

**AGREEMENT FOR AERONAUTICAL RADIO SERVICES
AT CORPUS CHRISTI INTERNATIONAL AIRPORT**

THIS AGREEMENT is between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and Aeronautical Radio, Inc., a Delaware corporation ("Lessee").

WITNESSETH

WHEREAS, the City owns and operates Corpus Christi International Airport ("Airport"); and

WHEREAS, the City has determined that aeronautical radio services are appropriate to the terminal building of said Airport; and

WHEREAS, Lessee has offered to operate aeronautical radio services at said Airport; and

WHEREAS, Lessee currently operates aeronautical radio services at said Airport.

NOW THEREFORE, in consideration of the rentals, undertakings and covenants recited herein, the parties covenant as follows:

- 1. Premises.** The City leases to Lessee space containing approximately twenty (20) square feet located in the lower level of the Terminal as shown on the attached Exhibit "A," hereinafter called "Premises".

City retains the right to require Lessee to physically adjust, relocate, remove or restore equipment to original condition, normal wear and tear excepted, within reason. The cost of the physical adjustment, relocation, removal or restoration shall be allowed as a deduction from payments to the City. The Director shall give the Lessee sixty (60) days advance notice of any such move if possible.

- 2. Term/Termination.** The term of this Lease shall be five (5) years with an effective commencement date of January 1, 2012 and expiring December 31, 2016, with the option to extend for one additional five year term upon the written approval of the City Manager or his designee, ("City Manager") and an authorized representative of Lessee at least ninety (90) days prior to the expiration of the current term. This Lease may be terminated by either party for any reason upon ninety (90) days prior written notice to the other.
- 3. Consideration.** Lessee agrees to pay the City on a monthly basis an annual rate per square foot of \$51.38 for fiscal year 2011-2012, \$52.15 for fiscal year 2012-2013 and \$52.94 for fiscal year 2013-2014, adjusted annually thereafter based on the current Terminal Rental Rate for future fiscal years, payable on or before the 10th day of each month. The annual square foot rental rate may be adjusted annually in conjunction with the city's fiscal year and in accordance with the Airlines Airport Use Lease Agreement, a copy of which is on file with the Airport. The Lessee must make all payments hereunder at the following address: 1000 International Drive, Corpus Christi, Texas 78406.
- 4. Use of Premises.** Lessee may install, maintain, operate, repair and remove aeronautical communication equipment providing air/ground data communications to the aircraft on the

ground and en route within 200 nautical miles of Corpus Christi. Except for equipment and facilities already in place on the effective date of this Lease, such installations and the subsequent use of such equipment shall be subject to the prior written approval of the Director of Aviation or his designee, applicable law, regulation, and City policy. The location of all such equipment and facilities shall be determined by City in its exclusive discretion. Lessee's equipment and communication systems shall not interfere with any City equipment or communication systems such as wireless systems, telecommunications systems, mobile information technology systems or any similar or related information technology systems. City shall have unrestricted access to all Lessee equipment and communication systems located on Leased Premises if any City equipment or systems interfaces with such Lessee equipment. Prior to any written approval, Lessee shall provide the Director of Aviation with all necessary supporting documentation related to such installations.

5. Facilities and Services provided by City.

The City Shall:

- a. Keep in good condition and repair the roof, the exterior faces of all exterior walls, the foundation and the major building systems (plumbing, electrical and mechanical) of the Terminal.
- b. Provide adequate heat, air conditioning and ventilation volume.
- c. Maintain and repair utility, heating and air conditioning systems supplied by the City.
- d. Extend to Lessee the same fire and police protection and other services extended to other tenants.
- e. Ensure that access to Lessee's Premises complies with all applicable provisions of the Americans with Disabilities Act of 1990, as it may be amended from time to time.

6. Services and Equipment Furnished by Lessee.

The Lessee shall:

- a. Provide, furnish, construct, install and maintain at its own expense all fixtures, furnishings, electric and telephone conduits and wires (or connection to same), equipment, additional lighting, and related items necessary to conduct Lessee's operations. All equipment, trade fixtures, etc. furnished and installed by Lessee remain the property of Lessee during this Lease and do not become real property or a part of the Terminal, regardless of whether or by what means they are or may be attached or affixed to the Terminal.
- b. Make such alterations or additions to, or improvements of, the Premises as Lessee deems necessary to install and maintain its aeronautical radio service equipment including installation and maintenance of electrical wiring and walls, with the written approval of the Director of Aviation, which approval shall not be unreasonably withheld.
- c. Install and maintain at Lessee's expense necessary equipment and décor within the Premises, for Lessee's use of the Premises.
- d. Provide an electrical utility meter for all electric service required above the standard lighting and HVAC provided by City to Terminal tenants.
- e. The Lessee must provide a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Terminal, of all trash, garbage and other refuse caused as a result of the operation of its business. Lessee must provide and use a suitable covered metal receptacle for all garbage, trash and other refuse on or in connection with the

Premises. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the Premises is forbidden.

- f. Lessee shall furnish services at the Premises seven (7) days a week.
 - g. Lessee must pay all lawful taxes and assessments including ad valorem taxes which, during the term hereof, may become a lien or may be levied by the state, county, city or any other tax levying body upon the Premises, or upon any taxable interest by Lessee acquired in this Lease Agreement. Upon making such payments, Lessee shall give to the City a copy of the receipts and vouchers showing such payment.
 - h. The Director may adopt and enforce reasonable rules and regulations with respect to the use of the Airport, Terminal and related facilities which the Lessee agrees to obey and observe.
 - i. Restore Premises to original condition upon termination of this Lease or Lessee's vacating the Premises for any reason, normal wear and tear excepted.
- 7. Applicable Laws.** Lessee shall comply with all laws, ordinances, regulations and rules of the City and the federal and state governments which may be applicable to its operations under this Lease.
- 8. Nondiscrimination.** Lessee, in exercising any of the rights or privileges granted herein, must not on the grounds of race or national origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 15 of the Federal Aviation Regulations. The City is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct to enforce this nondiscrimination covenant.
- 9. Trademarks/Signs.** Lessee may operate the Premises under any trademark, logo or service mark permitted by applicable laws or regulations.
- 10. Ingress/Egress.** Subject to reasonable rules of the Director of Aviation, Lessee, its employees, servants, patrons, invitees, suppliers of materials and furnishers of services have the right of ingress to and egress from the Premises.
- 11. Assignment/Subletting.** This Lease may not be assigned, transferred, pledged or otherwise encumbered without the prior written approval of the City. Lessee shall not sublet the use or operation of any part of the Premises, or utilize the Premises for any purpose other than set out in Section 4, without prior written approval of the City.
- 12. Insurance.** During the term of this Agreement, Lessee, at its own expense, shall maintain and provide Certificates of Insurance evidencing the following coverages: (i) Commercial General Liability insurance for bodily injury and property damage in a limit of not less than \$1,000,000 (One Million Dollars) per occurrence; (ii) Automobile liability providing coverage for owned, non-owned and hired vehicles in an amount not less than \$1,000,000 (One Million Dollars), (iii) "All Risk" property insurance covering Lessee's business personal property for the replacement value thereof; and (iv) a Workers Compensation policy with statutory limits and Employers Liability coverage with at least the following limits: \$500,000 per accident, and \$500,000 per disease (each employee). Lessor shall be named as additional insured on the Commercial General Liability and auto liability policies. If such coverage is canceled or reduced, the Lessee must, within thirty (30) days after the date of such written notice from the insurer of such

cancellation or reduction of coverage, file with the City's Risk Manager a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.

Lessee must provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of Lessee under this Agreement. Lessee agrees that all such claims, whether processed by Lessee or its insurer either directly or by means of an agent, will be handled by a person or representative of the Lessee.

- 13. Indemnity.** Lessee must indemnify and hold City, its officers, agents and employees ("Indemnitees") harmless of, from and against all claims, demands, actions, damages, losses, costs, liabilities, expenses, and judgments recovered from or asserted against Indemnitees on account of injury or damage to person or property to the extent any such damage or injury may be incident to, arise out of, or be caused, wholly or in part, by an act of omission, negligence, or misconduct on the part of Lessee or any of its agents, servants, employees, contractors, patrons, guests, licensees, or invitees entering upon the Premises pursuant to this Aeronautical Radio Services Agreement with the expressed or implied invitation or permission of Lessee, or when any such injury or damage is the result, proximate or remote, of the violation by Lessee, or any of its agents, servants, employees, contractors, patrons, guests, licensees, or invitees of any law, ordinance, or governmental order of any kind, or when any such injury or damage may in any other way arise from or out of the improvement located on the Premises herein, or out of the use or occupancy of any Improvement to the Premises or the Premises itself by Lessee, its agents, servants, employees, contractors, patrons, guests, licensees.

Lessee covenants and agrees that if City is made a party to any litigation against Lessee or in any litigation commenced by any party other than Lessee relating to the Agreement, Lessee shall defend City upon receipt of reasonable notice regarding commencement of such litigation.

14. Termination.

- 1. By City:** In addition to any other termination rights contained in this Lease, the City may, upon ninety (90) days written notice to the Lessee, except as otherwise provided herein, terminate this Lease any time after the occurrence of any one or more of the following events:
 - a.** Non-payment of fees due the City under this Lease if such non-payment continues for a 30 day period following notice in writing of such non-payment. In such event, termination is effective upon the expiration of 10 days after written notice is sent by Director to Lessee.
 - b.** If any petition is filed by or against Lessee to declare it bankrupt or to delay, reduce, or modify its debts or obligations, if Lessee's property is made available for the benefit of creditors, or if a receiver or trustee is appointed for it or its property, the City may treat the occurrence of any one or more of the foregoing events as a breach of the Lease and thereupon may terminate the Lease without notice, and immediately enter and repossess the Premises.
 - c.** Cessation of Lessee's operations hereunder.
 - d.** Non-performance of any covenant of this Lease, excluding the covenant of payments herein contained, which shall be treated as set out above, and failure of

Lessee to remedy such breach or diligently pursue remedy within thirty (30) days after Director sends Lessee written notice of the existence of said breach.

- e. Lessee becomes permanently deprived of the rights, powers and privileges necessary to the proper conduct of its operations at the Premises.
- f. If Terminal or Premises are damaged by fire or other casualty, City may terminate this Lease and rebate any prepaid rent on a pro rata basis.

2. By Lessee: In addition to any other termination rights contained in this Lease, this Lease is subject to termination by the Lessee in the event of any one or more of the following events:

- a. The permanent abandonment or closure of Corpus Christi International Airport as an air terminal.
- b. The lawful assumption by the United State Government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof in such a manner as to substantially restrict Lessee therefrom for a period in excess of ninety (90) days.
- c. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and the remaining in force of such injunction for a period in excess of ninety (90) days.
- d. The default by the City in the performance of any covenant or agreement herein required to be performed by the City, and the failure of the City to remedy such default for a period of ninety (90) days after written notice by Lessee to Director to remedy the same.
- e. Ninety (90) days after giving written notice of termination to the Director of Aviation.

3. Removal of Contents from Premises. Upon termination or this Lease for any reason, Lessee, at its sole cost and expense, shall remove from Premises all equipment, trade fixtures and all other items installed, and restore the Premises to their original condition, reasonable wear and tear excepted. The City acknowledges that such restoration will be done in a good and workmanlike manner but that such restoration and the accompanying repairs may not be completely invisible. If Lessee fails to do so within thirty (30) days of the termination or expiration, then the City may effect such removal or restoration at the sole cost and expense of Lessee, and Lessee agrees to pay the City's costs plus 15% within thirty (30) days after Director's invoice to Lessee therefor.

15. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Lease by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if hand delivered, sent by certified mail, return receipt requested, or by a reputable overnight delivery service to the appropriate party at the addresses set out below or to any other address that the parties subsequently designate in writing.

To City: City of Corpus Christi
1000 International Drive
Corpus Christi, TX 78406
Attention: Director of Aviation

To Lessee: Aeronautical Radio, Inc.
 2551 Riva Road, MS 5-1B35
 Annapolis, MD 21401-7435
 Attention: Real Estate Dept.
 Phone: 410-266-4066/2921
 Fax: 410-266-4010

- 16. Attorneys' Fees.** If there is any legal or arbitration action or proceeding between the City and the Lessee to enforce any provision of this Lease or to protect or establish any right or remedy of either the City or the Lessee hereunder, the unsuccessful party to such action or proceeding will pay the prevailing party all costs and expenses, including reasonable attorneys' fees (including allocated costs of Lessee's or City's in-house attorney) incurred by such prevailing party in such action or proceeding and in any appearance in connection therewith, and if such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees will be determined by the court or arbitration panel handling the proceeding and will be included in and as part of such judgment.
- 17. Sponsor Assurance.** This agreement is subject to the terms of any Sponsor's Agreements between the City and the Federal Aviation Administration.
- 18. Entire Agreement.** This lease constitutes the entire agreement between the City and Lessee. Each party signing this Lease by his signature stipulates that all actions necessary to authorize this Lease have been taken.

Signed on this _____ day of _____, 2012

ATTEST:

CITY OF CORPUS CHRISTI (LESSOR)

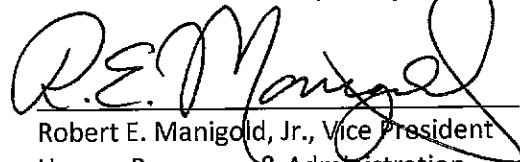
Armando Chapa, City Secretary

Ronald L. Olson, City Manager

Approved as to legal form this _____ day of _____, 2012

By:
Charlotte P. Yochem
Assistant City Attorney
For City Attorney

AERONAUTICAL RADIO, INC. (LESSEE)



Robert E. Manigold, Jr., Vice President
Human Resources & Administration

SECTION 3 – ALL APPLICANTS – ADDITIONAL DISCLOSURE

3a. Specify which, if any, interest disclosed in Section 1 or 2 are being held by agent or trustee and give the name and address of principal AND/OR by a trust and give the trust number, institution, name and address of trustee or estate administrator, and name, address, and percentage of interest in total entity.

N/A

3b. If any interest named in Section 1 or 2 is being held by a "holding" corporation or other "holding" entity not an individual, state the names and addresses of all parties holding more than a three percent (3%) interest in that "holding" corporation or entity as required in 1(a), 1(b), 2(a), and 2(b).

Carlyle Partners IV ARINC Holdings, Inc., L.P. – The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801.

3c. If "constructive control" of any interest named in Section 1 or 2 is held by another party, give name and address of party with constructive control. ("Constructive control" refers to control established through voting trusts, proxies, or special terms of venture or partnership agreements.)

N/A

3d. If any interest named in Section 1, 2, 3a, 3b, or 3c is being held by a member of the City Council, an employee, or a member of a Board or Commission appointed by the City Council of the City of Corpus Christi, state the name, address, and whether the individual is a member of the City Council, an employee, or a Board or Commission member.

N/A

I have not withheld disclosure of any interest known to me. Information provided is accurate and current.

Signed this the 1st day of June, 2012.

[Signature]
Signature of Person Preparing Statement

Katie Richards - Sr. Associate Counsel
Name and Title

BEFORE ME, the undersigned authority, this day personally appeared Katie Richards (name of affiant) and by oath stated that the facts hereinabove stated are true and correct to the best of (his/her) knowledge or belief.

SWORN TO AND SUBSCRIBED BEFORE me on this 1st day of June, 2012.

Aue S. Nadaway
Notary Public, State of Maryland

**My Commission Expires
December 14, 2012**