

AN ORDINANCE 78186

AUTHORIZING THE ASSIGNMENT OF 27,056 SQUARE FEET OF GROUND SPACE AND A BUILDING THEREUPON SITUATED WHICH FORM A PART OF THE COMTRAN INTERNATIONAL, INC. LEASE AT THE SAN ANTONIO INTERNATIONAL AIRPORT TO AERONEV, INC., THE AMENDMENT OF THE LEASE SO ASSIGNED AND THE DELETION OF THE ASSIGNED SPACE FROM THE COMTRAN INTERNATIONAL, INC. LEASE

* * * * *
WHEREAS, Lease No. 124099 with Jaffe Aerospace Corp. at the San Antonio International Airport was executed pursuant to Ordinance No. 62582 adopted on March 27, 1986 for a thirty year term ending on March 31, 2016; and

WHEREAS, Lease No. 124043 at the San Antonio International Airport with Exec-Aire, Inc., an affiliate of Lessee, was executed pursuant to Ordinance No. 48438 adopted on September 1, 1977; and

WHEREAS, pursuant to Ordinance No. 75704 adopted on April 30, 1992, the Exec-Aire, Inc. premises were incorporated into the Jaffe Aerospace Corp. lease; and

WHEREAS, effective on December 14, 1992, Comtran International, Inc. and Jaffe Aerospace Corp. merged, with Comtran International, Inc. being the surviving corporation; and

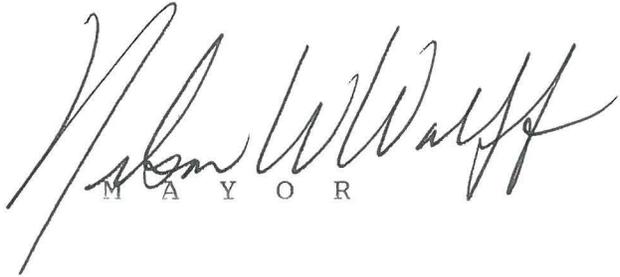
WHEREAS, Comtran International, Inc. has determined that it no longer requires the use of the former Exec-Aire, Inc. premises and has requested that it be permitted to assign its leasehold interest in such premises to Aeronev, Inc. and subsequent to the assignment to delete such premises from its leasehold at San Antonio International Airport; and

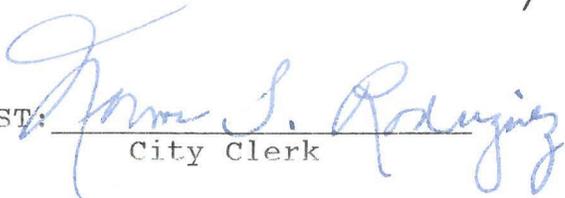
WHEREAS, Lessor has approved the assignment of Lessee's leasehold interest in of the former Exec-Aire, Inc. premises and it is now necessary to amend Lease No. 124099 to reflect the reduction in the premises leased by Comtran International, Inc. at the Airport; NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

The City Manager is hereby authorized and directed to execute the Partial Assignment and Amendment of Leases and all documents comprising a part thereof. Said Partial Assignment and Amendment of Leases is attached hereto as Attachment I and is incorporated by reference herein for all purposes.

PASSED AND APPROVED this 24th day of June, 1993.


M A Y O R

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
City Attorney

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ARTS & CULTURAL AFFAIRS
 AVIATION
 BUILDING INSPECTIONS
 BUILDING INSPECTIONS-HOUSE NUMBERING
 CITY ATTORNEY
 MUNICIPAL COURT
 REAL ESTATE (FASSNIDGE)
 REAL ESTATE (WOOD)
 REAL ESTATE (HUBBARD)
 TRIAL SECTION
 CITY MANAGER
 TRAVIS BISHOP, ASST. TO CITY MGR.
 CODE COMPLIANCE
 INTERGOVERNMENTAL RELATIONS
 INTERNATIONAL RELATIONS
 YOUTH INITIATIVES
 CITY PUBLIC SERVICE-GENERAL MANAGER
 CITY PUBLIC SERVICE-MAPS & RECORDS
 COMMERCIAL RECORDER (PUBLISH)
 COMMUNITY INITIATIVES
 CONVENTION & VISITORS BUREAU
 CONVENTION FACILITIES
 DOME DEVELOPMENT OFFICE
 ECONOMIC DEVELOPMENT
 FINANCE DIRECTOR
 ASSESSOR
 CONTROLLER
 GRANTS
 RISK MANAGEMENT
 TREASURY
 FIRE DEPARTMENT
 HOUSING & COMMUNITY DEVELOPMENT
 INFORMATION SERVICES
 INTERNAL REVIEW
 LIBRARY
 MANAGEMENT SERVICES (BUDGET)
 MANAGEMENT SERVICES (PERSONNEL)
 MARKET SQUARE
 METROPOLITAN HEALTH DISTRICT
 MUNICIPAL COURTS
 PARKS & RECREATION
 PLANNING
 DISABILITY ACCESS OFFICE
 LAND DEVELOPMENT SERVICES
 POLICE DEPARTMENT
 POLICE DEPARTMENT-GROUND TRANSPORTATION
 PUBLIC INFORMATION OFFICE
 PUBLIC UTILITIES
 PUBLIC WORKS
 CAPITAL PROJECTS
 CENTRAL MAPPING
 ENGINEERING
 PARKING DIVISION
 REAL ESTATE (BILL TOUDOUZE)
 SOLID WASTE
 TRAFFIC ENGINEERING
 PURCHASING & GENERAL SERVICES
 SAN ANTONIO WATER SYSTEM (SAWS)
 MUNICIPAL CODE CORPORATION (PUBLISH)

ITEM NO. 24
 MEETING OF THE CITY COUNCIL DATE: JUN 24 1993

MOTION BY: _____ SECONDED BY: _____

ORD. NO. 78186 ZONING CASE _____

RESOL. _____ PETITION _____

	ROLLCALL	AYE	NAY
ROGER PEREZ DISTRICT 1			
RUTH MC-CLENDON DISTRICT 2			
LYNDA BILLA BURKE DISTRICT 3			
HENRY AVILA DISTRICT 4			
JUAN F. SOLIS III DISTRICT 5			
HELEN AYALA DISTRICT 6			
BOB ROSS DISTRICT 7			
BILL THORNTON DISTRICT 8			
HOWARD PEAK DISTRICT 9			
LYLE LARSON DISTRICT 10			
NELSON WOLFF MAYOR			

93-27

(INTL AIRPORT)
FILE *(orig) "AERONEV, INC."*
(copy) "COMTRAN INTL, INC."

CONSENT AGENDA

PARTIAL ASSIGNMENT AND AMENDMENT OF LEASES

THIS AGREEMENT is made in multiple originals and entered into by and between the City of San Antonio, a Texas municipal corporation (hereinafter called "Lessor") acting by and through its City Manager pursuant to Ordinance No. 7818 passed and approved on JUN 24 1993, Comtran International, Inc., a private corporation chartered under the laws of the State of Texas, acting by its authorized officers pursuant to a resolution of its Board of Directors (hereinafter called "Assignor") and Aeronev, Inc., a private corporation chartered under the laws of the State of Texas acting by its authorized officers pursuant to a resolution of its Board of Directors (hereinafter called "Assignee"),

W I T N E S S E T H:

WHEREAS, Lease No. 124099 with Jaffe Aerospace Corp. at the San Antonio International Airport was executed pursuant to Ordinance No. 62582 adopted on March 27, 1986 for a thirty year term ending on March 31, 2016; and

WHEREAS, Lease No. 124043 at the San Antonio International Airport with Exec-Aire, Inc., an affiliate of Jaffe Aerospace Corp., was executed pursuant to Ordinance No. 48438 adopted on September 1, 1977; and

WHEREAS, pursuant to Ordinance No. 75704 adopted on April 30, 1992, the Exec-Aire, Inc. premises were incorporated into the Jaffe Aerospace Corp. lease; and

WHEREAS, effective on December 14, 1992, Comtran International, Inc. and Jaffe Aerospace Corp. merged, with Comtran International, Inc. being the surviving corporation; and

WHEREAS, Comtran International, Inc. has determined that it no longer requires the use of the former Exec-Aire, Inc. premises and has requested that it be permitted to assign its leasehold interest in such premises to Aeronev, Inc. and subsequent to the assignment to delete such premises from its leasehold at San Antonio International Airport; and

WHEREAS, Aeronev, Inc. has requested that the assignment of Assignor's leasehold interest in the former Exec-Aire, Inc. premises be approved and, following such assignment, is willing to enter into an amended lease regarding the premises so assigned; and

WHEREAS, Lessor is willing to approve such requests subject to certain terms and conditions;

NOW, THEREFORE, in consideration of the terms, covenants, agreements and demises herein contained, and in consideration of other good and valuable consideration, each to the other given, the sufficiency and receipt of which are hereby acknowledged, the parties hereto agree, covenant and warrant as follows:

1. Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in the leasehold interest ("Assignor's Leasehold Interest") in respect to the premises identified as Tract II in Lease No. 124099 authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, Tract II being more particularly described on Exhibit "A" attached hereto.
2. Assignee hereby accepts such assignment and hereby agrees to be bound by and to comply with each and every term and provision of Lease No. 124099, only in regard to the premises described therein as Tract II, and only as Lease No. 124099 is amended by the San Antonio International Airport Amended Lease attached hereto as Exhibit "B" and incorporated herein by reference. Assignee covenants and agrees to indemnify and hold Assignor harmless from and against any and all claims, demands, obligations, liabilities, costs, losses and expenses (including reasonable attorney's fees) resulting from or arising out of Assignee's failure to perform any of the obligations, covenants and conditions of the lessee under Lease No. 124099 authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, only in regard to the premises described therein as Tract II, and only as Lease No. 124099 is amended by San Antonio International Airport Amended Lease attached hereto as Exhibit "B" and incorporated herein by reference.
3. Assignor covenants and agrees to indemnify and hold Assignee harmless from and against any and all claims, demands, obligations, liabilities, costs, losses and expenses (including reasonable attorney's fees) resulting from or arising out of Assignor's failure to perform any of the obligations, covenants and conditions of the lessee under Lease No. 124099 authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, only in regard to the premises described therein as Tract II, prior to the date of this Assignment; provided, however, nothing contained herein shall negate or otherwise alter or affect the indemnifications by Assignee of Assignor set forth in Section 4.01 and Section 4.02 of that certain Agreement of Sale and Purchase (the "Purchase Agreement") between Assignor, as Seller, and Assignee, as Purchaser, dated effective February 26, 1993, as amended. It is specifically acknowledged and agreed by Assignee that such indemnifications by Assignee of Assignor set forth in Section 4.01 and Section 4.02 of

the Purchase Agreement shall survive the execution and delivery of this Agreement and the closing of the transaction described in the Purchase Agreement.

4. Assignor hereby represents and warrants to Assignee, its successors and assigns, that (i) subject to obtaining the consent of Lessor, Assignor has the full and complete right to assign Assignor's Leasehold Interest to Assignee, and Assignor is the sole owner and holder of Assignor's Leasehold Interest, (ii) Assignor's Leasehold Interest is not encumbered or subject to any other claim, lien or other interest other than those items set forth on Exhibit "D" attached hereto, and (iii) Lease No. 124099 authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, is in full force and effect.
5. Lessor hereby consents to such assignment by Assignor to Assignee, provided, however, that such consent shall be conditioned upon compliance with the terms hereof.
6. The lease as to the premises identified as Tract II in Lease No. 124099 authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, and as above assigned to Aeronev, Inc. is hereby amended and henceforth shall read in its entirety as the San Antonio International Airport Amended Lease, attached hereto as Exhibit "B" and incorporated herein by reference.
7. The lease as to the premises identified as Tract I in Lease No. 124099 by and between the City of San Antonio and Comtran International, Inc. authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, is hereby further amended in accordance with the Amendment of Lease, attached hereto as Exhibit "C" and incorporated herein by reference.

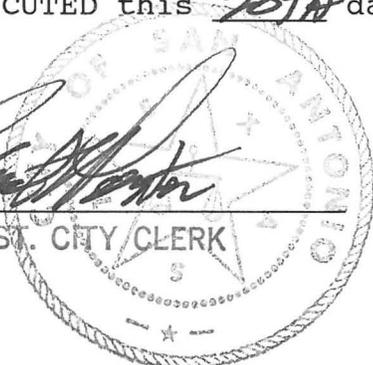
This Partial Assignment and Amendment of Leases is executed in multiple originals and shall be effective as of the first day of the calendar month following the passage of the ordinance authorizing the execution of this Partial Assignment and Amendment of Leases by the City Council of the City of San Antonio.

EXECUTED this 7th day of JUNE, 1993.

ATTEST:



ASSA. CITY CLERK



CITY OF SAN ANTONIO

By: 

Assistant City Manager

ATTEST:

Patricia [Signature]

COMTRAN INTERNATIONAL, INC.

By: *[Signature]*
Name: M.D. Jaffe, Jr.
Title: President

ATTEST:

Dorothy J. Petersen

AERONEV, INC.

By: *[Signature]*
Name: Brian Weiner
Title: President

EXHIBIT "A"

**METES AND BOUNDS DESCRIPTION
0.6212 ACRE LEASE AREA
SAN ANTONIO INTERNATIONAL AIRPORT
CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS**

A tract of land containing 0.6212 acres (27,060 square feet) of land, located on the grounds of the San Antonio International Airport, and being a portion of Lot 33, Block 1, New City Block 8645, as shown on the Subdivision Plat of San Antonio International Airport - Unit 5, recorded in Volume 9524, Pages 73 - 75 of the Deed and Plat Records of Bexar County, Texas, and being more particularly described as follows:

BEGINNING at an iron pin set at the intersection of the easterly line of a Road and Utility area known as John Saunders Road, and the northerly line of a Road and Utility Area known as Paul Wilkens Road:

THENCE: with the northerly line of Paul Wilkens Road, S 86°20'33" W, a distance of 112.51 feet to an iron pin set;

THENCE: departing from Paul Wilkens Road and running through Lot 33 the following three (3) courses and distances:

- : N 03°40'57" W, a distance of 240.50 feet to a P/K nail set;
- : N 86°20'33" E, a distance of 112.51 feet to a P/K nail set, and;
- : S 03°40'57" E, a distance of 240.50 feet

to the POINT OF BEGINNING, containing 0.6212 acres (27,060 square feet) of land, more or less.



Joseph L. Kroesche, Sr.

Joseph L. Kroesche, Sr.
Registered Professional Land Surveyor #2493

SAN ANTONIO INTERNATIONAL AIRPORT AMENDED LEASE

STATE OF TEXAS

COUNTY OF BEXAR

THIS AGREEMENT (hereinafter called the "Lease Agreement") is entered into by and between the City of San Antonio, a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. 78186 adopted on JUN 24 1993, (hereinafter called "Lessor"), and Aeronev, Inc., a private corporation chartered under the laws of Texas acting by and through its designated officers pursuant to its by-laws or a resolution of its Board of Directors (hereinafter called "Lessee"), WITNESSETH:

1. DESCRIPTION OF PREMISES DEMISED

Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby demise and lease unto Lessee and Lessee does hereby accept from Lessor the following premises (hereinafter called the "Leased Premises") located at the San Antonio International Airport (hereinafter called "Airport"), San Antonio, Bexar County, Texas, as shown on Exhibit 2 which is attached hereto and made a part hereof:

27,056 square feet of ground space
and Building No. 1140 situated thereupon

2. RENTAL

Lessee agrees to pay Lessor in lawful money of the United States of America as rental, monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the Leased Premises, at the times and in the manner hereinafter provided:

EXHIBIT B

BUILDING:

<u>Payment Period</u>	<u>Sq. Ft. Area</u>	<u>Annual Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Commencement date through end of term subject to below adjustment	17,397	\$1.64	\$28,531.08	\$2,377.59

GROUND:

<u>Payment Period</u>	<u>Sq. Ft. Area</u>	<u>Annual Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Commencement date through April 30, 1997	27,056	\$0.266	\$ 7,196.90	\$599.74
Beginning on May 1, 1997 subject to below adjustment	27,056	\$0.400	\$10,822.40	\$901.87

Both ground and building rental as above set forth shall be subject to the adjustments in rental rates set forth in Standard Provision 1.1 of this Lease Agreement, provided, however, that no adjustment for ground rental shall occur prior to August 1, 1999.

In the event that the term of this Lease Agreement shall commence on a day other than the first day of any calendar month or expire on a day other the last day of a calendar month, then, and in such event, rental installments will be prorated for the first or last month as the case may be.

All rentals and payments that become due and payable by the Lessee shall be made to the City of San Antonio, Office of the Director of Aviation, San Antonio International Airport, 9800 Airport Blvd., San Antonio, Bexar County, Texas or to such other address as may be designated in writing by Lessor. All rentals and payments unpaid for ten (10) days after the date due shall bear interest at the rate of ten (10) percent per annum commencing on the date after each such payment was due.

3. TERM

This primary term of this Lease Agreement shall commence on the first day of the month following the passage of the ordinance authorizing the execution of this Lease Agreement (hereinafter called the "Commencement Date") and shall be for a period of ten (10) years subject, however, to the provisions for extension or earlier termination as herein contained. The parties hereto specifically recognize that Special Provision 9 of this Lease Agreement contains a provision for automatic termination of this Lease Agreement on the first annual anniversary date of the Commencement Date should certain Repairs to the Leased Premises and to the building situated thereupon not be performed by Lessee, certain inspections and approvals be obtained and evidence thereof be submitted to the Director on or before such annual anniversary date.

As long as Lessee is not in default hereunder and contingent upon: (i) the continued operation and maintenance of the Airport by Lessor (ii) the determination by Lessor acting by and through the Director of Aviation (hereinafter called the "Director") that the Leased Premises are not required for airport expansion or for another public purpose and (iii) the provision by Lessee of 180 days written notice in advance to the Director, Lessee may extend the term of this lease for an additional five (5) year period upon the same terms and conditions with the exception that the provisions set forth in Standard Provision 8 of Exhibit No. 1 of this Lease Agreement shall control as to Improvements made by Lessee upon the Leased Premises during the primary term hereof and that rental rates for any Improvements to which Lessor has elected to take title shall be determined in accordance with the Appraisal Method described in Standard Provision 1.2 of Exhibit No. 1 hereto.

4. USE(S) OF PREMISES

Solely for the storage and maintenance of aircraft, for the fueling of aircraft belonging to Lessee or to third parties and for such other aviation-related purposes as may be approved in writing by the Director.

Lessor has been advised that Lessee may at various times during the term of this Lease Agreement permit third parties to occupy on a non-exclusive basis certain hangar and office space upon the Leased Premises. Such non-exclusive use shall be only for the uses set above and shall be considered a permitted use for so long as and only in the event that all activities and property of any such permittees shall be

covered under Lessee's policies of insurance required in Section 6 of this Lease Agreement or under other forms of insurance acceptable to Lessor. Evidence of such insurance shall be delivered to Lessor prior to the granting by Lessee of such non-exclusive use. Further, Lessee agrees that the indemnification provisions set forth in Section 5 of this Lease Agreement shall apply to any such non-exclusive use.

5. INDEMNIFICATION

Lessee covenants and agrees to indemnify and save completely harmless the City of San Antonio, its members, agents officers and collectively from and against any and all fines, liabilities, claims, suits, demands, actions or causes of action of any kind and nature including, but not limited to personal injury or death and property damage, in any way arising out of or resulting from any activity or operation of Lessee, its officers, agents, employees, contractors, subcontractors licensees or invitees in, on or about the Leased Premises, or from any activity or operation of Lessee upon Airport premises, or in connection with its use of the Leased Premises or Airport premises. Lessee further agrees to pay all expenses in defending against any claims arising hereunder and made against Lessor, provided, however, that Lessee shall not be liable for any injury, damage or loss occasioned by the sole negligence or willful misconduct of Lessor, its agents or employees. Lessee and Lessor shall give prompt and timely notice of any claim made, or suit instituted which, in any way, directly or indirectly, contingently or otherwise, affects or might affect either party. Lessee shall use counsel reasonably acceptable to Lessor in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Lease Agreement.

6. INSURANCE

Lessee shall maintain, with respect to the Leased Premises for the duration of the Lease Agreement and any extensions thereof, insurance with companies qualified to do business in the State of Texas, in the following types and amounts:

<u>Type</u>	<u>Amount</u>
(1) Worker's Compensation and Employer's Liability	Statutory \$100,000 - each occurrence

- (2) Commercial General (Public) Liability - to include coverage for the following where the exposure exists: Combined Single Limit for Bodily Injury and Property Damage: \$5,000,000 per occurrence
- (A) Premises/Operations
 - (B) Independent Contractors
 - (C) Products/Completed Operations
 - (D) Personal Injury
 - (E) Contractual Liability
- OR
Its Equivalent
- (3) Business Automobile Liability - to include coverage for: Combined Single Limit for Bodily Injury and Property Damage: \$5,000,000 (or its equivalent)
- (A) Owned/Leased Automobiles
 - (B) Non-owned Automobiles)
 - (C) Hired Cars
- (4) Property Insurance - for physical damage to Lessee, including improvements/betterments to Leased Premises Replacement Cost Coverage

The proceeds for any such insurance, paid on account of fire, explosion or other damage shall be used to defray the cost of repairing, restoring or reconstructing said improvements, as necessary.

Lessee agrees that with respect to the above required insurances that Lessor shall:

- (A) Be named as additional insured/or an insured, as its interest may appear.
- (B) Be provided with a Waiver of Subrogation.
- (C) Be provided with thirty (30) days advance notice, in writing, of cancellation or material change.
- (D) Be provided with Certificates of Insurance evidencing the above required insurances, prior to the commencement of this lease and thereafter with certificates evidencing renewals or replacements of said policies of insurance (30) days prior to the expiration or cancellation of any such policies.

Said notices and Certificates of Insurance shall be provided to: CITY CLERK - CITY OF SAN ANTONIO and to the Director of Aviation.

It is expressly understood and agreed that all operations of Lessee under this Lease Agreement between Lessor and Lessee shall be covered by such policies of insurance and that all personal property placed in the Leased Premises shall be at the sole risk of Lessee. The procuring of policies of insurance shall not be construed to be a limitation upon Lessee's liability or as a full performance on its part of the indemnification provisions of this Lease Agreement. Lessee's obligations are, notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its activities conducted at or upon the Airport.

It is further expressly understood and agreed that Lessor reserves the right to review the insurance coverages set forth in this Section 6 and to periodically, but at no more than five year intervals, adjust the types and levels of required insurance coverages. Lessor shall provide Lessee at least ninety days written notice before the effective date of any such adjustments.

7. PERFORMANCE GUARANTEE

Lessee shall deliver to the Director on or before the Commencement Date of this Lease Agreement and shall keep in force throughout the term hereof either an irrevocable letter of credit in favor of Lessor drawn upon a bank satisfactory to Lessor or a surety bond payable to Lessor. The foregoing shall be in form and content satisfactory to Lessor, shall be conditioned on satisfactory performance of all terms, conditions and covenants contained herein during the term hereof and shall stand as security for payment by Lessee of all valid claims by Lessor hereunder. If a bond shall be delivered, it shall be issued by a sound indemnity company authorized to do business in Texas. The amount of the irrevocable letter of credit or surety bond to be delivered by Lessee to the Director on or before the date of the execution of this Lease Agreement shall be \$20,000.00. Should the term of this Lease Agreement be extended as hereinafter provided, then, and in such event, the amount of the irrevocable letter of credit or surety bond shall be increased as needed so that the performance guarantee in place shall always equal at least one-half (1/2) of annual ground and building rentals payable during such extended term, if any. The provisions of this Section 7 are subject to any modifications that may occur in accordance with Standard Provision 15.2 of this Lease Agreement.

8. STANDARD PROVISIONS

The Standard Provisions set forth in Exhibit 1, attached hereto, are incorporated herein and made a part hereof.

9. SPECIAL PROVISIONS

A. In consideration of the granting of this Lease Agreement by Lessor, Lessee agrees that it will perform at its sole cost certain repairs, alterations, modifications (hereinafter collectively called the "Repairs") to the Leased Premises and to the building in place upon the Leased Premises as of the Commencement Date. The extent and nature of the Repairs are set forth in plans and specifications dated June 8, 1993 and prepared on behalf of Lessee by Callins Associates, Inc. Said plans and specifications are on file in the Office of Planning and Engineering at the Airport and are hereby incorporated by reference herein. All Repairs shall be performed in accordance with the provisions of Standard Provisions 5.2 through 5.7 of Exhibit No. 1 of this Lease Agreement. The parties anticipate that the Repairs shall reasonably be completed by Lessee within 180 days following the Commencement Date of this Lease Agreement. Notwithstanding the foregoing, Lessee agrees to complete the Repairs and to obtain all inspections and approvals of such Repairs required by City ordinance or state or federal statute and to submit written evidence of such completion, inspections and approvals, as well as a Certificate of Occupancy, to the Director on or before the first annual anniversary date of the commencement of this Lease Agreement. Failure by Lessee to comply with the provisions set forth in the immediately preceding sentence shall cause this Lease Agreement to automatically terminate as of the first annual anniversary date of the commencement of this Lease Agreement. The parties hereto further recognize that as of the Commencement Date, Lessee does not plan to utilize the third floor of the building upon the Leased Premises. Lessee agrees that it will not utilize such third floor without insuring compliance by Lessee with all applicable building codes and with all applicable regulations promulgated by any federal, state or municipal agency or department having jurisdiction in relation to such third floor. Any construction undertaken by Lessee in connection with said third floor shall be in conformance with with the provisions of Standard Provisions 5.2 through 5.7 of Exhibit No. 1 of this Lease Agreement.

B. Lessor has been advised that, as of the Commencement Date, certain investigations and/or remediation activities are currently being undertaken by Lessee and its assignor as

a result of the presence of fuel in, on, upon or under the Leased Premises. Lessee represents that it has entered into an agreement with its assignor as to the apportionment of liability, if any, regarding the environmental condition of the Leased Premises and that Lessor, by granting this Lease Agreement, shall not have any liability whatsoever as to any environmental conditions related to the Leased Premises which existed prior to the Commencement Date or subsequent thereto.

C. The second sentence of Standard Provision 18 is hereby revised to read as follows: "Should Lessee hold over against the will of Lessor, Lessee agrees to pay to Lessor as monthly rent during such period of holding over for such premises (including all buildings located thereon, whether title to such buildings is in the name of Lessor or Lessee) for each month of such tenancy one-hundred-fifty percent (150%) of the Ground and Building Rental paid for the last month of the Lease Agreement term, plus applicable Fuel Flowage Fees."

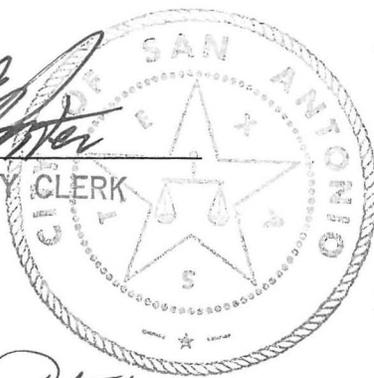
D. Notwithstanding anything to the contrary that may be contained in Standard Provision 19.1 hereof, the parties specifically agree that the consent of Lessor shall not be required in the event that Lessee shall assign the Lease Agreement to any parent, subsidiary or affiliate of Lessee.

EXECUTED this 28TH day of JUNE, 1993.

ATTEST:



ASST. CITY CLERK



CITY OF SAN ANTONIO, Lessor

By:



Assistant City Manager

ATTEST:



AERONEV, INC., Lessee

By:



Signature

Brian Weiner

Printed name

President

Title

P.O. Box 7608

San Antonio, Texas 78207
Mailing Address

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK

93 JUL 21 AM 9:09

MEMORANDUM

The City of San Antonio, a Texas municipal corporation ("Lessor") acting by and through its City Manager pursuant to Ordinance No. 78186 passed and approved on June 24, 1993, Comtran International, Inc., a Texas corporation ("Assignor") and Aeronev, Inc., a Texas corporation ("Assignee") have entered into that certain Partial Assignment and Amendment of Leases ("Partial Assignment") dated effective July 1, 1993. Pursuant to the Partial Assignment, Assignor assigned to Assignee all of its right, title and interest in the leasehold interest in respect to the real property identified as Tract II in Lease No. 124099, authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, located at the San Antonio International Airport, more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Demised Premises"), upon the terms and conditions set forth in the Partial Assignment. Lessor consented to such assignment by Assignor to Assignee, subject to the terms of the Partial Assignment.

Lessor, acting by and through its City Manager pursuant to Ordinance No. 78186 adopted on June 24, 1993, and Assignee have also entered into that certain San Antonio International Airport Amended Lease (the "Amended Lease") dated effective July 1, 1993 wherein Lessor demised and leased to Assignee the Demised Premises and all improvements thereon, upon the terms and conditions set forth in the Amended Lease. Lessor and Assignee acknowledge and agree that the primary term of the Amended Lease shall commence on July 1, 1993 and shall be for a period of 10 years subject, however, to the provisions for extension or earlier termination as set forth in the Amended Lease.

EXECUTED on the dates of the acknowledgements set forth below, to be effective on July 1, 1993.

ATTEST:

Dawn Gudowski

CITY OF SAN ANTONIO

By: Rick Naylor
Name: RICK NAYLOR
Title: ASST. DIR. OF AVIATION - FIN. & ADM.

ATTEST:

Patricia Jaffe

COMTRAN INTERNATIONAL, INC.

By: M.D. Jaffe, Jr.
Name: M.D. Jaffe, Jr.
Title: President

ATTEST:

Michel Pinteric

AERONEV, INC.

By: Brian Weiner
Name: Brian Weiner
Title: President

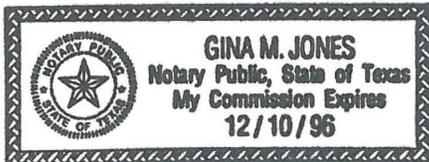
STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on the 30th day of June, 1993 by Rick Naylor, Assistant Director of the City of San Antonio. Dept of Aviation

Sylvia M. Schaefer
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF BEXAR §

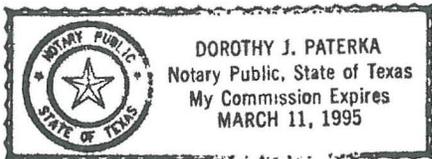
This instrument was acknowledged before me on the 30th day of June, 1993 by M.D. Jaffe, Jr., President of Comtran International, Inc.



Gina M. Jones
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on the 30th day of June, 1993 by Brian Weiner, President of Aeronev, Inc.



Dorothy J. Paterka
NOTARY PUBLIC, STATE OF TEXAS

**METES AND BOUNDS DESCRIPTION
0.6212 ACRE LEASE AREA
SAN ANTONIO INTERNATIONAL AIRPORT
CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS**

A tract of land containing 0.6212 acres (27,060 square feet) of land, located on the grounds of the San Antonio International Airport, and being a portion of Lot 33, Block 1, New City Block 8645, as shown on the Subdivision Plat of San Antonio International Airport - Unit 5, recorded in Volume 9524, Pages 73 - 75 of the Deed and Plat Records of Bexar County, Texas, and being more particularly described as follows:

BEGINNING at an iron pin set at the intersection of the easterly line of a Road and Utility area known as John Saunders Road, and the northerly line of a Road and Utility Area known as Paul Wilkens Road:

THENCE: with the northerly line of Paul Wilkens Road, S 86°20'33" W, a distance of 112.51 feet to an iron pin set;

THENCE: departing from Paul Wilkens Road and running through Lot 33 the following three (3) courses and distances:

- : N 03°40'57" W, a distance of 240.50 feet to a P/K nail set;
- : N 86°20'33" E, a distance of 112.51 feet to a P/K nail set, and;
- : S 03°40'57" E, a distance of 240.50 feet

to the POINT OF BEGINNING, containing 0.6212 acres (27,060 square feet) of land, more or less.



Joseph L. Kroesche, Sr.
Registered Professional Land Surveyor #2493

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK
93 JUL 21 AM 9:09

AGREEMENT

THIS AGREEMENT is made as of July 1, 1993 by and between the CITY OF SAN ANTONIO, a Texas municipal corporation (the "City"), THE LAREDO NATIONAL BANK (the "Lender") and AERONEV, INC., a Texas corporation ("Tenant") hereunder:

FACTUAL BACKGROUND

A. The Tenant presently leases from the City certain real property (the "Leased Premises") situated at the San Antonio International Airport, the Leased Premises being more particularly described on Exhibit "A" attached hereto and incorporated herein, under and pursuant to that certain San Antonio International Airport Amended Lease (the "Lease") executed pursuant to Ordinance No. 78186 adopted on June 24, 1993 by and between the City and Tenant; and

B. Lender has agreed to make Tenant a loan for the purpose of financing the acquisition of the leasehold estate, the construction of leasehold improvements on the Leased Premises and to provide Tenant with working capital to maintain and operate the approved airport business on the Leased Premises; and

C. Provisions contained in the Lease prohibit the Tenant from assigning or otherwise transferring the Lease, or any portion of the Leased Premises, without the prior written consent of the City; and

D. The parties hereto desire to obtain the City's consent and approval of the mortgaging of Tenant's leasehold interest in the Leased Premises, to grant Lender the right to receive notices of any defaults of the Tenant under the Lease and the opportunity to cure any such defaults, and to grant the Lender certain other rights with respect to the Lease, subject to certain limitations, all in accordance with the provisions hereof.

NOW, THEREFORE, in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in further consideration of the terms, covenants and agreements contained herein, the parties hereto agree as follows:

AGREEMENT

A. Consent. Pursuant to the pertinent provisions of the Lease, the City hereby consents to the assignment and mortgaging by Tenant, for the benefit of Lender, of all of the Tenant's right, title and interest in, to and under the Lease and the leasehold estate created thereby, in and to the Leased Premises, for the purpose of securing the Loan.

B. Covenants of the City and the Tenant. Notwithstanding the terms and provisions of the Lease, the City and the Tenant covenant and agree that, during the term of said Lease, for so long as the Loan is unpaid and the Deed of Trust shall remain in effect:

1. Lender's Right to Notices. The City, upon serving upon Tenant any notice of default pursuant to the provisions of the Lease, or any other notice under the provisions of or with respect to the Lease, shall also serve a copy of such notice upon the Lender, at the address hereinafter set forth, and no such notice by the City to Tenant shall be deemed to have been duly given unless a copy thereof has been so served.

2. Lender's Right to Cure All Defaults. The Lender, in the event Tenant shall be in default under the Lease shall, within the periods and otherwise as provided in the Lease, have the right to remedy such default, or cause the same to be remedied, and the City shall accept such performance by or at the instance of the Lender as if the same had been made by Tenant.

3. Lender's Right to a "Pick-up" Lease. In the event of the termination of the Lease, prior to the expiration of its term, except by eminent domain resulting in a complete taking of the Leased Premises, the City shall serve upon the Tenant written notice that the Lease has been terminated, together with a statement of any and all sums which would at that time be due under the Lease, but for such termination, and of all other defaults, if any, under the Lease then known to the City. The Lender shall thereupon have the option to obtain a new lease in accordance with the following:

(a) Upon the written request of the Lender, within thirty (30) days after service of such notice that the Lease has been terminated, the City and the Lender, or Lender's assignee, shall enter into a new lease of the Leased Premises in accordance with the provisions of subparagraph (b) below.

(b) Such new lease shall be effective as of the date of termination of the Lease and shall be for the remainder of the term of the Lease and at the rent and upon all the agreements, terms, covenants and conditions thereof, including any applicable rights of renewal. Such new lease shall require the new tenant to perform any unfulfilled obligation of Tenant under the Lease which is reasonably susceptible of being performed by such tenant. Upon the execution of such new lease, the tenant named therein shall pay any and all sums which would at the time of the execution thereof be due under the Lease but for such termination, and shall pay all expenses, including reasonable counsel fees, court costs and disbursements incurred by the City in connection with such defaults and termination, the recovery of possession of said premises, and the preparation, execution and delivery of such new lease.

4. No Modification, Etc. No agreement between the City and the Tenant modifying, cancelling or surrendering the Lease shall be effective without the prior written notice to Lender.

C. Lender's Right to Assign and the City's Right to Approve. If the Lender shall acquire title to Tenant's interest in the Lease, by foreclosure of the Deed of Trust or by assignment in lieu of foreclosure, or under a new lease pursuant to the provisions hereof, Lender may assign the Lease, or such new lease, as the case may be, and shall thereupon be released from all liability for the performance or observance of the covenants in such Lease or lease contained on any such tenant's part to be performed and observed from and after the date of such assignment; provided that the assignee or assignees from the Lender shall have assumed such Lease or lease in accordance with the terms therein set forth. The City, in the event of such assignment, shall have the right to approve such assignee and the proposed business to be conducted by it upon the Leased Premises; provided, however, the City's consent shall not be unreasonably withheld.

D. Lease in Existence. The City and the Tenant each certify to the Lender that there are no defaults on the part of the City or the Tenant under the Lease, that the Lease is a complete statement of the agreement of the parties thereto with respect to the subject thereof, that the Lease is in full force and effect and that all required rentals have been paid to date.

E. Ratification of Lease. The City and the Tenant hereby agree that except as specifically modified herein, all the terms and provisions of the Lease are hereby ratified and reaffirmed by the Tenant, and the Tenant and the City specifically acknowledge the validity and enforceability thereof.

F. Successors. The provisions hereof shall be binding upon, and inure to the benefit of the Lender, the City, the Tenant and their respective successors, heirs and assigns.

G. Agreement Controls. Notwithstanding anything in the loan documents to the contrary, this Agreement and its terms and conditions control the method and manner by which the leased Premises may be foreclosed upon by Lender and, as a part of the foreclosure process, conveyed, transferred or assigned to a third party, and this Agreement supersedes and modifies any term in the loan documents which creates a conflict herewith.

H. Notices. Any notice or other communication which the parties hereto shall desire or is required to be given to another party hereto shall be in writing and shall be served by certified mail, return receipt requested, postage fully prepaid, addressed to such party at the party's address as set forth below, or at such other address as shall be designated by a party hereto by notice in writing given to all other parties as herein provided. Any notice or other communication which is given under or in connection with this Agreement shall be deemed to have been given or served if sent by certified mail, return receipt requested, properly addressed, three (3) days following the deposit thereof in a post office or official depository under the care and custody of the United States Postal Service.

I. General. The parties hereto agree that this Agreement shall be governed and construed according to the laws of the State of Texas from time to time in effect. The paragraph headings in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any of the provisions hereof. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the other provisions hereof.

EXECUTED on the dates of the acknowledgements set forth below, to be effective for all purposes on July 1, 1993.

ATTEST:

CITY OF SAN ANTONIO

By: _____

Its: Director of Aviation

ATTEST:

AERONEV, INC.

Shirley G. Schultz

By: [Signature]
Name: Brian Weiner
Its: President

ATTEST:

THE LAREDO NATIONAL BANK

Karla Luby

By: [Signature]
Name: Sharon Houston
Its: Executive Vice President

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on the 19 day
of July, 1993 by MICHAEL J KOTCHINS, the
AVIATION DIRECTOR of the City of San Antonio.

M. R. Case
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on the 10th day
of July, 1993 by Brian Weiner, President
of Aeronev, Inc.



Michel Pintaric
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This instrument was acknowledged before me on the 8 day
of July, 1993 by Reagan Houston, Exec. Vice President
of The Laredo National Bank.

Rebecca L. Almulla
NOTARY PUBLIC, STATE OF TEXAS

EXHIBIT NO. 1

STANDARD PROVISIONS

SAN ANTONIO INTERNATIONAL AIRPORT LEASES

August 1992

PROVISION 1

ADJUSTMENTS IN RENTAL RATES

1.1 Economic Adjustment

A. On August 1, 1999 and every five years thereafter during the term of this Lease Agreement and any renewal or extension thereof, the basic rental shall be adjusted for the ensuing five-year period according to any increase or decrease in:

(a) The average of the monthly indices published by the Bureau of Labor Statistics, U. S. Department of Labor for AGGREGATE WEEKLY PAYROLLS OF PRODUCTION-MANUFACTURING and for PRODUCER PRICES - ALL COMMODITIES for the twelve-month period ending with December 31, of the preceding calendar year.

as compared to:

(b) the average of the above-named indices for the twelve-month period ending with December 31, 1993.

The computation for said adjustment shall be as follows:

$$\frac{(a)}{(b)} \text{ Base Rental Rate(s)} = \text{Adjusted Rental Rate(s)}$$

That is, the BASE RENTAL RATE shall be multiplied by a fraction, the denominator of which shall be the common average of the two averages of the twelve monthly indices of AGGREGATE WEEKLY PAYROLLS OF PRODUCTION-MANUFACTURING and of PRODUCER PRICES - ALL COMMODITIES for the twelve-month period ending December 31, 1993, and the numerator of which shall be the similar common average for the twelve months ending December 31 of the calendar year immediately preceding the adjustment date. All index figures must be final.

B. The BASE RENTAL RATE(S) shall be understood to be the rental rate(s) set forth in this Lease Agreement;

the ADJUSTED RENTAL RATE(S) shall be understood to mean such BASE RENTAL RATE(S) plus or minus any increase or decrease computed according to the formula set out in Paragraph 1.1 above.

- C. This provision shall be effective in this manner as long as both indices above mentioned are published by the said government authorities in the same form and based on the same data as at the date of the granting of this Lease Agreement. In the event the Bureau of Labor Statistics amends its method of calculating the indices or changes the base year on which such indices are calculated, such amendments and changes shall govern calculation of adjustments.

1.2 Appraisal Adjustment

In the event that the Lease Agreement provides that ground or building rental shall be adjusted according to appraisal value, then, and in such event, the appraised value shall be calculated by the appraisal method (the "Appraisal Method") as hereinafter set forth. Annual ground rental rate shall be ten percent (10%) of the appraised value of the ground. Annual building rental shall be ten percent (10%) of the appraised value of the building, such value to be calculated using a cost approach (replacement cost minus depreciation, such depreciation to be based on the estimated useful life of the building in question and the components thereof, determined in a recognized and acceptable manner, and to include physical and economic depreciation and functional obsolescence, if any) and excluding personal property (including, but not necessarily limited to, furniture, furnishings, and equipment), pavements, fencing, curbs, gutters, and landscaping. All appraisals set forth above shall be undertaken by an MAI or equivalent appraiser experienced in airport appraisal selected by the Director of Aviation and shall be performed within the six-month period preceding the date upon which a change in rental rates based upon the Appraisal Method is due to be implemented. In the event that the Lessee certifies in writing to the Director that it does not agree with an appraisal, the Lessee and Lessor shall each appoint a recognized, qualified, and impartial MAI real estate appraiser. Such appointment shall be signed in writing by each party to the other, and the appraisers so designated shall, in turn, appoint a third appraiser qualified as aforesaid. If either Lessee or the Lessor shall fail to appoint an appraiser as aforesaid for a period of 20 days after written notice from the other party to make such appointment, then the appraiser who has been appointed hereunder shall appoint a second appraiser and the two appointed shall appoint a third appraiser. No two appraisers may be employed by or office within the same company, firm, or organization. Each appraiser appointed shall make an appraisal as set forth in this paragraph and the two appraised values which differ the least shall be averaged, and such average shall be the appraised value to be used for the purpose of computing any appraisal adjustment to be made hereunder. The cost of the aforesaid three appraisals shall be shared equally between the Lessor and the Lessee.

1.3 Abatement Adjustment

Lessor has, by Ordinance No. 74982 approved on December 19, 1991, adopted an Airport Economic Development Program as such program may be amended from time to time. Such Program may result in the partial abatement of the ground rental payable under the terms of this Lease Agreement. In the event that facilities or improvements constructed by or on behalf of the Lessee or the number of new jobs created by the Lessee shall satisfy the abatement criteria set out in the Program, the parties agree that such partial ground rental abatement will be granted to the Lessee in accordance with the terms of the Program and that a writing reflecting the adjusted Lease Payments shall be executed by the Director and Lessee, shall be filed with the City Clerk, and shall automatically become a part of this Lease Agreement. The parties hereto specifically agree that Lessor reserves the right to discontinue its Airport Economic Development Program at any time and that any such discontinuance will apply only prospectively and will not affect any such abatement as shall have already been granted to Lessee.

PROVISION 2

ADDITIONAL FEES AND CHARGES

2.1 Fuel flowage fees shall be paid by the Lessee, its sublessees, permittees and licensees (for the purposes of this Provision 2 collectively referred to as the "Lessee") to the Lessor for fuel delivered to the Lessee at the Airport and shall be the amount per gallon, now or hereafter, established by City ordinance. Lessee agrees to keep accurate books, records and accounts of the purchase and sale of aircraft fuel delivered to it on the Airport premises and sold to various customers by Lessee. All such books, records and accounts and all supporting documentation shall be preserved by the Lessee for thirty-six (36) months, either at the Leased Premises or at the home or regional offices of the Lessee and made available for audit purposes to the Lessor and the Lessor's authorized agents or representatives at the Leased Premises upon request. Lessee further agrees that Lessee shall remit payment and furnish statements, certified by the various suppliers, as to the amount of aircraft fuel delivered to the Leased Premises to the Director by the 10th day of the month following the applicable fuel delivery. If no fuel is delivered during a particular month, Lessee shall provide to the Director a written statement to that effect.

2.2 Lessee acknowledges that Lessee and all tenants and operators at the Airport, other than those tenants and operators engaged in the carriage of persons, cargo, or mail or other property for hire (commercial aircraft operators), pursuant to City ordinance are obligated to pay a fuel flowage fee on aircraft fuel delivered to them. Nothing contained herein shall be taken to relieve Lessee, its customers, or others from any field use charges levied generally by the Lessor directly or indirectly upon the operation of aircraft at the Airport. The parties further acknowledge that aircraft operators using the Airport are responsible for the payment of either a fuel flowage fee or a landing fee. In cases where Lessee has deducted from its fuel

flowage report gallons sold to commercial aircraft operators, Lessee shall submit to the Director landing reports and payment calculated in accordance with City ordinance by the 10th day of the month following the date upon which the landing by such commercial aircraft operator occurred.

2.3 Fees and charges for miscellaneous items and services, including, but not limited to, employee badges, parking charges, personal property storage shall be agreed to in writing by the parties hereto or shall be assessed by City ordinance in connection with the ordinary usage of airport facilities.

2.4 All rentals, fees and charges payable by Lessee to Lessor under the terms of this Lease Agreement, whether or not expressly denominated as rent, shall constitute rent for all purposes, including, but not limited to, for the purposes of the Bankruptcy Code of the United States of America.

PROVISION 3.

PRIVILEGES AND CONDITIONS

3.1 Lessor hereby grants to Lessee the following general privileges, uses and rights, all of which shall be subject to the terms, conditions and covenants herein set forth, and all of which shall be non-exclusive on the Airport:

- A. The general use of all common aircraft facilities and improvements which are now or may hereafter be connected with or appurtenant to said Airport, except as hereinafter provided, to be used by Lessee for commercial aviation activities. For the purpose of this Lease Agreement "common airport facilities" shall include all necessary landing area appurtenances including, but not limited to, approach areas, runways, taxiways, aprons, roadways, sidewalks, navigational and avigational aids, lighting facilities, terminal facilities or other common or public facilities, terminal facilities or other common or public facilities appurtenant to said Airport.
- B. The right of ingress to and egress from the demised premises over and across common or public roadways serving the Airport for Lessee, his agents and servants, patrons and invitees, suppliers of service and furnishers of material. Said right shall be subject to such ordinances, rules and regulations as now or may hereafter have application at the Airport.

3.2 The granting of this Lease Agreement and its acceptance by Lessee is conditioned upon compliance with the covenant that the right to use said common Airport facilities in common with others authorized so to do shall be exercised only subject to and in accordance with the laws of the United States of America, State of Texas, and the City of

San Antonio; the rules and regulations promulgated by their authority with reference to aviation and navigation; and all reasonable and applicable rules, regulations and ordinances of Lessor now in force or hereafter prescribed or promulgated by charter authority or by law.

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

PROVISION 4

ACCEPTANCE AND CONDITION OF PREMISES

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

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

PROVISION 5

CONSTRUCTION BY LESSEE

5.1 Should this Lease Agreement be for premises unimproved at the time of the commencement of the lease term, Lessee shall have the right and duty to improve the Leased Premises. Lessee agrees that five sets of plans and specifications detailing the improvements to be made by Lessee and prepared by registered architects and engineers must be submitted to the Director no later than 180 days following the execution of this Lease Agreement. Construction of said improvements must be completed within one year following approval of the plans and specifications or this Lease Agreement may, at the option of the Lessor, be terminated.

5.2 In all circumstances other than as set forth in Paragraph 5.1 above, Lessee shall have the right to erect, alter, remodel and renovate buildings and other improvements on the Leased Premises provided that Lessee shall submit to the Director plans and specifications prepared by registered architects and engineers setting forth the renovation, construction, alteration or improvement that Lessee desires to perform in such detail as may be required by the Director, and provided that approval of such plans and specifications by the Director is obtained as set forth below.

5.3 Lessor agrees to examine and approve or disapprove plans and specifications submitted in accordance with the provisions of Paragraphs 5.1 and 5.2 above within thirty (30) business days after receipt thereof and to notify Lessee in writing when the same have been approved or disapproved. The approval by Lessor of any plans and specifications refers only to the conformity of such plans and specifications to the general architectural plan for the Leased Premises. Such plans and specifications are not approved for architectural or engineering design and Lessor, by approving such plans and specifications, assumes no liability or responsibility therefor or for any defect in any work performed according to such plans and specifications. Lessee agrees not to commence any renovations, construction, alteration or improvement until Lessor, through the Director, has approved, in writing, Lessee's plans and specifications.

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

5.5 The cost of any renovation, construction, alteration or improvement upon the Leased Premises authorized according to the provisions of this Lease Agreement shall be borne and paid for solely by Lessee. Except as may be otherwise set forth herein, Lessor has no financial or other obligation of any kind under this Lease Agreement other than the rental to Lessee of the premises which are the subject of this Lease Agreement for the term and consideration hereinbefore set forth.

5.6 At the completion of all renovation, construction, alteration or improvement, a conformed set of "as built" plans and a Certificate of Occupancy shall be provided by Lessee to the Director.

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

PROVISION 6

LIENS PROHIBITED

6.1 Lessee shall not suffer or permit any mechanics' lien or other liens to be filed against the fee of the Leased Premises nor against Lessee's leasehold interest in the land nor any buildings or improvements on the Leased Premises by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Lessee or to anyone holding the Leased Premises or any part thereof through or under Lessee.

6.2 If any such mechanics' liens or materialmen's liens shall be recorded against the Leased Premises, or any improvements thereof, Lessee shall cause the same to be removed or, in the alternative, if Lessee, in good faith, desires to contest the same, Lessee shall be privileged to do so, but in such case Lessee hereby agrees to indemnify and save Lessor harmless from all liability for damages occasioned thereby and shall, in the event of a judgement of foreclosure on said mechanics' lien, cause the same to be discharged and removed prior to the execution of such judgment.

PROVISION 7

MAINTENANCE AND REPAIR

7.1 Lessee shall pay or cause to be paid, any and all charges for water, heat, gas, electricity, sewer, and any and all other utilities used on the Leased Premises throughout the term of this Lease Agreement and any extension hereof, including, but not limited to any connection fees and any and all additional costs related to utility connection, metering, maintenance, repair, and usage.

7.2 Except as may be otherwise provided herein, Lessee shall throughout the term of this Lease Agreement and any extension hereof assume the entire responsibility, cost and expense, for all repair and maintenance whatsoever of the Leased Premises and all buildings and improvements, thereupon, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, without limiting the generality of the foregoing, Lessee shall:

- A. Maintain at all times the buildings and improvements in a good state of repair and preservation, excepting ordinary wear and tear and obsolescence in spite of repair.
- B. Replace or substitute any fixtures and equipment which have become inadequate, obsolete, worn out, unsuitable or undesirable with replacement or substitute fixtures and equipment which are free of all liens and encumbrances, which shall automatically become a part of the buildings and improvements.

- C. Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all buildings and improvements and all of the Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises.
- D. Provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by laws, rules, orders, ordinances, resolutions or regulations of any competent authority, including the Lessor and Director.
- E. Observe all regulations and requirements of insurance on the Leased Premises concerning the use and condition thereof for the purpose of reducing fire hazards and insurance rates on the Airport.
- F. Repair any damage caused by Lessee to paving or other surfaces of the Leased Premises or the Airport in connection with the scope of the Lease Agreement caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon or by any other reason whatsoever.
- G. Take measures to prevent erosion, including but not limited to, the planting and replanting of grass with respect to all portions of the premises not paved or built upon, and in particular, plant, maintain and replant any landscaped areas; and in designing and constructing improvements on the Leased Premises, preserve as many trees as possible consistent with Lessee's construction and operations.
- H. Be responsible for the maintenance and repair of all utility services lines upon the Leased Premises, including, but not limited to, water lines, gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers.
- I. Cause all vehicles and equipment operated by Lessee on the Airport to be kept and maintained in a safe condition and in good repair and insured as required by this Lease Agreement.
- J. Replace broken or cracked plate glass, paint/repaint structures upon the Leased Premises and, where applicable, mow the grass.
- K. Provide and use suitable covered metal receptacles for all garbage, trash, and other refuse; assure that boxes, cartons, barrels, or similar items are not piled in an unsightly, unsafe manner, on or about the Leased Premises; provide a complete and proper arrangement

satisfactory to the Director for the adequate sanitary handling and disposal away from the Airport, of all trash, garbage, and refuse caused as a result of the operation of its business.

7.3 The adequacy of the performance of the above set forth maintenance and repair by Lessee shall be determined by the Director whose judgement shall be conclusive. Should Lessee refuse or neglect to undertake any maintenance or repair set forth in this Section or if Lessor is required to perform any maintenance or repair necessitated by the negligent acts or omissions of Lessee, its employees, agents, assignees, subtenants, or licensees, then Lessor shall have the right, but not the obligation, to perform such maintenance or repair on behalf of and for Lessee. The costs of such maintenance or repair plus the cost of any associated overhead reasonably determined by Lessor shall be reimbursed by Lessee to Lessor no later than ten (10) days following receipt by Lessee of written demand from Lessor for such reimbursement. In cases other than those involving maintenance or repair requiring exigent action, Lessor shall provide to Lessee a written request that the days before Lessor effects such maintenance or repair on behalf of the Lessee.

PROVISION 8

TITLE

8.1 It is expressly understood and agreed that any and all items of personal property of whatsoever nature owned by Lessee and placed or maintained by Lessee on any part of the Leased Premises during the term of this Lease Agreement shall be and remain the property of Lessee. As long as Lessee shall not be in default under the terms of this Lease Agreement, Lessee may remove or cause to be removed all items of personal property from the Leased Premises. At the sole election of Lessor, any items of personal property that are not removed from the Leased Premises by Lessee no later than thirty (30) days after the expiration of the term of this Lease Agreement shall thereafter belong to Lessor without the payment of any consideration therefore.

8.2 All foundations, buildings, alterations, additions or improvements of any kind (hereinafter called the "Improvements") made upon the Leased Premises by Lessee are and shall be the property of Lessee during the continuance of the primary term hereof. At all times during such term and absent the written approval of the Director, the Improvements that are owned by Lessee shall not be conveyed, transferred or assigned unless such conveyance, transfer or assignment shall be to a person, corporation or other entity to whom this Lease Agreement is being transferred or assigned simultaneously therewith, and at all such times the holder of the leasehold interest of Lessee under this Lease Agreement shall be the owner of the Improvements. Absent the written approval of the Director, any attempted conveyance, transfer or assignment of the Improvements, whether voluntary or by

operation of law or otherwise, to any person, corporation or other entity, shall be void and of no effect whatever unless such conveyance, transfer or assignment shall be to a person, corporation or other entity to whom this Lease Agreement is being transferred or assigned simultaneously therewith in compliance with the provisions hereof.

8.3 With the exception of fuel tanks and fuel lines as set forth in Provision 9 hereinafter and, at the sole option of Lessor, title to all Improvements made upon the Leased Premises by Lessee and to all fixtures annexed thereto shall vest in Lessor and such Improvements and fixtures shall become the property of the Lessor at no cost to Lessor and without any instrument of conveyance upon the expiration of the primary term of this Lease Agreement or upon the earlier termination of this Lease Agreement for any reason. Notwithstanding the foregoing, Lessee covenants and agrees, upon the demand of Lessor, on or after termination of the Lease Agreement, to execute any instruments requested by Lessor in connection with the conveyance of such Improvements. Lessor shall notify Lessee of its intention to take title to the Improvements or any portion thereof as herein provided within sixty (60) days of the date of the expiration of the primary term of this Lease Agreement or earlier termination of this Lease Agreement. Notwithstanding the foregoing, failure by Lessee to provide such notice shall not act as a waiver of Lessor's rights hereunder so long as Lessor within a reasonable time after its receipt of a written request from Lessee shall advise Lessee of its election hereunder.

8.4 Should Lessor elect not to take title to the Improvements or any portion thereof as provided in Paragraph 8.3 above, all Improvements or portion thereof to which Lessor has elected not to take title in accordance with its written notice to Lessee shall be removed by Lessee at the sole cost and risk of Lessee. Such removal shall be performed in compliance with all applicable laws and regulations and, to the degree reasonably possible, the Leased Premises shall be restored to the condition that existed prior to the construction of the Improvements or portion thereof to be so removed. Should Lessee fail to undertake such removal no later than ninety (90) days following the expiration or termination of this Lease Agreement, Lessor may undertake such removal at the expense of Lessee. The parties specifically agree that the proceeds of performance guarantee required under the terms of this Lease Agreement at Lessor's election may be applied towards any costs incurred by Lessor by virtue of such removal.

PROVISION 9

ENVIRONMENTAL COMPLIANCE

9.1 Lessee acknowledges that it is the owner of any and all underground fuel storage tanks and lines presently existing upon the Leased Premises and any underground fuel storage tanks and lines that may in the future be placed by Lessee, its sublessees, licensees or permittees in, on or upon the Leased Premises. Lessee agrees that it shall at its sole expense comply with all applicable federal, state and

local statutes, laws, ordinances, rules and regulations concerning underground fuel storage tanks and lines, including, but not limited to, regulations promulgated by the Environmental Protection Agency and including inspection, financial liability and inventory control recording requirements and shall provide Lessor with copies of certificates of registration from the Texas Water Commission for any existing or new fuel tanks or fuel lines, together with copies of any required proof of financial responsibility and any other documentation reasonably required by the Director or applicable regulatory agency.

9.2 During the term of this Lease Agreement and any extensions thereof, should changes in applicable statutes, laws, rules or regulations regarding underground fuel storage tanks and fuel lines necessitate the removal, modification or replacement of the fuel storage tank(s) or lines in, on, upon or under the Leased Premises, then and in such event, such removal, modification or replacement shall be timely undertaken and performed by Lessee at the sole cost and expense of Lessee. Further, the ownership of the fuel storage tanks and lines shall, at all times, remain in the Lessee, its sublessees, licensees and permittees and that if requested by Lessor, Lessee shall within ninety (90) days following the termination or expiration of this Lease Agreement and at the sole cost of Lessee remove said fuel storage tanks and fuel lines from the ground, perform any required soil or other investigations, and restore the premises to a condition reasonably acceptable to Lessor. Further, the performance guarantee required under the terms of this Lease Agreement shall not be returned or restored to Lessee until such removal, if requested, is accomplished.

9.3 Lessee shall not cause or permit to be released (whether by way of uncapping, pouring, spilling, spraying, spreading, attaching, or otherwise) into or onto the Leased Premises or any other location upon the Airport (including the ground and ground water thereunder and the sewer and drainage systems therein) any hazardous substances (as defined or established from time to time by applicable local, state, or federal law and including, among other things, hazardous waste and any other substances that have been or may in the future be determined by applicable authorities to be toxic, hazardous, or undesirable), to the extent such hazardous substances exceed quantities or volumes permitted by applicable federal, Texas, or local law. Lessee shall immediately notify the Director if any such release occurs, and as to any such release that has been caused or permitted by Lessee; (1) Lessee shall immediately and entirely remove such released hazardous substance at Lessee's expense, and such removal shall be in a manner fully in compliance with all laws pertaining to the removal and storage or disposal thereof; and (2) Lessee hereby agrees to hold Lessor harmless of and from any liability, public or private, resulting to Lessor as a result of such release and agrees to, and does hereby, indemnify Lessor from and against any expense or cost incurred by Lessor, of any nature whatsoever, which results, in whole or in part, directly or indirectly, from a release of a hazardous substance which is caused or permitted by Lessee. Further, Lessee shall, upon the Director's demand and at Lessee's sole expense, demonstrate to the Director (through such tests, professional inspections, or samplings, or otherwise as is in the Director's reasonable judgment sufficient for

the purpose) that Lessee has not caused or permitted any release of hazardous substances in excess of quantities or volumes permitted by applicable federal, Texas, or local law. Should Lessee not provide such tests, inspections, or samplings, Lessor may conduct or cause to be conducted such tests, inspections, samplings and Lessee shall reimburse Lessor for all costs of such tests, inspections, or samplings no later than thirty (30) days following receipt by Lessee of invoices therefore. In addition to the foregoing, the Lessee shall at all times be in full compliance with all other applicable codes, regulations, ordinances, and statutes, whether local, Texas, or federal.

9.4 Lessee shall have the right to contest any decision, order, or finding of any governmental body or agency under this Section through and including receipt of a final order of the appropriate regulatory authority, provided that Lessee shall diligently seek such final order.

PROVISION 10

SIGNS

10.1 Lessee will erect no signs and will distribute no advertising matter upon airport premises without the written consent of Lessor's Director of Aviation, which consent shall not be unreasonably withheld or delayed.

PROVISION 11

REGULATIONS

11.1 Lessee's officers, agents, employees and servants will obey all rules and regulations which may be promulgated by Lessor or its authorized agents in charge of the Airport, or by other lawful authority, to insure the safe and orderly conduct of operations and traffic on the Airport.

PROVISION 12

QUALITY OF SERVICES

12.1 Lessee will, at all times, furnish good, prompt and efficient commercial aviation services adequate to meet all the demands for such services at the Airport and to furnish said services on a non-discriminatory basis to all users thereof, and will charge non-discriminatory prices for each unit of sale or service; provided, that the Lessee will be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reduction to volume purchasers.

PROVISION 13

TIME OF EMERGENCY

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

PROVISION 14

SUBORDINATION OF LEASE

14.1 This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States of America relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport. Should the effect of such agreement with the United States Government be to take any of the property under lease or substantially alter or destroy the commercial value of the leasehold interest granted herein, Lessor shall not be held liable therefore, but in such event Lessee may cancel this Lease Agreement upon ten (10) days' written notice to Lessor. Notwithstanding the foregoing, however, Lessor agrees that, in the event Lessor becomes aware of any such proposed or pending agreement or taking, Lessor shall utilize Lessor's best efforts to (i) give the maximum possible notice thereof to Lessee, and (ii) cooperate with Lessee to mitigate the impact of such agreement or taking or other government action upon Lessee, including but not limited to reasonably assisting Lessee in securing alternate premises, and minimizing any disruption of or interference with Lessee's business.

PROVISION 15

LANDLORD'S LIEN

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

15.2 In the event that the amount of the Performance Guarantee provided by Lessee to Lessor under the terms of this Lease Agreement at all times during the term of this Lease Agreement shall equal the greater of the rentals, fees and charges payable by Lessee to Lessor for the current calendar year or double the amount of the Performance Guarantee set forth in the main body of this Lease Agreement, then, and in such event, the provisions set forth in Paragraph 15.1 hereinabove shall not be applicable to this Lease Agreement.

PROVISION 16

SECURITY

16.1 Lessee shall provide for the security of the Air Operations Area (A.O.A.) and/or Security Identification Display Area (S.I.D.A.) to prevent entry or movement of unauthorized persons thereupon in accordance with Chapter 3, Section 3-23 of the City Code of San Antonio, Texas as such section currently exists or as it may be amended or replaced in the future. Additionally, in appropriate cases, physical barriers to prevent access to the A.O.A. and/or the S.I.D.A. must be placed by Lessee upon the Leased Premises and supervised by Lessee during construction upon the Leased Premises.

16.2 Lessee shall comply with all rules, regulations, statutes, orders, directives or other mandates of the United States of America or of the State of Texas regarding security requirements or security measures upon the Airport.

16.3 Lessee shall comply with the mandates of the Federal Aviation Administration for background investigations of its personnel as such mandates now exist or as they may be changed, amended or replaced with new and different mandates in the future.

16.4 Lessee shall indemnify and hold harmless Lessor, its officers and employees from any charges, fines or penalties that may be assessed or levied by any department or agency of the United State of America or of the State of Texas by reason of Lessee's failure to comply with any applicable security provision and/or with any provision or requirement for compliance set forth in this Provision 16.

PROVISION 17

DEFAULT AND REMEDIES

17.1 Each of the following shall constitute an event of default by Lessee:

- A. Lessee shall fail to pay any rent as provided for in this Lease Agreement and such failure shall continue for a period of ten (10) days after receipt by Lessee of written notice thereof.
- B. Lessee shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained, and on Lessee's part to be performed or any way observed, and if such neglect or failure should continue for a period of thirty (30) days after receipt by Lessee of written notice of such neglect or failure, or if more than thirty (30) days shall be required because of the nature of the default, if Lessee shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default.

- C. Lessee shall become insolvent, shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, shall file a voluntary petition in bankruptcy or a petition or answer seeking a reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any state thereof, or shall consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of its property.
- D. An Order of Relief shall be entered at the request of Lessee or any of its creditors under the federal bankruptcy or reorganization laws or under any law or statute of the United States or any state thereof.
- E. A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against Lessee and shall not be dismissed within thirty (30) days after the filing thereof.
- F. By or pursuant to or under the authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of Lessee and such possession or control shall continue in effect for a period of fifteen (15) days.
- G. Lessee shall become a corporation in dissolution or voluntarily or involuntarily forfeit its corporate charter.
- H. The rights of Lessee hereunder shall be transferred to, pass to, or devolve upon, by operations of law or otherwise, any other person, firm corporation, or other entity by or its connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described in paragraphs C through G of this Provision 17.1.
- I. Lessee shall voluntarily discontinue its operations at the Airport for a period of sixty (60) consecutive days.

17.2 In the event any condition of default shall occur Lessor, then, or at any time thereafter, but prior to the removal of such condition of default shall have the right, at its election, either to terminate this Lease Agreement by giving at least five (5) days written notice to Lessee at which time Lessee will then quit and surrender the leased premises to Lessor, but Lessee shall remain liable as hereinafter provided, or, to enter upon and take possession of the Leased Premises (or any part thereof in the name of the whole), without demand or notice, and repossess the same as of the Lessor's former

estate, expelling Lessee and those claiming under Lessee, forcibly if necessary, without prejudice to any remedy for arrears of rent or preceding breach of covenant and without any liability to Lessee or those claiming under Lessee for such repossession.

17.3 Lessor's repossession of the Leased Premises shall not be construed as an election to terminate this Lease Agreement nor shall it cause a forfeiture of rents or other charges remaining to be paid during the balance of the term hereof, unless a written notice of such intention be given to Lessee, or unless such termination is decreed by a court of competent jurisdiction.

17.4 Upon repossession, Lessor shall have the right (at its election and whether or not this Lease Agreement shall be terminated) to relet the Leased Premises or any part thereof for such period or periods (which may extend beyond the term of this Lease Agreement) at such rent or rent and upon such other terms and conditions as Lessor may, in good faith, deem advisable. Lessor shall in no event be liable and Lessee's liability shall not be affected or diminished in any way whatsoever for failure to relet the Leased Premises, or in the event the Leased Premises are relet, for failure to collect any rental under such reletting.

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

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

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

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

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

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

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

PROVISION 18

HOLDING OVER

18.1 It is agreed and understood that any holding over by Lessee, after the termination of this Lease Agreement, shall not renew and extend this Lease Agreement, but shall operate and be construed as a tenancy from month to month upon all the terms and conditions set forth in this Lease Agreement except that rental as reasonably determined by the Director shall also be paid to Lessor by Lessee for all buildings on the Leased Premises as of the end of the primary term of this Lease Agreement. Should Lessee hold over against the will of Lessor, Lessee agrees to pay to Lessor as monthly rent during such period of holding

over for such premises (including all buildings located thereon, whether title to such buildings is in the name of Lessor or Lessee) for each month of such tenancy triple the Ground and Building Rental paid for the last month of the Lease Agreement term, plus applicable Fuel Flowage Fees. Lessee shall be liable to Lessor for all loss or damage on account of any such holding over against Lessor's will after the termination of this Lease Agreement, whether such loss or damage may be contemplated at this time or not. It is expressly agreed that acceptance of the foregoing rental by Lessor in the event that Lessee fails or refuses to surrender possession shall not operate to give Lessee any right to remain in possession beyond the period for which such amount has been paid nor shall it constitute a waiver by Lessor of its right to immediate possession thereafter.

PROVISION 19

ASSIGNMENT AND SUBLET

19.1 Lessee shall not transfer or assign this Lease Agreement or Lessee's interest in or to the Leased Premises or any part thereof without having first obtained the prior written consent of Lessor which may be given only by or pursuant to an ordinance enacted by the City Council of San Antonio, Texas, provided, however, that the foregoing shall not apply to and shall not prevent the assignment of this Lease Agreement to any corporation with which Lessee may merge or consolidate or which may succeed to a controlling interest in the business of Lessee. Notwithstanding the foregoing and for so long as any pledge or collateral assignment of Lessee's interest in the Lease Agreement shall be by instrument substantially in such form as shall have previously been approved by the City Council, the consent of Lessor to such pledge or collateral assignment may be given by Lessor acting by and through the Director.

19.2 Lessee shall not sublet the Premises herein leased or any part thereof without having first obtained the written consent of Lessor's Director of Aviation. In the event Lessee requests permission to sublease, the request shall be submitted to the Director of Aviation prior to the effective date of the sublease requested and shall be accompanied by a copy of the proposed sublease agreements and of all agreements collateral thereto. The identity of the sublessee, the area or space to be subleased, the rental to be charged, the type of business to be conducted, reasonable financial history and all other information requested by said Director shall be specified. Lessee shall not sublease a total of more than 50% of the Leased Premises. If such limit is exceeded, Lessor shall have the right, upon 30 days written notice, to recapture the space described in the sublease, and terminate the entire Lease Agreement on the expiration of such 30 day period. In the event of any recapture, Lessee's rental payments shall be adjusted on a prorata basis provided, however, that all options of Lessor contained in Provision 17 shall be available to Lessor.

19.3 In the event of a sublease where the rental per square foot established in the sublease exceeds the rental per square foot established in the Lease Agreement, Lessee shall pay to Lessor as

additional rent the excess of the rental received from the sublessee over that specified to be paid by Lessee herein per square foot, provided that Lessee may charge a reasonable fee for administrative costs in addition to the sublease rental not to exceed 15% of the specified sublease rental. Such 15% shall not be considered as excess rental. Nothing herein shall prevent Lessee from charging a reasonable fee to others for the use of capital equipment and facilities on the subleased premises and charging for use of utilities and other services being paid for by Lessee. Should any method of computation of rental to be paid by a sublessee, other than computation based upon a rental rate per square foot be employed, the provisions of this paragraph will apply if the rental received for the proportionate area of the Leased Premises by Lessee exceeds the rental paid to Lessor for said proportionate area of the Leased Premises.

19.4 Each transfer, assignment or subletting to which there has been consent shall be by instrument in writing, in form satisfactory to Lessor, and shall be executed by the transferee, assignee or sublessee who shall agree in writing for the benefit of Lessor to be bound by and to perform the terms, covenants and conditions of this Lease Agreement. Four executed copies of such written instrument shall be delivered to Lessor. Failure to first obtain in writing Lessor's consent, or failure to comply with the provisions herein contained shall operate to prevent any such transfer, assignment or subletting from becoming effective.

19.5 Should the assignment of this Lease Agreement be approved by Lessor and to the extent that such assignee assumes Lessee's obligation hereunder, Lessee shall by virtue of such assignment be released from such obligation. Should the subletting of the Leased Premises be approved by Lessor, however, Lessee agrees and acknowledges that he shall remain fully and primarily liable under this Lease Agreement, notwithstanding any such sublease and that any such sublessee shall be required to attorn to Lessor under the terms of this Lease.

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

PROVISION 20

FIRE AND OTHER DAMAGE

20.1 In the event a City-owned building on the Leased Premises shall be partially damaged by fire or other casualty, the Lessee shall give immediate notice thereof to the Lessor and the same shall be repaired at the expense of the Lessor without unreasonable delay unless Lessor determines that the damage is so extensive that repair or rebuilding is not feasible. From the date of such casualty until said

building is so repaired, monthly rental payments hereunder shall abate in such proportion as the part of the building thus destroyed or rendered untenable bears to the total building; provided, however, that if said building shall be so slightly injured in any such casualty as not to be rendered unfit for occupancy, the rent hereunder shall not cease or be abated during any repair period. In the event that the damage to the building should be so extensive as to render it untenable, the rent for such building shall cease until such time as it shall be put in repair, but in the event the building is damaged by fire or other casualty to such an extent as to render it necessary in the exclusive judgment of Lessor not to rebuild the same, then at the option of the Lessor, and upon notice to Lessee, this Lease Agreement, as it applies to said building, shall cease and come to an end and the rent hereunder shall be apportioned and paid up to date of such damage. If Lessor elects to rebuild such building, Lessor shall notify Lessee of such intention within thirty (30) days of the date of the damage, otherwise the Lease Agreement as it applies to said building shall be deemed canceled and of no further force or effect. Notwithstanding any provision above, should the destruction or damage to said building (to the extent of work that is to be provided as part of the Lessor's obligation) be so great that it will not be reasonably repaired or restored by Lessor within one hundred twenty (120) days to the state of fitness that existed prior to the commencement of improvements, if any, performed by Lessee, Lessee may, at Lessee's option, terminate this Lease Agreement as it applies to said building by written notification of same given to Lessor within thirty (30) days after the occurrence of such casualty, or upon notification that the work will not be completed within the one hundred twenty (120) days.

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

20.3 In the event that the building or other improvements upon the Leased Premises constructed by and/or owned by Lessee are damaged or destroyed by fire or any other casualty during the term of this agreement or any extension hereof, regardless of the extent of such damage or destruction, the rent payable hereunder shall not abate. Furthermore, Lessee shall no later than one hundred twenty (120) days following the date of such damage or destruction commence to repair, reconstruct or replace the damaged or destroyed building or improvement and prosecute the same with reasonable diligence so that the building or improvement shall at the sole expense of Lessee be restored no later than one year following such damage or destruction to substantially the condition it was in prior to said damage or destruction. Should the commencement, construction or completion of said repair, reconstruction

or replacement be prevented or delayed by reason of war, civil commotion, acts of God, strikes, governmental restrictions or regulations, fire or other casualty, or any other reason beyond the control of Lessee, the time for commencing or completing the repair, reconstruction or replacement, as the case may be, shall automatically be extended for the period of each such delay.

PROVISION 21

LAWS AND ORDINANCES

21.1 Lessee agrees to comply promptly with all laws, ordinances, orders and regulations affecting the Leased Premises and the cleanliness, safety, operation, or use thereof of the business conducted therein. Lessee shall comply with all Federal and State regulations concerning his operation on the airport and shall indemnify and hold harmless Lessor, its officers and employees, from any charges, fines or penalties that may be assessed or levied by any department or agency of the United States or of the State of Texas by reason of Lessee's failure to comply with the terms of this Provision or with any other terms set forth in this Lease.

PROVISION 22

TAXES AND LICENSES

22.1 Lessee shall pay, on or before their respective due dates, to the appropriate collecting authority, all Federal, State and local taxes and fees, which are now or may hereafter be levied upon the premises, or upon Lessee, or upon the business conducted on the premises, or upon any of Lessee's property used in connection therewith; and shall maintain, in current status, all Federal, State and local licenses and permits required for the operation of the business conducted by Lessee.

PROVISION 23

NONDISCRIMINATION & AFFIRMATIVE ACTION REGULATIONS

23.1 Any discrimination by Lessee, his sublessees, agents or employees on account of race, color, sex, age, religion or national origin, in employment practices or in the use of or admission to the premises is prohibited.

23.2 Lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease Agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and

services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

23.3 Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation, denied the benefits, of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

23.4 Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered suborganizations provide assurances to Lessee that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

23.5 Lessee agrees to contractually bind all suborganizations of Lessee and sublessees of Lessee to all the terms and conditions stated above.

23.6 In respect to its operations at the Airport, Lessee shall conform to Lessor's Small and/or Minority Business Enterprises ("SMBE") Program, the provisions of which have been extended in principle and practice to Lessees at the Airport. The Lessee shall comply with the Good Faith Efforts requirements of the SMBE Program. Lessee agrees to furnish to the Lessor such documentation as the Lessor shall require to verify such Good Faith Efforts. Failure to furnish such documentation within thirty (30) days following receipt by Lessee of written demand from the Lessor for such documentation and/or willful or unjustified failure, as determined by Lessor, on the part of Lessee to make such Good Faith Efforts shall, at the option of Lessor, cause this Lease Agreement to terminate as of the date specified in a written termination notice to Lessee provided by Lessor acting through the Director.

23.7 Lessee shall comply with Lessor's Nondiscrimination Clause, to include the development and use of an Affirmative Action plan for equal employment opportunity. If requested by Lessor, this plan shall be submitted on an annual basis and monitored through the submission of an annual status report reflecting prior year activity. Quarterly

affirmative action status reports shall also be provided, if requested by Lessor. Any and all provisions of this Lease Agreement which pertain to Lessee apply to any Minority Business utilized by Lessee in its operations hereunder.

PROVISION 24

WAGES

24.1 Lessee shall pay wages that are not less than the minimum wages required by Federal and State statutes and City ordinances to persons employed in his operations hereunder.

PROVISION 25

ATTORNEY'S FEES

25.1 In case Lessor brings any action under this Lease Agreement, and prevails in said action, then Lessor shall be entitled to recover from Lessee its reasonable attorney's fees (not to exceed the attorney's fees actually incurred by Lessor in the defense or prosecution of such action).

PROVISION 26

SEVERABILITY

26.1 If any clause or provision of this Lease Agreement is illegal, invalid or unenforceable under present or future laws effective during the term of this Lease Agreement, then, in that event, it is the intention of the parties hereto that the remainder of this Lease Agreement shall not be affected thereby, and it is also the intention of the parties to this Lease Agreement that in lieu of each clause or provision of this lease that is illegal, invalid or unenforceable, there be added as a part of this lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

PROVISION 27

AMENDMENT

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

PROVISION 28

NOTICES

28.1 Notices to Lessor shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, addressed to City Clerk, P. O. Box 839966, San Antonio, Texas 78283-3966 and to Director of Aviation, City of San Antonio, Department of Aviation, 9800 Airport Boulevard, San Antonio, Texas 78216, or to such other address as may have been designated in writing by the Director of Aviation of the City of San Antonio from time to time. Notices to Lessee shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, addressed to Lessee at the address shown herein. Either party to this Lease Agreement may change its address by giving notice of such change as herein provided.

PROVISION 29

RELATIONSHIP OF PARTIES

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

PROVISION 30

CUMULATIVE REMEDIES
NO WAIVER - NO ORAL CHANGE

30.1 The specific remedies to which Lessee or Lessor may resort under the terms of this Lease Agreement are cumulative and are not intended to be exclusive of any other remedies or means of redress to which they may be lawfully entitled in case of any breach or threatened breach by either of them of any provision of this Lease Agreement. The failure of Lessee or Lessor to insist in any one or more cases upon the strict performance of any of the covenants of this Lease Agreement, or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant or option. A receipt by Lessor of payment of rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver, change, modification or discharge by either party hereto of any provision of this Lease Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. In addition to the other remedies in this Lease Agreement provided, Lessee and Lessor shall be entitled to the restraint by injunction of the violation, or attempted violation, of any of the covenants, conditions, or provisions of this Lease Agreement, or to a decree compelling performance of any of such

covenants, conditions or provisions (subject, however, to the other provisions hereof).

PROVISION 31

ENTIRE AGREEMENT

31.1 This Lease Agreement contains the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon, and supersedes all other agreements, oral or otherwise, regarding the subject matter of this lease, none of which shall hereafter be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representations not herein written.

PROVISION 32

CONFLICT OF INTEREST

32.1 Lessee acknowledges that he is informed that Texas law prohibits contracts between the Lessor and its "officers" and "employees", and that the prohibition extends to an officer and employee of City of San Antonio agencies such as City of San Antonio owned utilities and certain City boards and commissions, and to contracts with any partnership, corporation or other organization in which the officer or employee has an interest. Lessee certifies (and this contract is made in reliance thereon) that neither he nor any person having an interest in this contract is an officer or employee of the City of San Antonio or any of its agencies.

PROVISION 33

PARTIES BOUND

33.1 This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Lease Agreement.

PROVISION 34

TEXAS LAW TO APPLY

34.1 All obligations of the parties created hereunder are performable in Bexar County, Texas. This Lease Agreement shall be construed under and in accordance with the laws of the State of Texas except where state law shall be preempted by any rules, laws or regulations of the government of the United States of America.

PROVISION 35

APPROVALS BY LESSOR

35.1 Whenever this Lease Agreement calls for approval by Lessor, such approval shall be evidenced by written approval of the Director of Aviation of the City of San Antonio or the City Manager of the City of San Antonio or his designee.

PROVISION 36

GENDER

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

PROVISION 37

CAPTIONS

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

EXHIBIT 2

**METES AND BOUNDS DESCRIPTION
0.6212 ACRE LEASE AREA
SAN ANTONIO INTERNATIONAL AIRPORT
CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS**

A tract of land containing 0.6212 acres (27,060 square feet) of land, located on the grounds of the San Antonio International Airport, and being a portion of Lot 33, Block 1, New City Block 8645, as shown on the Subdivision Plat of San Antonio International Airport - Unit 5, recorded in Volume 9524, Pages 73 - 75 of the Deed and Plat Records of Bexar County, Texas, and being more particularly described as follows:

BEGINNING at an iron pin set at the intersection of the easterly line of a Road and Utility area known as John Saunders Road, and the northerly line of a Road and Utility Area known as Paul Wilkens Road:

THENCE: with the northerly line of Paul Wilkens Road, S 86°20'33" W, a distance of 112.51 feet to an iron pin set;

THENCE: departing from Paul Wilkens Road and running through Lot 33 the following three (3) courses and distances:

- : N 03°40'57" W, a distance of 240.50 feet to a P/K nail set;
- : N 86°20'33" E, a distance of 112.51 feet to a P/K nail set, and;
- : S 03°40'57" E, a distance of 240.50 feet

to the POINT OF BEGINNING, containing 0.6212 acres (27,060 square feet) of land, more or less.



Joseph L. Kroesche, Sr.

Joseph L. Kroesche, Sr.
Registered Professional Land Surveyor #2493

AMENDMENT OF LEASE

THIS AGREEMENT is made in multiple originals and entered into by and between the City of San Antonio, a Texas municipal corporation (hereinafter called "Lessor") acting by and through its City Manager pursuant to Ordinance No. 78186 passed and approved on JUN 24 1993 and Comtran International, Inc., a private corporation chartered under the laws of the State of Texas, acting by its authorized officers pursuant to a resolution of its Board of Directors (hereinafter called "Lessee"),

WITNESSETH:

WHEREAS, Lease No. 124099 with Jaffe Aerospace Corp. at the San Antonio International Airport was executed pursuant to Ordinance No. 62582 adopted on March 27, 1986 for a thirty year term ending on March 31, 2016; and

WHEREAS, Lease No. 124043 at the San Antonio International Airport with Exec-Aire, Inc., an affiliate of Lessee, was executed pursuant to Ordinance No. 48438 adopted on September 1, 1977; and

WHEREAS, pursuant to Ordinance No. 75704 adopted on April 30, 1992, the Exec-Aire, Inc. premises were incorporated into the Jaffe Aerospace Corp. lease; and

WHEREAS, effective on December 14, 1992, Comtran International, Inc. and Jaffe Aerospace Corp. merged, with Comtran International, Inc. being the surviving corporation; and

WHEREAS, Comtran International, Inc. has determined that it no longer requires the use of the former Exec-Aire, Inc. premises and has requested that it be permitted to assign its leasehold interest in such premises to Aeronev, Inc. and subsequent to the assignment to delete such premises from its leasehold at San Antonio International Airport; and

WHEREAS, Lessor has approved the assignment of Lessee's leasehold interest in the former Exec-Aire, Inc. premises and it is now necessary to amend Lease No. 124099 to reflect the reduction in the premises leased by Comtran International, Inc. at the Airport; NOW THEREFORE:

In consideration of the terms, covenants, agreements and demises herein contained, and in consideration of other good and valuable consideration, each to the other given, the sufficiency and receipt of which are hereby acknowledged, Lease No. 124099 by and between the City of San Antonio and Comtran International, Inc. authorized by Ordinance No. 62582 adopted on March 27, 1986, as amended, is hereby further amended as follows:

A. Section 1 of said lease is hereby amended to read in its entirety as below set forth:

"1. DESCRIPTION OF PREMISES DEMISED

Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby demise and lease unto Lessee and Lessee does hereby accept from Lessor the following premises located at the San Antonio International Airport (hereinafter called "Airport"), San Antonio, Bexar County, Texas, as shown on Exhibit 2A which is attached hereto and made a part hereof.

455,356+ square feet of land"

B. Section 2 of said lease is hereby amended to read in its entirety as below set forth:

"2. BASE RENTAL

Lessee agrees to pay Lessor as rental, monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the leased premises, at the times and in the manner hereinafter provided:

<u>Premises</u>	<u>Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
455,356 square feet of ground space	\$0.125	\$56,919.50	\$4,743.29

subject to the adjustments in rental rates set forth in Standard Provision 1 of this lease.

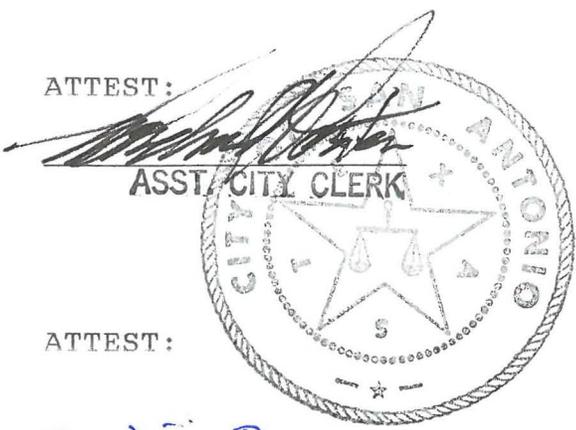
All amounts payable to Lessor by Lessee under this Lease Agreement, whether or not expressly denominated as rent, shall constitute rent for the purposes of the Bankruptcy Code of the United States of America. All rentals and payments that become due and payable by the Lessee shall be made to the City of San Antonio, Office of the Director of Aviation, San Antonio International Airport, 9800 Airport Blvd., San Antonio, Bexar County, Texas or to such other address as shall be designated by Lessor. All rentals and payments unpaid for ten (10) days after the date due shall bear interest at the rate of ten (10) percent per annum commencing on the date after each such payment was due."

- C. The amount of the Performance Guarantee required in Section 7 of said lease is hereby amended to be \$57,000.00.
- D. Special Provision F of Section 9 of said lease is hereby deleted in its entirety.

Except as amended hereby, all other provisions of Lease No. 124099 and all prior amendments thereto are hereby retained in their entirety and remain unchanged.

EXECUTED this 28TH day of JUNE, 1993.

ATTEST:



ASST. CITY CLERK

ATTEST:

Patricia P...

CITY OF SAN ANTONIO, Lessor

[Signature]
Assistant City Manager

COMTRAN INTERNATIONAL, INC.,
Lessee

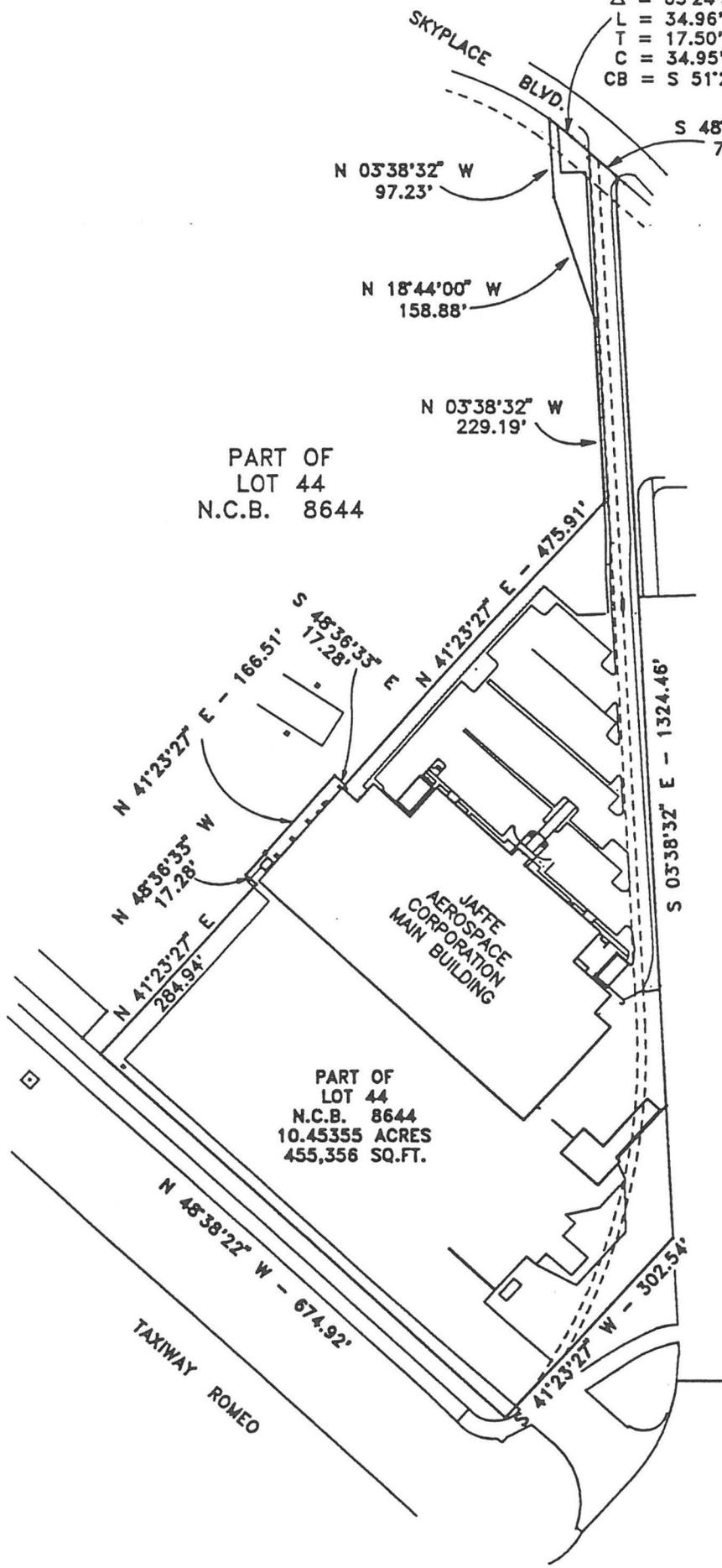
By: [Signature]

Title: President

CURVE DATA
 R = 370.00'
 Δ = 05°24'51"
 L = 34.96'
 T = 17.50'
 C = 34.95'
 CB = S 51°20'57" E



SCALE : 1" = 200'



PART OF
 LOT 44
 N.C.B. 8644

PART OF
 LOT 44
 N.C.B. 8644
 10.45355 ACRES
 455,356 SQ.FT.

EXHIBIT 2A
 for premises leased to
**JAFFE
 AEROSPACE CORP.**
 at
 SAN ANTONIO
 INTERNATIONAL AIRPORT
 Lease No. _____

JAFFE AEROSPACE CORPORATION
LEASE TRACT I
 SAN ANTONIO INTERNATIONAL AIRPORT

GADDIS/SIMPSON ENGINEERS, INC.
 SAN ANTONIO, TEXAS

DATE : 4.27.1992 | SHEET | OF |

METES AND BOUNDS DESCRIPTION
10.45355 ACRE LEASE AREA
SAN ANTONIO INTERNATIONAL AIRPORT
CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS

A tract of land containing 10.45355 acres (455,356 square feet) of land, located on the grounds of the San Antonio International Airport, and being a portion of Lot 44, New City Block 8644, as shown on the Subdivision Plat of North Airport Parkway, recorded in Volume 9516, Pages 195-198 of the Deed and Plat Records of Bexar County, Texas, and being more particularly described as follows:

- BEGINNING** at an iron pin found at the most southerly corner of Lot 44, N.C.B. 8644;
- THENCE:** with the southwesterly line of Lot 44, N 48°38'22" W, a distance of 674.92 feet to an iron pin set;
- THENCE:** departing from said southwesterly line and running through Lot 44 the following eight (8) courses and distances:
- : N 41°23'27" E, a distance of 284.94 feet to an "+" scribed in concrete;
 - : N 48°36'33" W, a distance of 17.28 feet to an iron pin set;
 - : N 41°23'27" E, a distance of 166.51 feet to an iron pin set;
 - : S 48°36'33" W, a distance of 17.28 feet to an iron pin set;
 - : N 41°23'27" E, a distance of 475.91 feet to an iron pin set;
 - : N 03°38'32" W a distance of 229.19 feet to an iron pin set;
 - : N 18°44'00" W a distance of 158.88 feet to an iron pin set, and
 - : N 03°38'32" W, a distance of 97.23 feet to an iron pin set on the arc of a curve to the right in the southwesterly right-of-way line of Skyplace Boulevard (60.0' R.O.W.);
- THENCE:** 34.96 feet along the arc of said curve, having a radius of 370.00 feet, an interior angle of 05°24'51", and a chord bearing and chord of S 51°27'57" E, 34.95 feet, respectively, to an iron pin found at the point of tangency of said curve;
- THENCE:** continuing along the southwesterly right-of-way line of Skyplace Boulevard, S 48°38'32" W, a distance of 71.64 feet to an iron pin found;

10.45355 Acre Lease Tract
San Antonio International Airport
Page 2 of 2

THENCE: departing from Skyplace Boulevard and with the easterly line of
aforementioned Lot 44, S 03°38'32" E, a distance of 1324.46 feet
to an iron pin found at the most easterly corner of Lot 44;

THENCE: with the southeasterly line of Lot 44, S 41°23'27" W, a distance
of 302.54 feet

to the POINT OF BEGINNING, containing 10.45355 acres (455,356 square feet) of
land, more or less.



Joseph L. Kroesche, Sr.

Joseph L. Kroesche, Sr.
Registered Professional Land Surveyor #2493

April 27, 1952

EXHIBIT "D"

1. Electric, Gas, Telephone and cable TV Easement, 14 feet wide, along the front line of the herein described property, as shown on plat recorded in Volume 9524, Pages 73-75, Deed and Plat Records of Bexar County, Texas
2. Drainage Easement, of irregular width, across the side portion of the herein described property, as shown on above mentioned plat.

TO: City Council

FROM: Michael J. Kutchins, Director of Aviation
City Manager, Roland Lozano, Budget & Research,

COPIES TO: Legal, Finance, File

SUBJECT Partial assignment of Comtran International, Inc. lease
at San Antonio International Airport to Aeronev, Inc.

DATE: June 14, 1993

SUMMARY & RECOMMENDATION

The proposed ordinance authorizes the City Manager to approve the partial assignment of a lease at the San Antonio International Airport from Comtran International, Inc. to Aeronev, Inc. The 27,056 square feet and building thereupon to be assigned will be used by Aeronev, Inc., a new tenant at the airport, for the storage and maintenance of aircraft and for aircraft fueling.

The proposed ordinance also authorizes the amendment of the Aeronev, Inc. lease to update airport lease provisions and to the Comtran International, Inc. lease to delete the assigned space and to adjust the required performance guarantee.

Approval is recommended.

POLICY ANALYSIS

The ordinance is in keeping with Council policy as assignments and amendments of airport leases have been approved in the past.

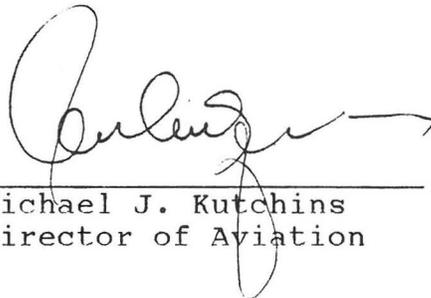
FINANCIAL DATA

The proposed ordinance will have no financial effect. The assignee will continue to pay all rentals or other sums due under the lease.

APPROVED:



Alexander E. Briseño
City Manager



Michael J. Kutchins
Director of Aviation