instrument is joined.

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta, City Secretary

Ronald L. Olson, City Manager, or
his designee

Date: _____

Date: _____

Approved as to legal form: _____, 2016

Elizabeth Hundley
Assistant City Attorney
for the City Attorney

LESSEE: Mercury Air Center—Corpus Christi, Inc., doing business as Atlantic Aviation


Louis Pepper, Chief Executive Officer

Date: 3/19/2016

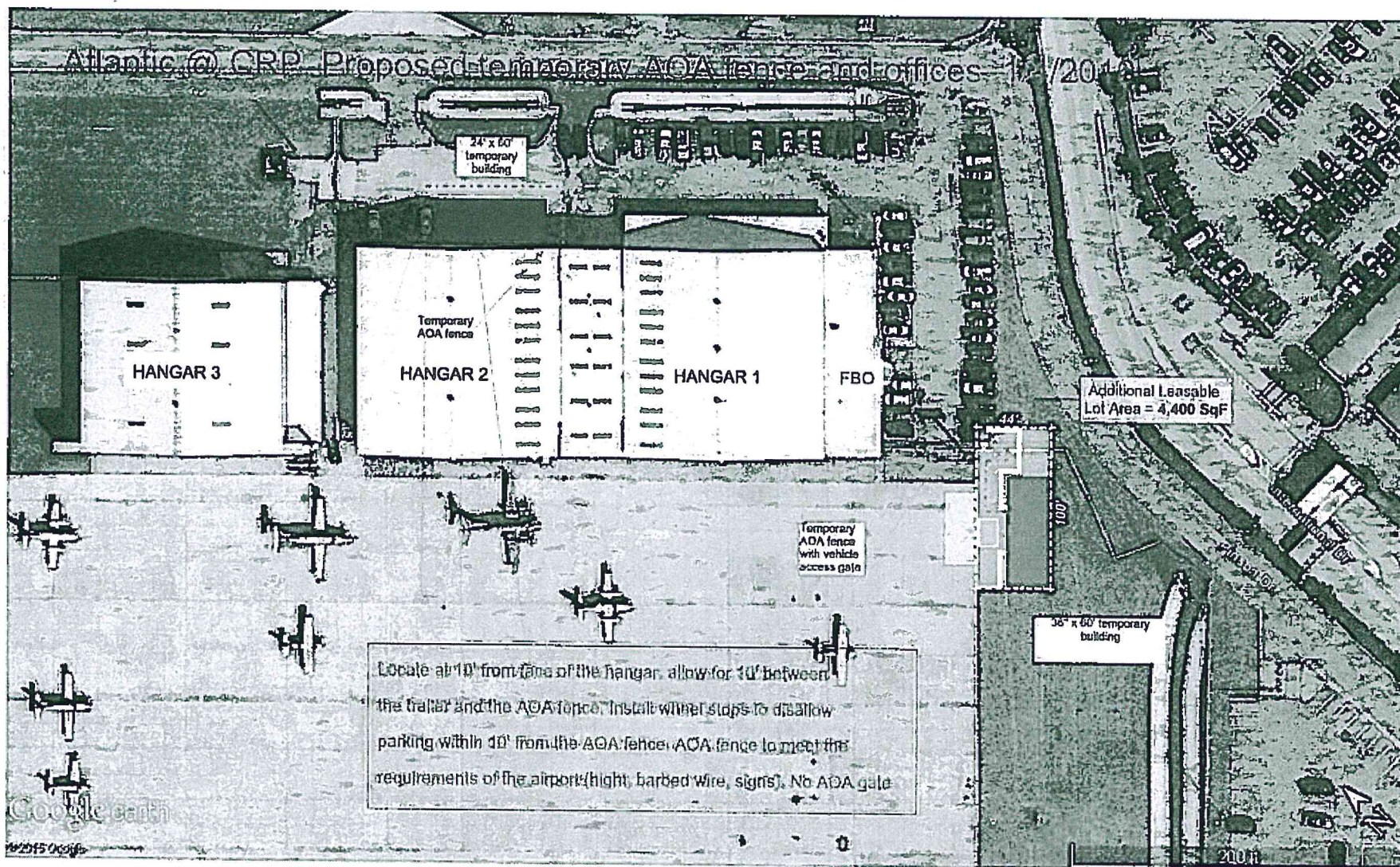
LEASE GUARANTOR: Atlantic Aviation FBO Holdings, LLC


Louis Pepper, ~~President~~ Authorized Person

Date: 3/19/2016

ATTACHED AND INCORPORATED EXHIBITS:
Attachment "A" – Premises / License Area
Attachment "B" – Insurance Requirements for Use

ATTACHMENT "A"



ATTACHMENT “B”

INSURANCE REQUIREMENTS

I. LICENSEE’S LIABILITY INSURANCE

- A. Licensee shall not commence work under this Agreement until all insurance required herein has been obtained and approved by the City's Risk Manager or designee. Licensee must not allow any subcontractor to commence work until all similar insurance required of the subcontractor has been so obtained.
- B. Licensee shall furnish to the Risk Manager and Director of Aviation two (2) copies of Certificates of Insurance, with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the Risk Manager or designee. The City must be listed as an additional insured for the General Liability policy, auto liability policies **by endorsement**, and a waiver of subrogation by endorsement is required for the workers’ compensation policy. Endorsements must be provided with Certificate of Insurance. Project name and/or number must be listed in Description Box of Certificate of Insurance.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-Day Notice of Cancellation required on all certificates or by policy endorsement(s)	Bodily injury and Property Damage Per Occurrence / aggregate
COMMERCIAL GENERAL LIABILITY including: 1. Broad Form 2. Premises – Operations 3. Products/Completed Operations Hazard 4. Contractual Liability 5. Broad Form Property Damage 6. Independent Contractor 7. Underground Hazard (if applicable) 8. Hanger Keepers	\$10,000,000 Per Occurrence \$10,000,000 Aggregate
ENVIRONMENTAL IMPAIRMENT LIABILITY	\$2,000,000 Per Occurrence \$2,000,000 Aggregate
BUSINESS AUTOMOBILE LIABILITY 1. Owned 2. Hired & Non-owned	\$5,000,000 Combined Single Limit
PROPERTY INSURANCE	Licensee is responsible to insure all personal property.
WORKERS’ COMPENSATION All States endorsement is required if Licensee is not Domiciled in Texas.	Which Complies With The Texas Workers’ Compensation Act And Paragraph II Of This Exhibit.
EMPLOYER’S LIABILITY	\$1,000,000 / \$1,000,000 / \$1,000,000

- C. In the event of accidents of any kind related to this Agreement, Licensee shall furnish the Risk Manager with copies of all reports of such accidents within ten (10) days of the accident.

II. ADDITIONAL REQUIREMENTS

- A. Licensee must obtain workers' compensation coverage through a licensed insurance company in accordance with Texas law. The contract for coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The coverage provided must be in amounts sufficient to assure that all workers' compensation obligations incurred will be promptly met. An "All States" endorsement shall be required if Workers' Compensation policy is not written in accordance with Texas Department of Insurance rules.
- B. Licensee shall obtain and maintain in full force and effect for the duration of this Agreement and any extension hereof, at Licensee'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. Licensee shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Licensee shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following addresses:

City of Corpus Christi
Attn: Risk Management
P.O. Box 9277
Corpus Christi, TX 78469-9277
(361) 826-3680
Fax: (361) 826-3697

Department of Aviation
Attn: Director
1000 International Drive
Corpus Christi, Texas 78406
(361) 289-0171 ext. 1210
Fax: (361) 289-0251

- D. **Licensee agrees that, with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**
- Name the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement or comparable policy language, as respects operations, completed operations 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 will provide a waiver of subrogation in favor of the City; and

- Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage, Licensee shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Licensee'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 Licensee'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 Licensee to stop work hereunder and/or withhold any payment(s) which become due to Licensee hereunder until Licensee demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Licensee may be held responsible for payments of damages to persons or property resulting from Licensee's or its subcontractor's performance of the work covered under this Agreement.
- H. It is agreed that Licensee'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.

2016 ins req.
Aviation Dept/ – Temporary License Agreement
Atlantic Aviation
2/17/2016 ds Risk Mgmt.