

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Aviation

AGENDA DATE: December 17, 2019

CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña, A.A.E.,
Chief Operations and Transportation Officer
915 212-7301

DISTRICT(S) AFFECTED: District 2

CITY STRATEGIC GOAL 1: Create an Environment Conducive to Strong, Sustainable Economic Development.

SUBJECT:

This Resolution is to authorize the City Manager to sign a Fixed Base Operations Lease and Operating Agreement between the City of El Paso ("Lessor") and Trajen Flight Support, L.P., d/b/a Atlantic Aviation.

The lease term is 30 years with four (4) five-year options. The annual payment is \$100,294.62 (417,894.20 at \$0.24 per square foot) plus 15% of gross receipts for landing fees, parking fees and fuel fees at \$0.08 cents per gallon. The rate per square foot is based on the Fair Market Value

BACKGROUND / DISCUSSION:

This lease combines five leases between the City of El Paso ("Lessor") and Trajen Flight Support, L.P., d/b/a Atlantic Aviation. The following sites are combined into the single lease:

Site 5, El Paso International Airport Tracts, Unit 11, identified as Site 5, El Paso County, Texas, containing 435,612.927 square feet of land, and municipally known and numbered as 1771 Shuttle Columbia Drive;

Site 4, El Paso International Airport Tracts, Unit 11, identified as Site 4, El Paso County, Texas, containing 80,472.165 square feet of land, and also municipally known and numbered as 1771 Shuttle Columbia Drive;

Site 3, El Paso International Airport Tracts, Unit 11, identified as Site 3, El Paso County, Texas, containing 435,542.894 square feet of land, and also municipally known and numbered as 1751 Shuttle Columbia Drive;

Site "Fuel Tank" being a portion of Tract 2A, Block 2, Ascarate Grant, El Paso County, Texas, containing 6,400.0 square feet of land, and not municipally known or numbered because it is on the airfield within the El Paso International Airport;

All of Lot 35 and the West one-half of Lot 36, Block 4, El Paso International Airport Tracts, Unit 1, City of El Paso, El Paso County, Texas, consisting of approximately 24,600 square feet, which is municipally known and numbered as 7631 Boeing Drive, El Paso, Texas.

Site "Fuel Tank" being a portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, El Paso County, Texas, containing approximately 71,429 square feet of land, municipally known and numbered as 253 George Perry; and

Site "Fuel Tank" a 1.640 Acre portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, City of El Paso, El Paso County, Texas, containing approximately 71,430 square feet, which is municipally known and numbered as 251 George Perry (collectively, the "Premises").

RENTAL FEES:

Land -417,894.20 SF x \$0.24 per SF = \$100,294.62 annually plus 15% of gross receipts for landing fees, parking fees and fuel fees at \$0.08 cents per gallon

PRIOR COUNCIL ACTION:

N/A

AMOUNT AND SOURCE OF FUNDING:

N/A: This is a revenue-generating item.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



**Monica Lombraña, A.A.E.
Chief Operations and Transportation Officer**

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager is authorized to sign a Fixed Base Operations Lease and Operating Agreement between the City of El Paso as Lessor and Trajen Flight Support, L.P., a Delaware limited partnership d/b/a Atlantic Aviation as Lessee for the following property managed by the El Paso International Airport for a term of 30 years with an option to extend for four additional terms of 5 years each:

Site 5, El Paso International Airport Tracts, Unit 11 identified as Site 5, El Paso County, Texas, containing 435,612.927 square feet of land, and municipally known and numbered as 1771 Shuttle Columbia Drive;

Site 4, El Paso International Airport Tracts, Unit 11 identified as Site 4, El Paso County, Texas, containing 80,472.165 square feet of land, and also municipally known and numbered as 1771 Shuttle Columbia Drive;

Site 3, El Paso International Airport Tracts, Unit 11 identified as Site 3, El Paso County, Texas, containing 435,542.894 square feet of land, and municipally known and numbered as 1751 Shuttle Columbia Drive;

Site "Fuel Tank" being a portion of Tract 2A, Block 2, Ascarate Grant, El Paso County, Texas, containing 6,400.0 square feet of land, and not municipally known or numbered because it is on the airfield within the El Paso International Airport;

All of Lot 35 and the West one-half of Lot 36, Block 4, El Paso International Airport Tracts, Unit 1, City of El Paso, El Paso County, Texas, consisting of approximately 24,600 square feet, which is municipally known and numbered as 7631 Boeing Drive, El Paso, Texas.

Site "Fuel Tank" being a portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, El Paso County, Texas, containing approximately 71,429 square feet of land, municipally known and numbered as 253 George Perry; and

Site "Fuel Tank" a 1.640 Acre portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, City of El Paso, El Paso County, Texas, containing approximately 71,430 square feet, which is municipally known and numbered as 251 George Perry (collectively, the "Premises").

Signatures appear on the following page

ADOPTED this _____ day of _____, 2019.

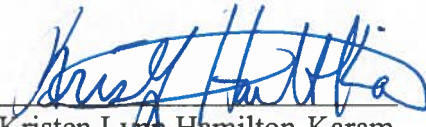
THE CITY OF EL PASO

Dee Margo
Mayor

ATTEST:

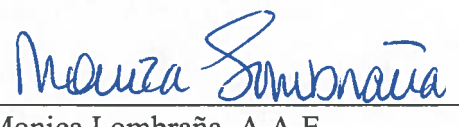
Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Kristen Lynn Hamilton-Karam
Assistant City Attorney

APPROVED AS TO CONTENT:



Monica Lombraña, A.A.E.
Chief Operations and Transportation Officer

FIXED BASE OPERATORS LEASE
AND
OPERATING AGREEMENT

El Paso International Airport
El Paso, Texas

CITY OF EL PASO
Lessor

Trajen Flight Support, L.P. d/b/a Atlantic Aviation
Lessee

_____, 2019

Effective Date

ATLANTIC AVIATION

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- EXHIBIT "A-1" - Site 5, containing 435,612.927 square feet
- EXHIBIT "A-2" - Site 4, containing 80,472.165 square feet
- EXHIBIT "A-3" - Site 3, containing 435,542.892 square feet
- EXHIBIT "A-4" - Site "Fuel Tank", containing 6,400.0 square feet
- EXHIBIT "A-5" - All of Lot 35 and the West one-half of Lot 36, consisting of approximately 24,600 square feet
- EXHIBIT "A-6" - Site "Fuel Tank" containing approximately 71,429 square feet; and
- EXHIBIT "A-7" - Site "Fuel Tank", containing approximately 71,430 square feet

EXHIBIT "B" - Minimum Standards for FBO'S

EXHIBIT "C" - Rules, Regulations and Land Use Requirements

FIXED BASE OPERATORS LEASE AND OPERATING AGREEMENT

THIS LEASE AGREEMENT ("Lease"), made as of the Effective Date, between the CITY OF EL PASO ("Lessor") and Trajen Flight Support, L.P., a Delaware limited partnership d/b/a Atlantic Aviation ("Lessee").

WHEREAS, Chapter 22 of the Texas Transportation Code authorizes municipal airports, as governmental entities, to assess charges, rent or fees for the privilege of supplying goods, commodities, things, services or facilities at municipal airports, with due regard to the property and improvements used and the expenses of operation to the municipality;

WHEREAS, Lessor owns and operates the El Paso International Airport as depicted in the most current FAA approved Airport Layout Plan ("Airport") located in the County of El Paso, State of Texas, which is under the management of the Lessor's Managing Director of Aviation and International Bridges or her successor ("Director");

WHEREAS, On November 7, 2000, Lessor entered into a Fuel Site Lease with Cutter Aviation El Paso, Inc. to construct and operate a fuel site on approximately 71,429 square feet of land adjacent to the City's Cargo Facility, municipally known and numbered as 253 George Perry, and on November 17, 2015, said Fuel Site Lease was assigned to Lessee;

WEREAS, Effective July 1, 2003, Lessor entered into a Fuel Site Lease with Superior Aviation Fuel Enterprises, LLC to construct and operate a fuel site on approximately 71,430 square feet of land adjacent to the City's cargo facility, municipally known and numbered as 251 George Perry, and on April 12, 2005, said Fuel Site Lease was assigned to Lessee;

WHEREAS, On September 1, 2003, the Lessor entered into Fixed Based Operators Lease and Operating Agreement with Superior Aviation Fuel Enterprises, LLC for approximately 435,542.892 square feet of land, municipally known and numbered at 1751 Suttle Columbia Drive. On April 12, 2005, said Lease was assigned to Lessee;

WHEREAS, On November 1, 2003, the Lessor entered into a Fixed Base and Operators Lease and Operating Agreement with Cutter Aviation El Paso, L.P. for approximately 435,612.927 square feet of land, municipally known and numbered as 1771 Suttle Columbia Drive. On November 19, 2015, said lease was assigned to Lessee;

WHEREAS, On August 23, 2016, Lessor and Lessee agreed to increase the square footage of the Premises by adding Site 4, which contains approximately 80,472.165 square feet and by adding Site "Fuel Tank", which contains 6,400.00 square feet;

WHEREAS, on May 3, 2011, Lessor entered into a Fuel Farm Lease with Lessee for an approximately 24,600 square foot portion of property for the installation and operation of a fuel site;

WHEREAS, all previous leases to Lessee mentioned above will be collectively referred to as "Original Leases"; and

WHEREAS, Lessee has indicated a willingness and ability to enter into a new lease, consolidating all of the portions of property leased into one document, and to continue to properly operate, keep and, except as otherwise provided herein, maintain such the property leased hereunder in accordance with the standards established by Lessor; and

WHEREAS, Lessor desires to continue leasing to Lessee the properties listed herein located at the Airport in accordance with the terms, covenants, and conditions set forth in this Lease.

NOW THEREFORE, the Parties agree as follows:

ARTICLE I – TERMINATION OF ORIGINAL LEASE

Section 1.01 Termination of Original Lease.

The Original Leases will be terminated simultaneously with the Effective Date of this Lease, however, Lessee acknowledges that it retains liability for any acts or omissions of Lessee giving rise to liability under the Original Lease. The Parties acknowledge that all improvements on the Premises are owned by and were constructed by Lessee.

ARTICLE II - PREMISES AND PRIVILEGES

For and in consideration of mutual promises and agreements and of the terms, conditions, and covenants of this Lease to be performed by Lessee, all of which Lessee accepts, Lessor hereby leases to Lessee and Lessee hereby hires and takes from Lessor certain property, together with improvements thereon, and certain attendant privileges, uses and rights, as hereinafter specifically set out.

Section 2.01 Description of Premises.

The property hereby leased is:

Six parcels of property known as:

Site 5, El Paso International Airport Tracts, Unit 11 identified as Site 5, El Paso County, Texas, containing 435,612.927 square feet of land, more fully described on Exhibit "A-1" attached hereto and incorporated herein by reference, and municipally known and numbered as 1771 Shuttle Columbia Drive;

Site 4, El Paso International Airport Tracts, Unit 11 identified as Site 4, El Paso County, Texas, containing 80,472.165 square feet of land, more fully described on Exhibit "A-2" attached hereto and incorporated herein by reference, and also municipally known and numbered as 1771 Shuttle Columbia Drive;

Site 3, El Paso International Airport Tracts, Unit 11 identified as Site 3, El Paso County, Texas, containing 435,542.892 square feet of land, more fully described on Exhibit "A-3" attached hereto and incorporated herein by reference, and also municipally known and numbered as 1751 Shuttle Columbia Drive;

Site "Fuel Tank" being a portion of Tract 2A, Block 2, Ascarate Grant, El Paso County, Texas, containing 6,400.0 square feet of land, more fully described on Exhibit "A-4" attached hereto and incorporated herein by reference, and not municipally known or numbered because it is on the airfield within the El Paso International Airport;

All of Lot 35 and the West one-half of Lot 36, Block 4, El Paso International Airport Tracts, Unit 1, City of El Paso, El Paso County, Texas, consisting of approximately 24,600 square feet as more fully described on Exhibit "A-5" attached hereto and incorporated herein for all purposes, which is municipally known and numbered as 7631 Boeing Drive, El Paso, Texas.

Site "Fuel Tank" being a portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, El Paso County, Texas, containing approximately 71,429 square feet of land, more fully described on Exhibit "A-6" attached hereto and incorporated herein by reference, municipally known and numbered as 253 George Perry; and

Site "Fuel Tank" a 1.640 Acre portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, City of El Paso, El Paso County, Texas, containing approximately 71,430 square feet as more fully described in Exhibit "A-7" attached hereto and incorporated herein for all purposes, which is municipally known and numbered as 251 George Perry (collectively, the "Premises").

The "Premises" is collectively the Tenant Improvement Site, Aircraft Parking Ramp and the Fuel Tank Site, each defined below.

The "Tenant Improvement Site" means a portion of the Premises agreed upon between Lessor and Lessee on which are located Tenant's Improvements based upon a site plan and metes and bounds description agreed upon between Lessor and Lessee and attached as Exhibits "A-1 and A-3" as contemplated by Section 2.01 of this Lease.

The "Aircraft Parking Ramp" means the remaining portion of the Lots that does not include the Tenant Improvement Site as described in the metes and bounds description agreed upon between Lessor and Lessee and attached as Exhibit "A-1, A-2, and A-3" as contemplated by Section 2.01 of this Lease.

The "Fuel Tank Site" means the areas used for refueling of smaller, general aviation aircraft based upon a site plan and metes and bounds description agreed upon between Lessor and Lessee listed above, as contemplated by Section 2.01 of this Lease, Exhibits "A-4", "A-5", "A-6" and "A-7".

Section 2.02 Rights and Privileges as to the Premises.

Lessor hereby leases and grants Tenant the right and privilege to use, construct, maintain, and remove improvements upon the Tenant Improvement Site for Commercial Aeronautical Service and services ancillary and related to the same and the Fuel Tank Site, along with the right to use the Aircraft Parking Ramp for Commercial Aeronautical Services, all subject to the terms, covenants, and conditions contained herein.

Section 2.03 Description of General Privileges, Uses and Rights.

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

- A. The general use of all Public Airport Facilities and improvements which are now or may hereafter be connected with or appurtenant to the Airport, except as hereinafter provided, to be used by Lessee for Commercial Aeronautical Services.

For the purpose of this Lease, "Public Airport Facilities" shall mean all necessary landing area appurtenances including, but not limited to, approach areas, runways, taxiways, aprons, aircraft and automobile parking areas, roadways, sidewalks, navigational and avigational aids, lighting facilities, terminal facilities, or other public facilities appurtenant to the Airport.

- B. The right joint use of the "East Ramp" and "West Ramp" for the parking and servicing of all passenger aircraft charters; provided all aircraft charters over 80,000 pounds of maximum gross landed weight and all cargo aircraft charters over 60,000 pounds of maximum gross landed weight will only use the West Ramp.
- C. The right of ingress to and egress from the Premises and the East Ramp and West Ramp over and across public roadways serving the Airport for Lessee, its agents, servants, patrons, invitees and suppliers of service or furnishers of material. This right shall be subject to such ordinances, rules and regulations applicable at the Airport.

Section 2.04 Description of Specific Privileges, Uses and Rights.

- 1. In addition to the general privileges, uses and rights described above and without limiting the generality thereof, Lessor hereby grants to Lessee the right to engage in Commercial Aeronautical Services as defined below.
- 2. "Commercial Aeronautical Service" means a service which involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe

conduct and utility of such aircraft operations, and includes those services provided by a Fixed Base Operator.

3. Lessee is required to provide those Commercial Aeronautical Services required of Fixed Base Operators in Article VI of the Minimum Standards and Requirements for Commercial Aeronautical Service Providers at El Paso International Airport ("Minimum Standards for FBO's"), which is attached as Exhibit "B" and fully incorporated herein by reference. The terms and conditions of the body of this Lease will supersede any provision in Exhibit "B" dated June 6, 2003 which are in conflict with the terms contained in the body of this Lease and the terms and conditions in the body of this Lease will prevail. The Director, as Lessor's authorized representative and Lessee will execute an amendment to this Lease should Lessor amend Exhibit "B". In addition, Lessee provide the services set out in Article VII of the Minimum Standards for FBO's.
4. In providing the Commercial Aeronautical Services to large aircraft (over 60,000 pounds in maximum gross landed weight for cargo aircraft and over 80,000 pounds in maximum gross landed weight for passenger aircraft) chartered for cargo or passengers, Lessee must use the "West Ramp". Lessee's use of the West Ramp will be covered by the terms and conditions of this Lease. Lessee may not use an area other than the West Ramp for parking of aircraft over 80,000 pounds of maximum gross landed weight without the prior written approval of the Director.

Section 2.05 Concessions Excluded.

Lessee is specifically prohibited from conducting the following activities to the general public without the prior written approval of the Director, but is not prohibited from providing these services to employees and customers of Lessee:

- A. Ground transportation for hire,
- B. Western Union,
- C. Auto Rental service,
- D. Food sales, other than confections and refreshments or catering services provided for employees and customers, without the prior written consent of the Director, and
- E. Retail sales of products, except: (i) goods incidental to flight operations (such as pilot supplies, aviation supplies, maps); and (ii) goods ancillary to other business operations having all or partial common ownership with Lessee.

Section 2.06 Restrictions on Uses and Privileges.

Lessee shall not use or permit the Premises to be used in whole or in part during the term of this Lease for any purpose other than those set forth in this Lease, and the Minimum Standards for FBO's, or in violation of any present or future laws, ordinances, rules and regulations, at any time applicable

thereto, of any public or governmental authority, including Lessor, relating to sanitation or the public health, safety or welfare, or operation at and use of the Airport. Lessee hereby expressly agrees at all times during the term of this Lease, at its own cost and expense, to maintain, use and operate the Premises and all improvements, furnishings, fixtures and equipment thereon in a clean, wholesome, and sanitary condition, and in compliance with any present or future laws, ordinances, rules and regulations relating to public health, safety or welfare. Lessee shall, at all times, faithfully obey and comply with all applicable laws, rules and regulations adopted by federal, state, local or other governmental bodies or agencies, departments or officers thereof; provided, however, Lessor expressly agrees to use its best efforts to prevent any unreasonable inhibition or restriction of Lessee's rights hereunder. To the extent within Lessor's control, Lessee will have reasonable time after notice of a claimed violation to contest, review and if necessary conform to such future laws, ordinances, rules and regulations; provided, nothing herein will prevent or delay Lessee's required compliance with present or future laws, ordinances, rules and regulations.

Section 2.07 Conditions of Granting Lease.

The granting of this Lease and the use of the Public Airport Facilities is subject to and in accordance with the applicable laws of the United States of America, the State of Texas, and the City of El Paso regarding aviation and air navigation.

Section 2.08 Required Construction.

Except as otherwise provided herein, Lessee shall construct and maintain facilities, vehicular parking and landscaping ("Tenant Improvements") upon the Premises in accordance with the terms of this Lease, the Minimum Standards for FBO's, Airport Rules, Regulations and Land Use Requirements attached as Exhibit "B" and subject to the prior written consent of the Director, not to be unreasonably withheld, delayed or applied.

Section 2.09 Authorization to Enter Restricted Area.

Lessee understands that all of its agents, employees, servants or independent contractors must be authorized by the Lessor to enter restricted areas as defined in Section 14.16.020 of the El Paso Municipal Code, and any revisions thereto. Lessee understands that no person authorized to enter a restricted area by virtue of this Lease may permit any person who is not otherwise authorized to enter a restricted area unless such person is, at all times while in the restricted area, in the company of an authorized person.

Section 2.10 Penalties Assessed by FAA or TSA.

Lessee understands and agrees that in the event the Federal Aviation Administration ("FAA") or the Transportation Security Administration ("TSA") assesses a civil penalty against the Lessor as a result of any act or failure to act on part of Lessee, its agents, servants, employees, invitees, or independent contractors, Lessee will promptly reimburse the Airport in the amount of the civil penalty assessed upon thirty (30) days written notice from Lessor. To the extent within Lessor's reasonable ability

and control to provide, upon the occurrence of any event giving rise to liability of Lessee under this provision, Lessor shall give Lessee notice of such event and a copy of any communication or document received by Lessor with respect to each event. Nothing herein will prevent Lessee from contesting assessments and penalties imposed under this Section; provided, such contest will not prevent Lessee from making payments required hereunder during the period of contest unless otherwise excused or abated by the applicable authority.

ARTICLE III - OBLIGATIONS OF LESSOR

Section 3.01 Quiet Enjoyment.

Lessor agrees that upon Lessee's paying rent and performing all of the covenants, conditions, and agreements set forth herein, Lessee shall and may peaceably and quietly have, hold and enjoy the Premises for the term hereby provided. Lessor has no knowledge, nor any reason to believe, that there is any legal impediment to its full right to enter into this Lease and perform its obligations hereunder, and to do so throughout the Lease term and any renewals or extensions thereof.

Section 3.02 Subordination of Lease.

All rights granted in this Lease shall be subordinate to the rights in any deed from the United States to the City of El Paso. This Lease shall further be subordinate to the provisions of any existing or future agreements between Lessor and the United States relative to the operation and 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. In the event such an agreement with the United States Government substantially destroys the commercial value or use of the Premises, Lessee may cancel this Lease in its entirety without penalty.

Section 3.03 Condition and Maintenance of Premises.

Except as provided herein, Lessor assumes no responsibility as to the condition of the Premises and shall not assume responsibility for maintenance, upkeep, or repair necessary to keep the Premises in a safe and serviceable condition. Lessor shall, however, maintain pavement on the Aircraft Parking Ramp and the roads on the Airport and all other Public Airport Facilities necessary for Commercial Aeronautical Services from the Premises to standards established by the Director and in accordance with applicable statutes and building codes, governmental rules, regulations and orders, and recorded covenants, conditions and restrictions affecting the Airport. Lessee shall maintain the ramp tie-down fixtures, grounding rods and aircraft lead-in lines and pavement markings on the Aircraft Parking Ramp.

Section 3.04 Limitation of Contract to Others.

It is understood that nothing contained in this Lease shall limit Lessor with respect to granting of leases to other Fixed Base Operators under similar terms and conditions as herein set forth.

ARTICLE IV - OBLIGATIONS OF LESSEE

Section 4.01 Net Lease.

Except as otherwise provided herein, the use and occupancy of the Premises by Lessee shall be without cost or expense to Lessor. It shall be the sole responsibility of Lessee, subject to casualty and condemnation, to:

- A. Keep, maintain, repair and operate the Premises and all improvements located thereon in a good state of repair at all times at Lessee's sole cost and expense;
- B. Pay all ad valorem taxes and similar taxes assessed against the Premises, and Lessee's interest in the Premises and improvements, and all of Lessee's personal property located on the Premises pursuant to separate tax parcel;
- C. Pay all insurance premiums required to be maintained by Lessee in accordance with this Lease; and
- D. Supply to Lessor any information regarding operational activities, subtenants, based aircraft, etc. on both the Premises and the East Ramp and West Ramp, as requested by the Director upon prior written notice.

Section 4.02 Condition of Premises.

Except as provided herein, Lessee accepts the Premises in their present condition and, without expense to Lessor, will design, construct, operate, repair and maintain Tenant Improvements thereon, and remove or cause to be removed any debris to the extent required for the use thereof.

Section 4.03 Compliance with Laws.

1. Lessee, at Lessee's expense, agrees that it will design, construct, operate and maintain the Tenant Improvements on the Premises in accordance with the Rules, Regulations and Land Use Requirements attached hereto as Exhibit "C" and incorporated herein by reference (and as they may be from time to time modified). Lessee will also comply with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, with respect to the use, occupation or alteration of the Premises, and any improvements thereon and any other applicable laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, which relate to the use or occupation of the Premises and any improvements thereon by disabled persons ("Disabilities Laws").
2. Lessee shall, at Lessee's expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, affecting Lessee's use, operation, occupation or alteration of the Premises including any improvements thereon.

A. Definitions.

(1) "Environmental Laws" means any one or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq; the Safe Drinking Water Act, 42 U.S.C. Section 300h et seq; the Clean Water Act, 33 U.S.C. Section 1251 et seq; the Clean Air Act, 42 U.S.C. Section 7401 et seq; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment, including, but not limited to, the ambient air, ground water, surface water, and land use, including sub-strata land.

(2) "Hazardous Material" shall mean all substances, materials and wastes that are, or that become, regulated under or classified as hazardous or toxic under any Environmental Law and gasoline, oil, jet fuel, lubricants and all other petroleum products.

(3) "Release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the environment.

B. Compliance.

(1) Lessee shall not cause or permit any Hazardous Material to be used, generated, manufactured, produced, stored, brought upon, or released, on, under or about the Premises, or transported to and from the Premises, by Lessee, its agents, employees, contractors, invitees, or a third parties under the control of Lessee (collectively "Lessee Parties") in violation of any Environmental Law; it being expressly understood and agreed that Lessee will have Hazardous Materials stored on the Premises and shall do so in accordance with this Lease and all applicable laws, rules and regulations of governmental agencies exercising jurisdiction. Without limiting the generality of any other indemnity clauses contained in this Lease, Lessee shall indemnify, defend and hold harmless Lessor, its successors and assigns, its employees, agents and attorneys from and against any and all liability, loss, damage, expense, penalties and legal and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any

Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result (whether in part or in whole) of any activity or operation on or discharge from the Premises or any improvements thereon by Lessee Parties. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the Premises, improvements, land, soil, underground or surface water as required under the law. Lessee's obligations and liabilities under this paragraph shall continue so long as Lessor bears any liability or responsibility under the Environmental Laws for any action that occurred on the Premises or any improvements thereon by Lessee Parties. This indemnification of Lessor by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material located on the Premises or any improvements thereon, or present in the soil or ground water on, under or about the Premises by Lessee Parties. The parties agree that Lessor's right to enforce Lessee's promise to indemnify is not an adequate remedy at law for Lessee's violation of any provision of this Section. Lessor shall also have all other rights and remedies provided by law or otherwise provided in this Lease.

(2) Without limiting the foregoing, if the presence of any Hazardous Material on, under or about the Premises or in any improvements thereon results in any contamination of the Premises or any improvements thereon or any surrounding property, Lessee shall promptly take all actions at its sole cost and expense as are necessary to return the Premises or any improvements thereon or any surrounding property to the condition existing prior to the introduction of any such Hazardous Material to the Premises or in any improvements thereon; provided that Lessor's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises or on any improvements thereon.

(3) Lessee shall, at Lessee's own cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the Environmental Laws. Should the Government determine that site characterization, site assessment and/or a cleanup plan be prepared or that a cleanup should be undertaken on the Premises or in any improvements thereon, then Lessee shall, at Lessee's own cost and expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no cost or expense to Lessor, Lessee shall promptly provide all available information requested by Lessor to determine the applicability of the Environmental Laws to the Premises or to respond to any governmental investigation or to respond to

any claim of liability by third parties, which is related to environmental contamination.

(4) Lessee shall immediately notify Lessor of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of Environmental Laws to the Premises or Lessee's operation on the Premises, and (b) any change in Lessee's operation on the Premises that will change or has the potential to change Lessee's or Lessor's obligations or liabilities under the Environmental Laws.

(5) Lessee shall insert the provisions of this Section 3.03 in any lease agreement by which it grants a right or privilege to any person, firm or corporation under this Lease.

3. Notwithstanding any other provision in this Lease to the contrary, Lessor shall have the right of "self-help" or similar remedy in order to minimize any damages, expenses, penalties and related fees or costs, arising from or related to a violation of any law on, under or about the Premises.
4. Lessee's failure or the failure of its agents, employees, contractors, invitees, or sub-lessees to comply with any of the requirements and obligations of this Section shall constitute a material default of this Lease and shall permit Lessor to pursue the remedies as set forth in Section 10.02 herein below, in addition to all other rights and remedies provided by law or otherwise provided in the Lease, to which Lessor may resort cumulatively, or in the alternative.

C. Reporting.

(1) At any time that Lessee submits any filing pertaining to its property, operations, or presence on the Airport with any governmental entity (other than the Internal Revenue Service) by way of example but not in limitation, the Federal Aviation Administration, the Environmental Protection Agency or the Texas Natural Resources Conservation Commission, Lessee shall provide duplicate copies of the filing(s) and all related documents to Lessor.

D. Responsibility of Lessee. Notwithstanding the forgoing, Lessee will not be responsible for Hazardous Material that is not introduced by Lessee Parties.

Section 4.04 Maintenance.

1. Subject to casualty and condemnation and Lessor's scheduled maintenance, including ramp reconstruction and milling and replacement, of the Aircraft Parking Ramp, during the Term, Lessee shall, at its sole cost and expense, maintain the Premises and the Tenant Improvements and appurtenances thereto in a presentable condition consistent with good

business practice and equal in appearance and character to other similar improvements on the Airport. Lessee shall repair all damages to the Premises or any other areas of the Airport which are caused by its employees, patrons or its operation thereon; shall maintain and repair all equipment on the Premises, including any drainage installations, paving, curbs, islands, buildings and improvements; and shall repaint or repair any and all components of the buildings as necessary.

2. Lessor shall be the sole judge of the quality of repairs and maintenance performed by Lessee hereunder using reasonable standards applied to similar properties within the Airport in the same manner. Upon written notice by Lessor to Lessee, Lessee shall be required to commence performance of such repairs and maintenance deemed necessary by the Lessor in accordance with the Lease and standards required by this Lease. If said required repairs or maintenance is not commenced and thereafter diligently pursued to completion by the Lessee within ten (10) days after receipt of the written notice, Lessor shall have the right to enter upon the Premises and perform the required repairs or maintenance, the cost of which, plus 10%, shall be borne by the Lessee. Except in the event of an emergency or safety or security issues, Lessor may not perform self-help if delays are the result of events that are not within Lessee's control, weather, permitting, laws, rules, regulations, approvals or delays caused by or attributable to Lessor (collectively "Force Majeure Events").

Section 4.05 Trash, Garbage, Etc.

Lessee shall make suitable arrangements for the storage, collection and removal of all trash, garbage and other refuse resulting from Lessee's activities on the Premises. Lessee shall provide appropriate, covered, commercial type receptacles for such trash, garbage and other refuse and will maintain these receptacles screened from view of any adjoining properties or public streets and in an attractive, safe and sanitary manner. Lessee shall not pile boxes, cartons, barrels or other similar items in an unsightly or unsafe manner, on or about the Premises.

Section 4.06 Landscaping and Maintenance of Improvements.

Except as provided herein, Lessee shall landscape the Premises and keep the Tenant Improvements on the Premises in a good state of repair and condition and in a presentable condition comparable in appearance and character to similar FBO tenant improvements at El Paso International Airport. The exterior finish on said the Tenant Improvements shall be repainted and refinished as necessary to maintain the appearance of such improvements. Lessor agrees that attractive, low water usage landscaping is a desirable goal and agrees to consider and approve appropriate low water usage landscaping plans as a part of the architectural review process.

Section 4.07 Commercial Aviation Operations By Lessee.

1. Lessee shall conduct a first-class commercial aviation service adequate at all times to meet the demands for such service on the Airport. Lessee shall conduct such business in a proper

and courteous manner and shall furnish good, prompt and efficient commercial aviation services at all times.

2. In addition to complying with such specific non-discrimination requirements in Article XII, Section 12.07 of this lease, Lessee shall furnish services on a fair, equal, and non-discriminatory basis to all users thereof, and shall charge fair, reasonable, and non-discriminatory prices for each unit of sale of services; provided however that Lessee may offer reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

Section 4.08 Utilities.

Lessee shall pay for all costs or charges for utility services furnished to Lessee during the Term hereof. Lessee shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense, and Lessee shall pay for any and all service charges incurred in connection therewith.

Section 4.09 Signage.

The following regulations shall apply to all signs displayed for observation from outside a building whether displayed on, near or within a building:

- A. Permitted Signage. Signs on Premises shall be limited to those identifying the uses conducted on the site and to those necessary for directional purposes. The content, size, design and location of all signs shall require the written approval of the Director prior to installation. Said written approval shall be at Director's sole discretion. Outdoor advertising, billboards or flashing lighting shall not be permitted.
- B. Lighting and Construction. All signs shall comply with all current or future building codes of the City of El Paso in existence at the time of installation and with all current or future rules and regulations of the Federal Aviation Administration and its successor agencies. Lessee is solely responsible for obtaining all necessary permits and licenses.
- C. Approval of Plans. Approval of any and all improvements, plans, signs, or documents by the Director does not constitute approval of the City or any other local, state, or federal agency. It is specifically understood that El Paso International Airport is only one of numerous departments of the City and that, in addition to obtaining approval of Director of Aviation, Lessee shall be required to obtain the approval of other departments as well, such as Capital Improvement, Public Works or Planning and Inspections.

Section 4.10 Field Use Charges.

Nothing herein shall be deemed to relieve Lessee and its patrons, invitees and others from field use charges, including fuel flowage fees, as are generally levied by Lessor directly upon the operation of aircraft.

ARTICLE V - TERM OF LEASEHOLD

Section 5.01 Term.

1. The "Term" of this Lease will be the Initial Term and any properly exercised Renewal Term, as provided below.
2. The "Initial Term" of this Lease shall be for a period of thirty (30) years commencing on the Effective Date and ending thirty (30) years after the Rent Commencement Date.
3. Renewal Term and Renewal Terms will be as provided in Section 5.02.
4. Fixed Annual Rent shall be adjusted as provided in Section 4.02 and 6.07, of this Lease, as applicable, on each fifth (5th) anniversary of the Rent Commencement Date.
5. All readjustments shall be effective as of the fifth (5th) anniversary date of the Rent Commencement Date, without regard to the date the actual adjustment is made; provided, however, that in no event shall the readjusted Fixed Annual Rent be less than the rate in place immediately prior to such readjustment nor more than twenty percent (20%) more than the rent established at the beginning of the immediately preceding five-year period.

Section 5.02 Options to Extend.

1. In the event that Lessee is then not in default of any terms of this Lease, Lessee shall have the option to extend this Lease for four (4) additional terms (individually the "Option" and collectively the "Options") of five (5) years each (individually a "Renewal Term" and collectively "Renewal Terms"). Lessee may exercise the option ("First Option Period") by notifying Lessor in writing at least one hundred and twenty (120) days prior to expiration of the Initial Term. In the event the election is so exercised, the Lease shall be extended for five (5) years on the same terms and conditions, except that the Fixed Annual Rent shall be adjusted to a rate equal to eight percent (8%) of the Fair Market Value of the Tenant Improvement Site and Fuel Tank Site at the commencement of the First Option Period. In no event shall the adjusted Fixed Annual Rent for the First Option Period be less than the Fixed Annual Rent during the Initial Term.
2. In the event that Lessee is then in full compliance with terms of this Lease, as extended, Lessee may exercise the second 5-year option ("Second Option Period") by notifying Lessor in writing at least one hundred and twenty (120) days prior to the expiration of the First Option Period. In the event the election is so exercised, the Lease shall be extended for an additional five (5) years on the same terms and conditions, except that the Fixed Annual Rent

for the Second Option Period shall be adjusted to a rate equal to eight percent (8%) of the Fair Market Value of the Tenant Improvement Site and Fuel Tank Site at the commencement of the Second Option Period. In no event shall the adjusted Fixed Annual Rent during the Second Option Period be less than the Fixed Annual Rent established in the First Option Period.

3. In the event that Lessee is then in full compliance with terms of this Lease, as extended, Lessee may exercise the third 5-year option ("Third Option Period") by notifying Lessor in writing at least one hundred and twenty (120) days prior to the expiration of the Second Option Period. In the event the election is so exercised, the Lease shall be extended for an additional five (5) years on the same terms and conditions, except that the Fixed Annual Rent for the Third Option Period shall be adjusted to a rate equal to eight percent (8%) of the Fair Market Value of the Tenant Improvement Site and Fuel Tank Site at the commencement of the Third Option Period. In no event shall the adjusted Fixed Annual Rent during the Third Option Period be less than the Fixed Annual Rent established in the Second Option Period.
4. In the event that Lessee is then in full compliance with terms of this Lease, as extended, Lessee may exercise the fourth 5-year option ("Fourth Option Period") by notifying Lessor in writing at least one hundred and twenty (120) days prior to the expiration of the Third Option Period. In the event the election is so exercised, the Lease shall be extended for an additional five (5) years on the same terms and conditions, except that the Fixed Annual Rent for the Fourth Option Period shall be adjusted to a rate equal to eight percent (8%) of the Fair Market Value of the Tenant Improvement Site and Fuel Tank Site at the commencement of the Fourth Option Period. In no event shall the adjusted Fixed Annual Rent during the Fourth Option Period be less than the Fixed Annual Rent established in the Third Option Period.
5. Notwithstanding the foregoing, in the event Lessee fails to notify Lessee in of Lessee's desire to exercise its right to an Option within the time period required, Lessees' right to exercise the applicable Option will not expire until Lessor has provided Lessee at least thirty (30) days prior notice that Lessee has not exercised the applicable Option (the "Option Reminder"). Thereafter, Lessee will have thirty (30) days after receipt of the Option Reminder to exercise the applicable Option.

Section 5.03 Holding Over.

It is agreed and understood that any holding over by Lessee of the Premises at the expiration or cancellation of this Lease shall operate and be construed as a tenancy from month to month at a rental rate equal to one and one-half times the monthly installments of Fixed Annual Rent being charged at the time the holdover begins, unless the hold over is caused by the City staff not placing a new lease with Lessee regarding the Premises at the end of the term of the present lease on the City Council Agenda in a timely manner, in which case, the current monthly rental rate shall continue

until the new lease is executed. Lessee shall be liable to Lessor for all loss or damage on account of any holding over against Lessor's will after the expiration or cancellation of this Lease, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by Lessor from Lessee after the expiration or cancellation of this Lease or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Lease, or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises.

Section 5.04 National Emergency.

In the event the rights and privileges hereunder are suspended by reason of war or other national emergency, as long as Tenant is not in default in any of the terms and conditions of this Lease beyond any applicable notice and cure period, the Fixed Base Rent called for in this Lease may be abated upon petition to the Director. As a condition to receiving the abatement, Lessee must show for a period of twelve (12) consecutive months, the Premises for general aviation operations officially reported by FAA's Air Traffic Control Tower is less than eighty-five percent (85%) of the level that existed in the previous twelve (12) month period, as verified by the Director. Determination of whether the abatement is necessary and appropriate and its length shall be made by the sole judgement of the City Council of the City of El Paso, Texas. Nothing herein will result in an abatement of Percentage Rent or Pass-Through Fees called for in this Lease.

ARTICLE VI- RENT AND FEES

Section 6.01 Rent.

The Premises are comprised of two areas of land known as the Tenant Improvements Site containing the number of square feet of land referenced in Exhibits "A-1" and "A-3" to be attached pursuant to Section 2.01 of this Lease, a second parcel of land known as the Aircraft Parking Ramp containing the number of square feet of land referenced in Exhibits "A-1, A-2, and A-3" to be attached pursuant to Section 2.1 of this Lease, and a third parcel of land known as the Fuel Tank Site containing the number of square feet of land referenced in Section 2.01 above . Rent is paid for the use of each of the parcels as follows:

- A. Fixed Annual Rent. Lessee shall pay Fixed Annual Rent for the Tenant Improvement Site (excluding improvements placed on the Tenant Improvement Site by Lessee). Lessee shall pay a Fixed Annual Rent based on the number of square feet contained in the Tenant Improvement Site, as provided below. During the first five (5) years after the Rent Commencement Date the Fixed Annual Rent shall be (\$.24 per square foot x the number of square feet included in the Tenant Improvement Site as agreed on between Lessor and Lessee under Section 2.01 above. At the end of the first five (5) years after the Rent Commencement Date and on every 5th anniversary of the Rent

Commencement Date during the Initial Term, the Fixed Annual Rent shall be adjusted in accordance with Section 5.07 below.

- B. **Percentage Rent.** In consideration for the use of the Aircraft Parking Ramp, Lessee shall pay to Lessor an amount equal to fifteen percent (15%) of its Gross Receipts from parking fees or associated line services charged to customers for parking on the Aircraft Parking Ramp. "Gross Receipts" are defined as all amounts actually charged to its customers by Lessee or by any sub-lessee for or in connection with aircraft parking. Gross Receipts shall include all monies or other consideration paid or payable to Lessee or any sub-lessee in cash or on credit for the aircraft parking or associated line services.
- C. **Pass-Through Fees.** In consideration for the use of the West Ramp, Lessee agrees to collect and remit to Lessor all applicable landing fees and parking fees assessed for such uses as required by Title 14 of the El Paso Municipal Code on aircraft Lessee ground handles or services.
- D. **Fuel Tank Sites.** Lessee shall pay a Fixed Annual Rental for the Fuel Tank Sites (excluding improvements placed on site by Lessee). During the first five (5) years after the Rent Commencement Date the Fixed Annual Rent for the Fuel Tank Sites shall be (\$.24 per square foot x the number of square feet included in the Fuel Tank Site as agreed on between Lessor and Lessee under Section 2.01 above. At the end of the first five (5) years after the Rent Commencement Date and on every 5th anniversary of the Rent Commencement Date during the Initial Term, the Fixed Annual Rent for the Fuel Tank Site shall be adjusted in accordance with Section 5.07 below. In addition, Lessee shall pay all Fuel Flowage Fees attributable to the Fuel Tank Site, as set forth below.

Section 6.02 Fuel Flowage Fees.

In addition to the rent and fees described in Section 5.01, Lessee shall pay to Lessor a fuel flowage fee of eight cents (\$0.08) for each gallon of aviation fuel sold by Lessee at the Airport during the term of the Lease and all Option Periods. Included with each payment, Lessee shall supply to Lessor, on a form acceptable to Director, an accounting of all fuel sold each month.

Lessee shall not be obligated to pay fuel flowage fees for fuel sold to companies who are exempted from such fees by Title 14 of the El Paso Municipal Code.

Section 6.03 Time of Payments.

The Fixed Annual Rent shall be paid to Lessor in twelve equal monthly installments, in advance, on or before the first day of each and every calendar month during the term of this Lease and Option Periods. The Percentage Rent, the Pass-Through Fees and the Fuel Flowage Fees shall be paid to

Lessor on the twentieth (20th) day of each calendar month immediately following that in which the aircraft parking or line services occurred or the fuel was sold.

Section 6.04 Commencement of Rent and Fees.

Payment of rent and fees shall commence on the "Rent Commencement Date", being the later of: (i) the first day of the month following the date of "Beneficial Occupancy" of the Premises or thirty (30) months from the Effective Date of this Lease, whichever is sooner; or (ii) one hundred eighty (180) days after Substantial Completion of the Aircraft Parking Ramp and taxiway. Beneficial Occupancy shall occur on the first of the month following the date a Certificate of Occupancy is issued for the Tenant Improvements. Lessee shall submit with each payment of rent and fees, a report in a form acceptable to Director, which details the Lessee's Gross Receipts including, but not limited to, aircraft parking fees and line services for the Aircraft Parking Ramp, parking fees and line services for the West Ramp, and all fuel sales.

Section 6.05 Audit.

1. For the purposes of determining the accuracy of Lessee's reporting of Gross Receipts and fuel flowage fees, Lessor shall have the right, through its representatives, and at all reasonable times, to inspect Lessee's relevant records. Lessee hereby agrees that all such records shall be retained by Lessee and made available to Lessor at the Premises for at least the last three (3) year period.
2. If results of such audits reveal a discrepancy of more than five percent (5%) between the Gross Receipts or the fuel flowage fees reported by Lessee and the amount as determined by the inspection for any calendar year period, the full cost of said inspection shall be paid by Lessee up to \$2,500.00. No audit will be performed on a contingent basis and will include an opportunity for review and response by Lessee prior to final determination.

Section 6.06 Annual Accountants Report.

Lessee shall employ, at its own cost and expense, a certified public accountant (who may be internal) who shall furnish to Lessor annually, within one hundred twenty (120) days following the close of each calendar year, a written statement that, in their opinion, the Gross Receipts and the fuel flowage fees paid by Lessee during the previous lease year were made in accordance with the terms of this Lease.

Section 6.07 Readjustment of Rent.

During the Initial Term of the Lease, the Fixed Annual Rent shall be adjusted as follows:

1. Fixed Annual Rent shall be adjusted on each fifth (5th) anniversary of the Rent Commencement Date during the Initial Term. Lessor and Lessee agree that percentage increases in the Consumer Price Index for all Urban Consumers (CPI-U) shall govern the rent readjustment for these anniversary dates. The parties further agree that for the purposes of

computing such percentage increase during the Initial Term, the Base Year CPI-U shall be established as that rate in place ninety (90) calendar days prior to the Rent Commencement Date of this Lease. Fixed Minimum Rent Rents shall be adjusted pursuant to the percentage increase in the CPI-U from the Base Year CPI-U to the rate in place ninety (90) days prior to the applicable date of readjustment (i.e. the fifth (5th) anniversary date of the Rent Commencement Date).

2. All readjustments shall be effective as of the fifth (5th) anniversary date of the Rent Commencement Date, without regard to the date the actual adjustment is made; provided, however, that in no event shall the readjusted rent be less than the rate in place immediately prior to such readjustment nor more than twenty percent (20%) more than the rent established at the beginning of the immediately preceding five-year period.
3. During the Renewal Term, Fixed Annual Rent will be adjusted on the fifth (5th) anniversary date of the Rent Commencement Date by Fair Market Value, defined below:
4. The "Fair Market Value" of the Tenant Improvement Site and Fuel Tank Site shall be determined by an appraisal of the Tenant Improvement Site and Fuel Tank Site; however, if mutually agreeable to Lessor and Lessee, the appraisal to determine the Fair Market Value, may be foregone under either of the following conditions:
 - A. The Director of Aviation and Lessee mutually agree to an increase in the Fixed Annual Rent equal to 20% of the Fixed Annual Rent charged for the immediately preceding five (5) year term.
 - B. The Director of Aviation and Lessee agree on the Fair Market Value of the Tenant Improvement Site and Fuel Tank Site established by a recent appraisal of similar property located in the surrounding area which was performed within twelve (12) months of the Lease anniversary date in question.
5. In any case, the fees and expenses of any appraisals shall be borne equally by the Lessor and Lessee and the Fixed Annual Rent established by the determination of the Fair Market Value shall be effective as of the anniversary date for which the adjustment of the Fixed Annual Rent is being determined. Furthermore, any appraiser designated to serve in accordance with the provisions of this Lease shall be an unbiased and disinterested party and shall be qualified to appraise real estate of the type covered by this Lease situated in El Paso County, Texas, and shall have been actively engaged in the appraisal of real estate similar to the Premises and located in El Paso County, Texas for a period of not less than five (5) consecutive years immediately preceding his appointment.

Section 6.08 Place of Payment.

All rent and fee payments provided herein shall be paid to Lessor at the following address:

Accounting Department
El Paso International Airport
6701 Convair Dr.
El Paso, Texas 79925

Section 6.09 Unpaid Rent, Fees and Charges.

Any installment of rent, fees, or other charges or monies accruing under any provisions of this Lease that are not received by Lessor by the twentieth (20th) day of the month in which payment is due, shall bear interest at a rate equal to the lesser of the highest maximum rate by applicable law or eighteen percent (18%) per annum from the date the same was due until paid in full by Lessee.

ARTICLE VII - INSURANCE AND INDEMNIFICATION

Section 7.01 Fire and Other Risks Insurance.

Lessee, at its sole cost and expense, shall throughout the term of this Lease, keep or cause to be kept all Tenant Improvements now or hereafter located upon the Premises insured against loss or damage by fire and against loss or damage by other risks embraced by "extended coverage" and against civil commotions, riots, vandalism and malicious mischief, in an amount equal to the actual replacement cost of such improvements installed by Lessee, including costs of replacing excavations and foundation, but without deduction for depreciation (hereinafter called "Full Insurable Value"). In the event a dispute arises as to the Full Insurable Value which cannot be resolved by agreement, Fair Market Value of the Tenant Improvements shall be used to determine the Full Insurable Value, as defined in this provision, and the resulting determination shall be conclusive between the parties for the purpose of this Section.

Section 7.02 Liability Insurance.

Lessee, at its sole cost and expense shall, throughout the term of this Lease, provide and keep in force for the benefit of Lessor and Lessee, as their respective interests may appear, comprehensive general public liability and property damage insurance in the amount of TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00) (or an amount currently provided by Lessee, whichever is greater) with respect to each accident and occurrence of personal injury, wrongful death or damage to property. The Commercial General Liability and Property Damage coverage requirements may be satisfied through a combination of individual policy limits, umbrella and blanket coverages.

Section 7.03 Bonds.

1. Prior to commencement of any construction work on the Premises the total cost of which will exceed Fifty Thousand Dollars, Lessee, at its own cost and expense, shall cause to be made, executed, and delivered to Lessor two separate bonds, as follows:

- A.. Prior to the date of commencement of any construction, a contract surety bond in a sum equal to the full amount of the construction contract awarded.
- B. Said bond shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall guarantee Lessor against any losses and liability, damages, expenses, claims and judgments caused by or resulting from any failure of Lessee to perform completely the work described as herein provided.
- C. Prior to the date of commencement of any construction, a payment bond **with Lessee's contractor or contractors as principal**, in a sum equal to the full amount of the construction contract project.
- D. Said bond shall guarantee payment of all wages for labor and services engaged and of all bills for materials, supplies, and equipment used in the performance of said construction project.

Section 7.04 Authorized Insurance Companies.

All such policies of insurance shall be written by insurance companies authorized to do business in the State of Texas and shall be written by companies approved by Lessor. Copies of the insurance policies shall be delivered to Lessor at least ten (10) days prior to the Effective Date of the insurance policy. Each such copy shall contain (a) the coverage provided by the policy; (b) the Lessor listed as an additional insured in the liability policies; (c) the period during which the policy is in effect; (d) a statement that the annual premium or the advance deposit premium for such policy has been paid in advance; and (e) an agreement by the insurance company issuing such policy that the policy shall not be cancelled without at least thirty (30) days' prior written notice to Lessor.

Section 7.05 Indemnification.

- A. **INDEMNITY. LESSEE SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS LESSOR AND ITS OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "INDEMNIFIED PARTIES", FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES, EXPENSES, AND COURT COSTS), LIABILITIES, DAMAGES, CLAIMS, SUITS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER ("CLAIMS), TO THE FULL EXTENT ARISING OUT OF (A) ANY BREACH OF THIS LEASE BY LESSEE OR ITS AGENTS, EMPLOYEES, AFFILIATES, SUBTENANTS, OR CONTRACTORS, (COLLECTIVELY THE "LESSEE PARTIES"); (B) ANY FALSE REPRESENTATION OR WARRANTY MADE BY THE LESSEE PARTIES HEREUNDER; OR (C) NEGLIGENCE OR WILLFUL MISCONDUCT OF THE LESSEE PARTIES IN CONNECTION WITH THIS LEASE, THE CONSTRUCTION, DEVELOPMENT, OPERATION OR USE**

OF THE PREMISES, OR THE AIRPORT. NOTHING PROVIDED ABOVE SHALL BE CONSTRUED AS A REMEDY FOR BREACH OF CONTRACT CLAIM UNDER THIS LEASE.

IT IS THE INTENTION OF THIS INDEMNITY SECTION THAT THE JOINT AND CONCURRING RESPONSIBILITY OF LESSOR AND LESSEE BE BORNE COMPARATIVELY IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO LESSOR UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THIS PROVISION SHALL NOT CREATE ANY CAUSE OF ACTION IN FAVOR OF ANY THIRD PARTY AGAINST LESSOR OR LESSEE NOR SHALL IT ENLARGE IN ANY WAY THE LIABILITY OF LESSOR OR LESSEE, THIS PROVISION BEING INTENDED SOLELY TO PROVIDE FOR INDEMNIFICATION OF LESSOR FROM LIABILITY FOR DAMAGE TO THIRD PERSONS OR PROPERTY AS SET FORTH IN THIS PARAGRAPH.

LESSEE SHALL ASSUME ON BEHALF OF THE INDEMNIFIED PARTIES AND CONDUCT WITH DUE DILIGENCE AND IN GOOD FAITH THE DEFENSE OF ALL CLAIMS AGAINST ANY OF THE INDEMNIFIED PARTIES. MAINTENANCE OF THE INSURANCE REQUIRED UNDER THIS AGREEMENT SHALL NOT AFFECT LESSEE'S INDEMNITY OBLIGATIONS. LESSEE MAY CONTEST THE VALIDITY OF ANY CLAIMS, IN THE NAME OF LESSOR OR LESSEE, AS LESSEE MAY IN GOOD FAITH DEEM APPROPRIATE, PROVIDED THAT THE EXPENSES THEREOF SHALL BE PAID BY LESSEE. IN NO EVENT MAY LESSEE ADMIT LIABILITY ON THE PART OF LESSOR WITHOUT THE PRIOR WRITTEN CONSENT OF THE EL PASO CITY ATTORNEY.

- B. WAIVER OF CONSEQUENTIAL DAMAGES. EACH PARTY HEREBY WAIVES ANY AND ALL RIGHTS TO RECOVER ANY CONSEQUENTIAL INCIDENTAL, EXEMPLARY OR PUNITIVE DAMAGES FROM THE OTHER PARTY, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR INCOME, CLAIMS OF LESSEE'S CUSTOMERS, SUBTENANTS, AND CONTRACTORS, AND OTHER SIMILAR CLAIMS OR DAMAGES.**

- C. CLAIMS AGAINST LESSEE. IF ANY CLAIM, DEMAND, SUIT, OR OTHER ACTION IS MADE OR BROUGHT BY ANY PERSON OR ENTITY AGAINST THE LESSEE ARISING OUT OF OR CONCERNING THIS LEASE, THE AIRPORT, OR THE PREMISES, LESSEE SHALL GIVE WRITTEN NOTICE**

THEREOF TO LESSOR WITHIN TEN (10) BUSINESS DAYS AFTER BEING NOTIFIED OF SUCH CLAIM, DEMAND, SUIT, OR ACTION. SUCH NOTICE SHALL ENCLOSE A TRUE COPY OF ALL SUCH CLAIMS, AND IF THE CLAIM IS NOT WRITTEN OR THE INFORMATION IS NOT DISCERNABLE FROM THE WRITTEN CLAIM, THE WRITTEN NOTICE SHALL STATE THE DATE OF NOTIFICATION OF ANY SUCH CLAIM, DEMAND, SUIT, OR OTHER ACTION; THE NAMES AND ADDRESSES OF THE PERSON, FIRM, CORPORATION, OR OTHER ENTITY MAKING SUCH CLAIM OR THAT INSTITUTED OR THREATENED TO INSTITUTE ANY TYPE OF ACTION OR PROCEEDING; THE BASIS OF SUCH CLAIM, ACTION, OR PROCEEDING; AND THE NAME OF ANY PERSON AGAINST WHO SUCH CLAIM IS BEING MADE OR THREATENED. SUCH WRITTEN NOTICE SHALL BE DELIVERED EITHER PERSONALLY OR BY MAIL AND SHALL BE DIRECTLY SENT TO THE EL PASO CITY ATTORNEY, #2 CIVIC CENTER PLAZA, 9TH FLOOR, EL PASO, TEXAS 79901 OR TO SUCH REVISED ADDRESS AS NOTIFIED BY DIRECTOR.

- D. THOSE PROVISIONS OF THIS SECTION THAT APPLY TO THE LESSEE SHALL ALSO APPLY TO ANY PARTY HOLDING BY, THROUGH, OR UNDER THE LESSEE.**

**ARTICLE VIII - DESTRUCTION OF IMPROVEMENTS
BY FIRE OR OTHER CASUALTY**

Section 8.01 Obligations of Lessee.

During the Term hereof, except as provided in Section 7.03 below, should the improvements constructed by Lessee upon the Premises be damaged or destroyed in whole or in part by fire or other casualty, Lessee shall give prompt notice thereof to Lessor, and Lessee, at its own cost and expense, shall promptly repair, replace and rebuild the same, at least to the same extent as the value and as nearly as practical to the character of the buildings and improvements existing immediately prior to such time. Such repairs, replacements or rebuilding shall be made by Lessee as aforesaid and in accordance with the following terms and conditions:

- A. Prior to commencing such work, Lessee shall deliver to Lessor a set of the preliminary construction plans and specifications in accordance with the terms and provision of the Rules, Regulations and Land Use Requirements attached hereto as Exhibit "C". In the event the preliminary plans and specifications are disapproved, Lessee will be so notified and the notice shall specify in detail the reasons therefore and the requested modifications or alterations thereto.
- B. Upon approval of the preliminary plans and specifications, as herein provided, Lessee shall prepare or cause to be prepared final working plans and specifications in substantial conformity to the preliminary plans and specifications. Upon completion of the final working plans and specifications, Lessee shall submit the same to

appropriate governmental agencies for approval. Upon approval by such agencies and the issuance of permits for the commencement of construction, Lessee shall deliver to Lessor one complete set of the final working plans and specifications as approved by the governmental agencies exercising jurisdiction thereover. Changes from the preliminary plans and specifications shall be considered to be within the scope of the preliminary plans and specifications if such changes are reasonably inferable therefrom or if they are made to comply with suggestions, requests or requirements of the governmental agencies exercising jurisdiction.

- C. Upon compliance with the foregoing, and after settlement shall have been made with the insurance company or companies and said proceeds of such insurance policy or policies shall have been paid to Lessee, Lessee shall commence such repair, replacements or rebuilding within a reasonable time and shall continue such work with reasonable diligence until completion.

Section 8.02 Insurance Proceeds.

Upon receipt by Lessee of the proceeds of the insurance policy or policies, Lessee shall deposit same in an escrow account to pay for the cost of such repair, replacement or rebuilding. Such proceeds shall be disbursed by Lessee during construction to pay the cost of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Lessee shall pay any additional sums required, and if the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be retained by Lessee. From the time of the casualty to the time of rebuilding, all Fixed Base Rent will abate for the period of time and to the extent Lessee is unable to operate in the Premises or portion of the Premises that Lessee is unable to use due to the casualty.

Section 8.03 Cancellation of Lease.

Should the improvements on the Premises be damaged or destroyed in whole or in part by fire or other casualty during the last ten (10) years of the Initial Term or during any Renewal Term of this Lease, Lessee shall be relieved of the obligation to repair, replace and rebuild the same and shall have the right to cancel this Lease by giving Lessor written notice of such election within ninety (90) days after the date of any such damage or destruction. In such event, this Lease shall terminate as of the date of such destruction, Lessee shall remove any remaining improvements from the Tenant Improvements Site and the remaining insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by Lessee. All rents payable under this Lease shall be prorated and paid to the date of such cancellation.

ARTICLE IX – CONDEMNATION

Section 9.01 Definitions.

The following definitions apply in construing the provisions of this Lease relating to the taking of or damage to all or any part of the Premises, or improvements thereon, or any interest in them by eminent domain or condemnation:

- A. “Taking” means the taking or damaging or severance damage by eminent domain or by condemnation for any public or quasi-public use under any statute or a material limitation of use of the Premises for its intended use or access to the Premises through use of the Public Airport Facilities by Lessor, the TSA, FAA or other governmental regulatory entity having jurisdiction over the Airport. The transfer of title may be either a transfer resulting from the recording of a final order in condemnation or a voluntary transfer or conveyance to the condemning agency or entity under threat of condemnation and avoidance proceedings are pending. The taking shall be considered to take place the date actual physical possession is taken or limitation of use by the condemning authority.
- B. “Total Taking” means the taking of the fee title to all of the Premises and improvements thereon or complete limitation of use of the Premises for its intended use pursuant to this Lease.
- C. “Substantial Taking” means a Taking that one or more of the following conditions results:
 - 1. The remaining portion of the Premises and improvements thereon after such taking would not be economically and feasibly useable by Lessee;
 - 2. The conduct of Lessee's business on the Premises would be substantially prevented or impaired;
 - 3. The portion of the Premises not so taken cannot be so repaired or reconstructed, taking into consideration the amount of the award available for repair or reconstruction, as to constitute a complete rentable structure capable of producing a proportionately fair and reasonable net annual income after payment of all operation expenses including the rent and after performance of all covenants and conditions required of Lessee under this Lease.
- D. “Partial Taking” means a Taking that is not either a Total Taking or Substantial Taking.
- E. “Improvements” includes, but is not limited to, all buildings, structures, fixtures, fences, utility installations, parking facilities and landscaping on the Premises.

- F. "Notice of Intended Taking" means any notice or notification on which a reasonably prudent person would rely and which such person would interpret as expressing an existing intention of Taking as distinguished by a mere preliminary inquiry or proposal. It includes, but is not limited to, the service of a condemnation summons and complaint on a party to this Lease. The notice is considered to have been received when a party to this Lease receives from the condemning agency or entity a written notice of intent to take containing a description or map reasonably defining the extent of the Taking.
- G. "Award" means compensation paid for the Taking, whether pursuant to judgment, or by agreement, or otherwise.
- H. "Date of Taking" means the date that Lessee is required to vacate the Premises or its use of the applicable facility is limited pursuant to a final order of condemnation, agreement between the parties hereto, or action by the Taking party.

Section 9.02 Notice of Condemnation.

The party receiving any notice of the kind specified below shall promptly give the other party notice of the receipt, contents and date of the notice received:

- A. Notice of intended taking;
- B. Service of any legal process relating to condemnation of the Premises or Tenant Improvements; or
- C. Notice in connection with any proceedings or negotiations with respect to such a condemnation.

Section 9.03 Rights of Parties During Condemnation Proceeding.

Lessor and Lessee shall each have the right to represent its respective interest in each proceeding or negotiation with respect to a taking or intended taking and to make full proof of its claims. No agreement, settlement, sale or transfer to or with the condemning authorities shall be made without the consent of all parties. Each party agrees to execute and deliver to any other party hereto any instrument that may be required to facilitate the provisions of this Lease relating to the condemnation.

Section 9.04 Taking of Leasehold.

Upon a Total Taking, Lessee's obligation to pay Rent and other charges hereunder shall terminate on the Date of Taking, but Lessee's interest in the leasehold shall continue until the Taking is completed by deed, contract or final order of condemnation. If the Taking is a Substantial Taking under the aforementioned definition, Lessee may, by notice to Lessor within ninety (90) days after Lessee receives notice of the Intended Taking, elect to treat the Taking as a Total Taking. If Lessee does not

so notify Lessor, the Taking shall be deemed a Partial Taking. Upon a Partial Taking, this Lease shall remain in full force and effect covering the balance of the Premises not so taken, except that the Rent payable hereunder by Lessee shall be reduced by the reduction in value of the Premises resulting from the Taking.

Section 9.05 Total Taking.

All of Lessee's obligations under the Lease shall terminate as of the Date of Taking. Upon a total taking, all sums awarded for the Lessee-constructed Improvements and the leasehold estate shall be disbursed to Lessee. All sums awarded for the land and the Lessor-constructed Improvements shall be disbursed to Lessor.

Section 9.06 Partial Taking.

Upon a partial taking, all awards shall be disbursed as follows:

- A. To the cost of restoring the Improvements on the Property; and
- B. The balance, if any, to Lessor and Lessee as follows: Lessee shall receive all sums awarded for Lessee constructed improvements and damages or loss to the Leasehold estate. Lessor shall receive all sums awarded for the Premises, as unencumbered by the Lessee-owned improvements but subject to the Lease.

Section 9.07 Obligations of Lessee Under Partial Taking.

Promptly after any such partial taking, Lessee, at its expense, shall repair, alter, modify or reconstruct the Lessee constructed Improvements on the Premises so as to make them reasonably suitable for Lessee's continued occupancy for the uses and purposes for which the Premises are leased. Notwithstanding the foregoing to the contrary, should there be a partial taking in the last three (3) years of the Initial Term or any Renewal Term, Lessee shall be relieved of the responsibility to so repair or reconstruct the Premises as aforesaid by notifying Lessor if its intention to that effect. In no event will Lessee be required to spend funds in excess of the funds received by Lessee.

Section 9.08 Taking of Temporary Use of Premises and Improvements.

1. Upon any Taking of the temporary use of all or any part or parts of the Premises or Improvements, access, or all, for a period of any estate less than a fee ending on or before the expiration date of the Term, at Lessee's election, Lessee will be entitled to the entire reward and neither the Term or rent will be reduced or Lessor and Lessee will share in the award as provided above and the rent will be reduced based on the reduction in value caused by the Taking.
2. If any such Taking is for a period extending beyond the expiration date of the Term, the Taking shall be treated under the foregoing provisions for Total, Substantial and Partial Takings.

ARTICLE X – ENCUMBRANCES

Section 10.01 Encumbrance.

1. As used herein the term "Mortgage" includes a deed of trust and the term "Mortgagee" includes the beneficiary under a deed of trust. Lessee may encumber its leasehold estate and its interest in the improvements constructed by Lessee on the Premises by the execution and delivery of a Mortgage. The Mortgagee of any such Mortgage may deliver to Lessor a written notice specifying:
 - A. The amount of the obligation secured by the Mortgage.
 - B. The date of the maturity or maturities thereof; and
 - C. The name and mailing address of the Mortgagee.
2. After receipt of such notice, Lessor shall serve such Mortgagee by certified mail at the latest address furnished by such Mortgagee a copy of any default notice or demand served by Lessor upon Lessee under the terms and provisions of this Lease so long as such Mortgage is in effect.

Section 10.02 Mortgagee's Rights.

Upon receipt of a notice or demand in accordance with Section 10.01 above, Mortgagee shall have one hundred and twenty (120) days after receipt of such notice within which, at Mortgagee's election, either:

- A. To cure the default if it can be cured by the payment or expenditure of money;
- B. To perform such other action as may be necessary to cure the default;
- C. If the default cannot be cured within one hundred and twenty (120) days, to commence performance within such one-hundred-twenty-day period and thereafter diligently prosecute same to completion, in which event, the default will have been deemed to have been cured; or
- D. To institute foreclosure proceedings and prosecute same diligently to conclusion.
- E. No notice of a default by Lessee hereunder given by Lessor shall be effective against a Mortgagee that has provided Lessor the information specified in this Section of this Lease unless Lessor has given a copy of it to such Mortgagee.
- F. No Mortgagee shall have any personal liability under this Lease unless and until it becomes Lessee under this Lease.

- G. The Director will, upon request by any Mortgagee, certify in writing that this Lease is in full force and effect, whether this Lease has been amended, that to Lessor's knowledge Lessee is not in default, and the date through which rent has been paid.
- H. If this Lease and the fee estate in the Premises are ever commonly held as a result of a default by Lessee, then they shall remain separate and distinct estates and shall not merge until such time as all cure periods for Mortgagee specified in this Lease have expired.
- I. This Lease may not be amended, modified, changed, cancelled, waived, or terminated without prior written notice to all Mortgagees. Lessor shall not accept a voluntary surrender of the Lease without consent by all Mortgagees.

Section 10.03 Estoppel Certificates.

Upon request, Lessor, acting through the Director of Aviation, may provide to Lessee or Lessee's Mortgagee an estoppel certificate containing the following information and no more: confirmation that Lessor remains owner of the Premises and lessor under this Lease; that this lease contains the full agreement between Lessor and Lessee with regard to the Premises; whether this Lease has been amended (or, if there have been amendments, that the same is in full force and effect as amended and stating such amendments); that Lessee is current in its obligations under this Lease as of a certain date; that, to the best knowledge of Lessor, Lessee is not in default under the terms of the Lease nor is Lessor aware of any condition which with notice or the passage of time would constitute default under this Lease if uncured; the date through which Lessee has paid rent; and the beginning date, expiration date, length of term and number and length of any option terms under this Lease.

Section 10.04 No Subordination of Lessor's Fee.

Lessor shall not be required to subordinate its fee, reversionary interest, or estate in and to any land, buildings or improvements now or hereafter erected on the Premises.

Section 10.05 Rights on Foreclosure.

In the event of foreclosure by Mortgagee, the purchaser at the foreclosure sale or the person acquiring Lessee's interest in lieu of foreclosure shall succeed to all of Lessee's rights, interests, duties and obligations under this Lease as the same accrue after the date of foreclosure.

ARTICLE XI- EXPIRATION, CANCELLATION, ASSIGNMENT AND TRANSFER

Section 11.01 Expiration.

This Lease shall expire at the end of the Initial Term or any exercised Option Period.

Section 11.02 Default by Lessee.

1. Subject to the provisions the following will be considered and "Event of Default" by Lessee after applicable notice and cure periods in the event Lessee shall:
 - A. Be in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of ten (10) days after Lessor has notified Lessee in writing that payment was not received when due ("Monetary Default").
 - B. Failure to maintain insurance as required by the Lease.
 - C. File in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Lessee's property and such claim is not released within sixty (60) days.
 - D. Make any general assignment for the benefit of creditors.
 - E. Abandon the Premises for a period of more than 10 days and failure to respond and reoccupy the Premises within 10 days after written notice; provided, closure due to casualty, condemnation, remodeling or Force Majeure will not be considered abandonment.
 - F. Default in the performance of any of the covenants and conditions required herein (except rent payments) to be kept and performed by Lessee, and such default continues for a period of thirty (30) days after receipt of written notice from Lessor to cure such default, unless during such thirty-day period, Lessee shall commence and thereafter diligently perform such action as may be reasonably necessary to cure such default.
 - G. Be adjudged a bankrupt in involuntary bankruptcy proceedings that are not released within sixty (60) days.
 - H. Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Lessee where such receivership is not vacated within sixty (60) days after the appointment of such receiver.
 - I. Failure to provide the services required of an FBO as set out in Article VI of Exhibit "B" ten (10) days after Lessor has notified Lessee in writing that Lessee is in default of this provision of the Lease, subject to temporary closures as provided above.
 - J. Assignment or subleasing of the Premises without the prior written consent of Lessor to the extent required under this Lease and such consent is not requested within ten (10) days after notice of a failure is received from Lessor.

2. No receipt or acceptance of money by Lessor from Lessee after the expiration or cancellation of this Lease shall reinstate, continue, or extend the terms of this Lease or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of the Lessor to retake and resume possession of the Premises.

Section 11.03 Cancellation by Lessee.

This Lease shall be subject to cancellation by Lessee upon the happening of any of the following events:

- A. The permanent abandonment of the Airport as an air terminal.
- B. The lawful assumption of the United States Government, or any authorized agency thereof, of the operation, control or use of the Airport or any substantial part thereof in such a manner as to substantially restrict Lessee use of the Premises for a period of at least ninety (90) consecutive days.
- C. Issuance by any court of competent jurisdiction of any injunctions which prevents or restrains, in any way, the use of the Airport by Lessee and the remaining in force of said injunction for a period of at least ninety (90) consecutive days.
- D. The default by Lessor in the performance of any of the covenants and considerations required herein to be kept and performed by Lessor and such default continues for a period of thirty (30) days after receipt of written notice from Lessee to cure such default, unless during such thirty-day period, Lessor shall commence and thereafter diligently perform such action as may be reasonably necessary to cure such default. Lessee may exercise its right to cancel hereunder by delivery of written notice thereof to Lessor at any time after the lapse of the applicable periods of time and this Lease shall terminate as of that date. Rent due hereunder shall be payable only for the period prior to the date of termination.

Section 11.04 Repossessing and Reletting.

Upon occurrence of an Event of Default by Lessee hereunder which shall remain uncured after the required notices have been given pursuant to this Lease, and for such time as provided herein, Lessor may at once thereafter, using judicial procedure, subject to Lessor self-help remedies provided herein, at any time subsequent during the existence of such breach or default:

- A. Enter into and upon the Premises or any part thereof and repossess the same, expelling therefrom Lessee and all personal property of Lessee (which property may be removed and stored at the cost of and for the account of Lessee, using such force as may be necessary); and

- B. Either cancel this Lease by notice or without canceling this Lease, relet the Premises or any part thereof upon such terms and conditions as shall appear advisable to Lessor. If Lessor shall proceed to relet the Premises and the amounts received from reletting the Premises during any month or part thereof be less than the rent due and owing from Lessee during such month or part thereof under the terms of this Lease, Lessee shall pay such deficiency to Lessor immediately upon calculation thereof, providing Lessor has exercised good faith in the terms and conditions of reletting. Payment of any such deficiencies shall be made monthly within ten (10) days after receipt of notice of deficiency.
- C. Notwithstanding the foregoing, Lessor may only terminate Lessee's right of possession or terminate the Lease if an Event of Default continues for a period of thirty (30) days after receipt of an additional written notice from Lessor and Lessee, during the thirty (30) day notice period, has not commenced and thereafter diligently performs such action as may be reasonably necessary to cure or resolve such Event of Default.

Section 11.05 Assignment and Transfer.

1. Lessee shall not assign or transfer this Lease without the prior written approval of Lessor, and any attempt to assign without Lessor's consent shall be void and also an Event of Default. Lessor's approval shall not be required in the event of an assignment of this Lease by Lessee to the first leasehold Mortgagee or to a Permitted Assignee, provided Lessee will provide at least thirty (30) days prior written notice and documentation to Lessor prior to assignment of the Lease to a Permitted Assignee. Further, nothing will prevent Lessee from operating under an assumed name as long as Lessee has provided written notice to Lessor of an assumed name.
2. As use herein, a "Permitted Assignee" means an Affiliate of Tenant.
3. "Affiliate" means, as to any designated person or entity, any other person or entity which controls, is controlled by, or is under common control with, such designated person or entity. "Control" (and the correlative meaning, "controlled by" and "under common control with") means ownership or voting control, directly or indirectly, of 50% or more of the voting stock, partnership interests or other beneficial ownership interests of the entity in question.
4. Any person or entity, to which this lease is assigned pursuant to the Bankruptcy Code 11 U.S.C. 101 et seq., shall be deemed without further act or deed to have assumed all the obligations arising under this lease on or after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Lessor an instrument confirming such assumption.

Section 11.06 Subleasing.

Lessee shall have the right to sublease all or any part of any office space on the Premises for the same purposes permitted under the terms and provisions of this Lease, including but not limited to the insurance and indemnity requirements unless such sublease is with the United States of America, and Lessee notifies Lessor at least 10 days prior to execution . Any such sublease executed after the Effective Date of this Lease shall be subject to the same conditions, obligations and terms as set forth herein and Lessee shall be responsible for the observance by its sublessees of the terms and covenants contained in this Lease. Lessee shall promptly report to Lessor any such subleases of the Premises, and, upon request of Lessor, Lessee shall furnish Lessor with a copy of the Sublease Agreement. In addition, Lessee shall provide a list of its sublessees and the sublessees contact information to the Director every six (6) months. Lessee shall not sublease all or any part of the Premises, except as permitted herein, without the prior written approval of Lessor. Any attempt to sublease except as permitted herein, without the prior written consent of Lessor shall be void and an Event of Default. Lessee shall be responsible for the observance by its sub-lessees of the terms and covenants contained in this Lease.

Section 11.07 Rights Upon Expiration.

1. At the expiration of this Lease, Lessor shall be entitled to have the Premises returned to Lessor clear of all improvements, which have been constructed by Lessee. Lessee shall have one hundred and eighty (180) days after expiration in which to remove such improvements; provided that any occupancy by Lessee for the purposes of removal shall be subject to the rent due hereunder. If Lessee fails to so remove said improvements, Lessor may remove same at Lessee's expense.
2. Lessor may, at its option, take title to all or a portion of the Lessee-constructed Improvements in lieu of removal by or for Lessee. Lessor shall notify Lessee of its election to require removal of the improvements or take possession of the improvements at least ninety (90) days prior to the beginning of the last year of this Lease; provided Lessee may request Lessor to make such election at least one hundred and eighty (180), but not more than three hundred and sixty (360), days before the beginning of the last year of this Lease or any extension or renewal thereof.

Section 11.08 Landlord's Lien.

Landlord hereby waives any constitutional, statutory or contractual landlord's lien against any property or improvements of Tenant.

ARTICLE XII GENERAL PROVISIONS

Section 12.01 Continuity of Rules, Regulations and Land Use Requirements.

1. This Lease agreement is subject to the terms, covenants and conditions contained in the Rules, Regulations and Land Use Requirements attached hereto as Exhibit "C". Lessor reserves the right to revise the standards set forth in Exhibit "C" provided, however, that such revisions will not, in Lessor's opinion, cause a substantial reduction in the value or use of Lessee's leasehold interest.
2. Lessor's right to revise the rules, regulations and land use requirements contained in Exhibit "C" includes, but is not limited to, the right to revise said document because of the development of new concepts or improved construction and architectural techniques.

Section 12.02 Right of Flight.

1. The City of El Paso reserves unto itself, its successors and assigns, for the use and benefit of the public a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from or operation on the El Paso International Airport.
2. The City of El Paso reserves to itself, its successors and assigns, for the use and benefit of the public, a continuing right and easement over the real property hereinafter described to take any action it deems necessary to prevent the construction, erection, alteration or growth of any structure, tree or other object in the vicinity of the runways at El Paso International Airport which would constitute an obstruction to air navigation according to the criteria or standards prescribed in Subpart C of Part 77 of the Federal Aviation Regulations.
3. The City of El Paso reserves for itself, its successors and assigns the right to prevent any use of the hereinafter described real property which would interfere with aircraft landing on or taking off from the El Paso International Airport and the right to prevent any other use of said land which would constitute an airport hazard.

Section 12.03 Time is of the Essence.

Time is and shall be deemed of the essence in respect to the performance of each provision of this Lease.

Section 12.04 Notices.

1. All notices provided to be given under this Lease shall be given by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at the following addresses:

LESSOR: City Clerk
City of El Paso
P.O. Box 1890
El Paso, Texas 79950-1890

Copy to: Director of Aviation
El Paso International Airport
6701 Convair Rd.
El Paso, Texas 79925-1091

LESSEE: Trajen Flight Support, L.P. d/b/a Atlantic Aviation
5201 Tennyson Parkway, Suite 150
Plano, Texas 75024
Attn: Todd Smith

2. Any notice so given shall be deemed properly delivered, given, served, or received on the date shown on the return receipt for delivery, rejection or undeliverable. Any party may change the address to which notices shall thereafter be given upon five (5) days prior written notice to all other parties in the manner set forth in this paragraph.

Section 12.05 Attorney's Fees.

If either party brings any action or proceedings to enforce, protect or establish any right or remedy under the terms and conditions of this Lease, the prevailing party shall be entitled to recover reasonable attorney's fees, as determined by a court of competent jurisdiction, in addition to any other relief awarded.

Section 12.06 Agreement Made in Texas.

The laws of the State of Texas shall govern the validity, interpretation, performance and enforcement of this Lease. Venue shall be in the courts in El Paso County, Texas.

Section 12.07 Nondiscrimination Covenant.

1. During the performance of this contract, the Lessee, for itself, its assignees, and successors in interest (for purposes of this Section 11.07 hereinafter referred to as the "Contractor"), agrees as follows:
 - A. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

- B. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
- C. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
- D. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Lessor (for purposes of this Section 12.08 hereinafter referred to as the "sponsor") or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- E. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
- a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
- F. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

2. Economic Nondiscrimination. To the extent that, under this Lease, Lessee furnishes goods or services to the public at the Airport, Lessee agrees that it shall:
 - A. Furnish each and every good and service on a fair, reasonable, and not unjustly discriminatory basis to all users of the Airport, and
 - B. Charge fair, reasonable and not unjustly discriminatory prices for each unit or service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers as otherwise permitted under the law.

Section 12.08 Affirmative Action.

Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, and any amendments thereto, and any other federal statutes or regulations applicable to the receipt of federal assistance from the Department of Transportation by local governments for Airport use, or otherwise applicable to persons leasing premises from the City of El Paso, to insure that no person shall, on the grounds of race, color, sex, or national origin be excluded from participating in or receiving the services or benefits of any program of activity covered by this Subpart. Lessee assures that it will require that its covered sub-organizations (sub-lessees) provide assurances to Lessor, as set forth herein, that they similarly will undertake affirmative action programs, and that they will require assurance from their sub-organizations (sub-lessees) to the same effect.

Section 12.09 Rights and Remedies.

All rights and remedies of Lessor here enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by Lessor of any remedy provided for herein or allowed by law shall not be to the exclusion of any other remedy.

Section 12.10 Interpretation.

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

Section 12.11 Agreement Made in Writing.

This Lease Agreement made between the parties hereto may not be modified orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors in interest.

Section 12.12 Paragraph Headings.

The Table of Contents of this Lease and the captions of the various articles and sections of this Lease are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, context or intent of this Lease or any part or parts of this Lease.

Section 12.13 Severability.

If any provision of this lease is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this lease will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this lease a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

Section 12.14 Successors and Assigns.

All of the terms, provisions, covenants and conditions of this Lease shall inure to the benefit of and be binding upon Lessor and Lessee and their successors, assigns, legal representatives, heirs, executors and administrators.

Section 12.15 Taxes and Other Charges.

1. The Lessee shall pay all taxes, and governmental charges of any kind whatsoever that may be assessed against the Lessee or the City, with respect to the Premises, during the term of this Lease including any extensions or option periods granted thereto.
2. The Lessee in good faith may contest any tax or governmental charge; provided that the Lessee may not permit such tax or governmental charge to remain unpaid during the period of such contest and any appeal therefrom unless in the opinion of counsel satisfactory to the City such action will not adversely affect any right or interest of the City.

Section 12.16 Authorization to Enter Lease.

If Lessee signs this Lease as a corporation, each of the persons executing this Lease on behalf of Lessee warrants to Lessor that Lessee is a duly authorized and existing corporation, that Lessee is qualified to do business in the State of Texas, that Lessee has full right and authority to enter into this Lease, and that each and every person signing on behalf of Lessee is authorized to do so. Upon Lessor's request, Lessee will provide evidence satisfactory to Lessor confirming these representations.

Section 12.17 Survival of Certain Provisions.

All Provisions of this Lease, which expressly or impliedly contemplate or require performance after the expiration or termination of this Lease for the benefit of Lessor hereunder, shall survive such expiration or termination of this Lease, including without limitation, the indemnification provisions of Sections 3.03 and 6.05 and Section 10.07.

Section 12.18 Restrictions and Reservations.

1. This Lease is subject to all rights-of-way, easements, dedications, restrictions, and other encumbrances of record and running with the land. Lessor reserves the right to grant any future rights-of-way, easements, dedications, restrictions, reservations, or encumbrances and Lessee, with reasonable notice, consents to and will diligently execute all documentation necessary to complete any future rights-of-way, easements, dedications, restrictions, reservations, or encumbrances, so long as such grants do not adversely affect Lessee's use of the Premises.
2. Lessor reserves for itself and any authorized agent to, at any reasonable time and without notice, enter upon and inspect the Premises for all legal purposes, including without limitation the purpose of ascertaining whether the maintenance of such parcel, and the maintenance, construction, or alteration of structures thereon are in compliance with the all Environmental Law and the purpose of showing the Premises; Lessor shall not be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 12.19 Subordination of Lease.

All rights granted in this Lease shall be subordinate to the rights in any deed from the United States to the City of El Paso. This Lease shall further be subordinate to the provisions of any existing or future agreements between Lessor and the United States relative to the operation and 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 substantially destroy the commercial value or use of the Premises; Lessee may cancel this Lease in its entirety.

Section 12.20 Warranty of Suitability.

LESSOR DISCLAIMS ANY WARRANTY OF SUITABILITY THAT MAY OTHERWISE HAVE ARISEN BY OPERATION OF LAW. LESSOR DOES NOT WARRANT THAT THERE ARE NO LATENT DEFECTS IN THE FACILITIES THAT ARE VITAL TO LESSEE'S USING THE PREMISES FOR THEIR INTENDED COMMERCIAL PURPOSE AND THAT THESE ESSENTIAL FACILITIES WILL REMAIN IN A SUITABLE CONDITION. LESSEE LEASES THE PREMISES "AS IS", WHETHER SUITABLE OR NOT, AND WAIVES THE IMPLIED WARRANTY OF SUITABILITY.

Section 12.21 Favored Nation.

This Lease will be no less favorable than those granted to other FBO operators within the Airport. Lessor will notify Lessee promptly if it enters into an agreement with another party that has more favorable terms and Lessee shall have the right to receive the more favorable terms immediately.

Section 12.22 FAA Order 1400.11.

Pursuant to Federal Aviation Administration Order 1400.11, effective August 27, 2013, and because the described premises are located at the El Paso International Airport which is subject to regulation by, among others, the U.S. Federal Aviation Administration, the parties specifically agree to the following:

1.
 - A. Lessee for itself, its 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 property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations set out in Federal Aviation Administration Order 1400.11, Appendix 4, as same may be amended from time to time (the "Acts and Regulations") such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
 - B. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix C]
2.
 - A. The Lessee for itself, its 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 ground of race, color, or national origin, will 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 ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.
 - B. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix D]
3.
 - A. During the term of this Lease, Lessee for itself, its successors in interest, and assigns, as a part of the consideration hereof, agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). Grantee shall take reasonable steps to ensure that LEP persons have meaningful access to its programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination because of sex in education programs or activities (20 U.S.C. 1681 et seq).

B. In the event of breach of any of the covenants in this section 3, Lessor shall have the rights and remedies set forth in sections 1 and 2 above, in addition to all other rights and remedies available to it under applicable law. [FAA Order 1400.11, Appendix E]

Section 12.23 Effective Date.

Regardless of the date signed, this Lease shall be effective as of _____, 2019 (the “Effective Date”), being the date, this Lease was approved by the City Council of El Paso, Texas.

[SIGNATURES BEGIN ON NEXT PAGE]

SIGNATURE AND ACKNOWLEDGEMENT OF LESSOR

LESSOR: CITY OF EL PASO


Tomás González
City Manager

APPROVED AS TO FORM:



Kristen L. Hamilton-Karam
Assistant City Attorney

APPROVED AS TO CONTENT:



Monica Lombraña, A.A.E.
Chief Operations and Transportation Officer

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ___ day of _____, 2019, by Tomás González as City Manager of the City of El Paso, Texas.

Notary Public, State of Texas

My Commission Expires:

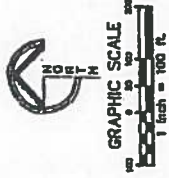
[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

Exhibit "A-1"



Dimensions shown are NOT to scale, bearings or distances. The bearing and distance shown were obtained from the Texas A&M Photo Aerial Interpretation Report (TAR) - 018-11. These bearings and distances were used to compare areas for the Road Maintenance Project.

EXHIBIT A



WARNING! BEFORE YOU DIG, YOU MUST LOCATE ALL UTILITIES, BOTH KNOWN AND UNKNOWN, AND ALL EXISTING AND PROPOSED STRUCTURES IN THE PROJECT AREA. VERIFY ALL UTILITIES AND STRUCTURES WITH THE CITY ENGINEER'S OFFICE. FAILURE TO DO SO MAY RESULT IN PERSONAL LIABILITY AND DAMAGE TO PROPERTY.

<p>PROJECT NAME EL PASO INTERNATIONAL AIRPORT ROAD BASE OPERATORS RAMP</p>	<p>CLIENT EL PASO INTERNATIONAL AIRPORT 1100 W. 12TH STREET, SUITE 200 EL PASO, TEXAS 79962-4403 TEL: 915/762-1100</p>	<p>CITY OF EL PASO ENGINEERING</p>	<p>DATE 11/11/2011</p>	<p>SHEET 5 OF 3</p>
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Exhibit "A-2"

Dimensions shown are NOT surveyed bearings or distances. The bearing and distances shown were obtained from the subdivision plat El Paso International Airport Tracts - Unit 11. These bearings and distances shown were used to compute areas for the Fixed Base Operators Project.

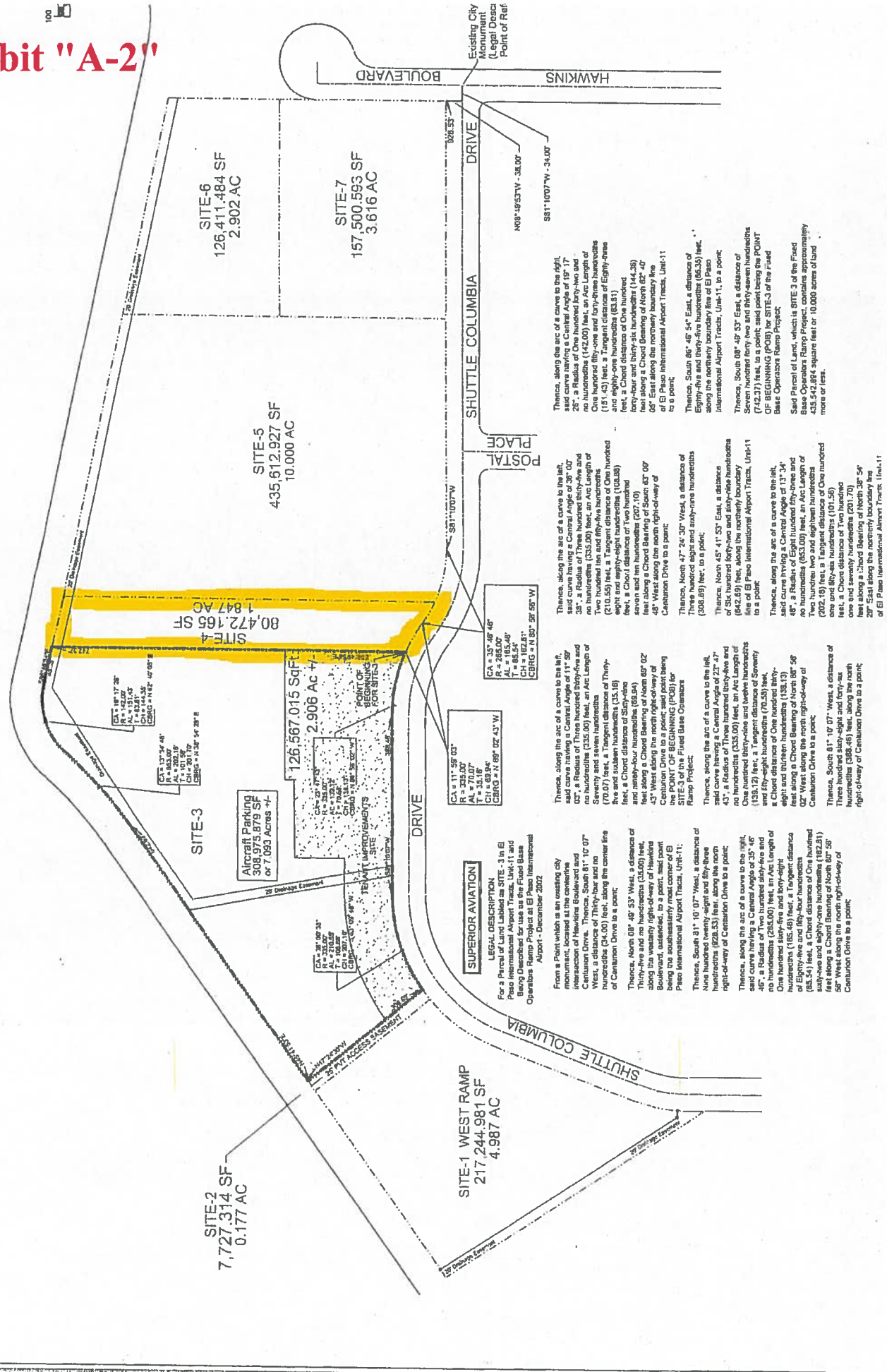


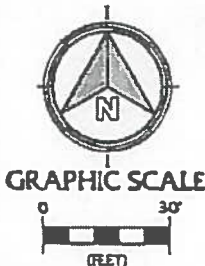
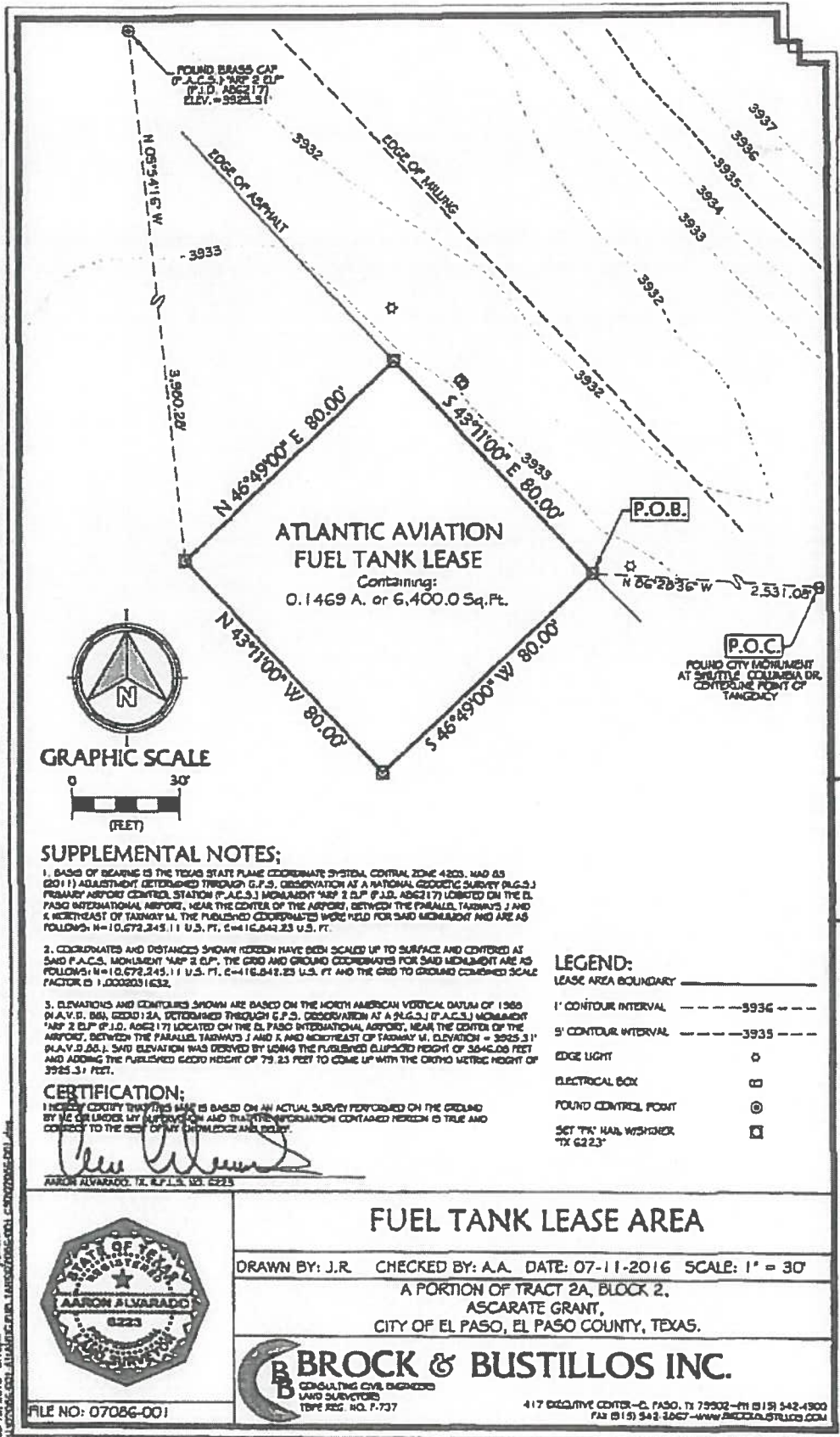
Exhibit "A-3"

100

Dimensions shown are NOT surveyed bearings or distances. The bearing and distances shown were obtained from the subdivision plat El Paso International Airport Tracts - Unit 11. These bearings and distances shown were used to compute areas for the Fixed Base Operators Project.



Exhibit "A-4"



SUPPLEMENTAL NOTES:

1. BASIS OF BEARING IS THE TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE 4200, NAD 83 (2011) ADJUSTMENT DETERMINED THROUGH G.P.S. OBSERVATION AT A NATIONAL GEODETIC SURVEY (N.G.S.) PRIMARY AIRPORT CONTROL STATION (P.A.C.S.) MONUMENT 489 2 SUP (P.I.D. 489177) LOCATED ON THE EL PASO INTERNATIONAL AIRPORT, NEAR THE CENTER OF THE AIRPORT, BETWEEN THE PARALLEL TARMAYS J AND K, NORTHWEST OF TARMAY M. THE PUBLISHED COORDINATES WERE HELD FOR SAID MONUMENT AND ARE AS FOLLOWS: N=10,672,245.11 U.S. FT., E=416,841.23 U.S. FT.
2. COORDINATES AND DISTANCES SHOWN HEREON HAVE BEEN SCALED UP TO SURFACE AND CENTERED AT SAID P.A.C.S. MONUMENT 489 2 SUP. THE GRID AND GROUND COORDINATES FOR SAID MONUMENT ARE AS FOLLOWS: N=10,672,245.11 U.S. FT., E=416,841.23 U.S. FT. AND THE GRID TO GROUND CONVERSION SCALE FACTOR IS 1.0002031632.
3. ELEVATIONS AND CONTOURS SHOWN ARE BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1989 (N.A.V.D. 89), (2011) 2A, DETERMINED THROUGH G.P.S. OBSERVATION AT A P.L.C.S. (P.A.C.S.) MONUMENT 489 2 SUP (P.I.D. 489177) LOCATED ON THE EL PASO INTERNATIONAL AIRPORT, NEAR THE CENTER OF THE AIRPORT, BETWEEN THE PARALLEL TARMAYS J AND K, AND NORTHWEST OF TARMAY M. ELEVATION = 3925.31 (P.L.V.D. 89). SAID ELEVATION WAS DERIVED BY USING THE PUBLISHED ELLIPSOID HEIGHT OF 3045.00 FEET AND ADDING THE PUBLISHED GEOID HEIGHT OF 79.23 FEET TO COME UP WITH THE ORTHO METRIC HEIGHT OF 3925.31 FEET.

CERTIFICATION:
 I HEREBY CERTIFY THAT THIS MAP IS BASED ON AN ACTUAL SURVEY PERFORMED ON THE GROUND BY ME OR UNDER MY SUPERVISION AND THAT THE INFORMATION CONTAINED HEREON IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Arnon Alvarado
 ARNON ALVARADO, T.E., R.F.T.S., NO. 6223

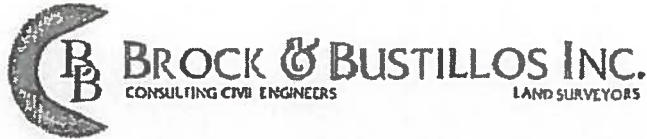
LEGEND:

LEASE AREA BOUNDARY	—————
1' CONTOUR INTERVAL	-----3934-----
5' CONTOUR INTERVAL	-----3935-----
EDGE LIGHT	○
ELECTRICAL BOX	□
FOUND CONTROL POINT	⊙
SET "TK" MARK W/SHOULDER "TX 6223"	⊠

	FUEL TANK LEASE AREA
	DRAWN BY: J.R. CHECKED BY: A.A. DATE: 07-11-2016 SCALE: 1" = 30'
	A PORTION OF TRACT 2A, BLOCK 2, ASCARATE GRANT, CITY OF EL PASO, EL PASO COUNTY, TEXAS.
BROCK & BUSTILLOS INC. CONSULTING CIVIL ENGINEERS TYPE REG. NO. 7-737	417 EXECUTIVE CENTER—EL PASO, TX 79902—PH (915) 542-4300 FAX (915) 542-3667—WWW.BROCK&BUSTILLOS.COM

FILE NO: 07086-001

JUL 12, 2016 - 3:16 PM
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ROMAN BUSTILLOS, P.E.
President
RANDY P. BROCK, P.E.
Executive Vice President
SERGIO J. ADAME, P.E.
Vice President - Engineering
AARON ALVARADO, R.P.L.S.
Vice President - Surveying
ISAAC CAMACHO, R.P.L.S.
Survey Manager
TSPS Reg. No. F 737
TSPS Reg. No. 101314-00

METES AND BOUNDS DESCRIPTION
ATLANTIC AVIATION FUEL TANK LEASE AREA

A 0.1469 acre parcel situate within the corporate limits of the City of El Paso, El Paso County, Texas as a portion of Tract 2A, Block 2, Ascarate Grant, El Paso County, Texas and being more particularly described by metes and bounds as follows.

COMMENCING for reference at a city monument found at the centerline point of tangency of Shuttle Columbia Drive right-of-way (70 feet wide); *THENCE*, leaving said centerline, North $86^{\circ}28'36''$ West, a distance of 2,531.08 feet to a PK Nail with shiner "TX 6223" set for the *POINT OF BEGINNING* and easterly corner of the parcel herein described;

THENCE, South $46^{\circ}49'00''$ West, a distance of 80.00 feet to a PK Nail with shiner "TX 6223" set for the southerly corner of the parcel herein described;

THENCE, North $43^{\circ}11'00''$ West, a distance of 80.00 feet to a PK Nail with shiner "TX 6223" set for the westerly corner of the parcel herein described; *WHENCE*, a National Geodetic Survey (NGS) Brass Cap "ARP 2 ELP" found bears, North $05^{\circ}54'16''$ West, a distance of 3,980.28 feet;

THENCE, North $46^{\circ}49'00''$ East, a distance of 80.00 feet to a PK Nail with shiner "TX 6223" set for the northerly corner of the parcel herein described;

THENCE, South $43^{\circ}11'00''$ East, a distance of 80.00 feet to the *POINT OF BEGINNING*.

Said Parcel contains 0.1469 acres (6,400.0 square feet) more or less and being subject to any easements, restrictions or covenants of record.

Basis of Bearing is the Texas State Plane Coordinate System, Central Zone 4203, NAD 83. Distances were scaled to surface.

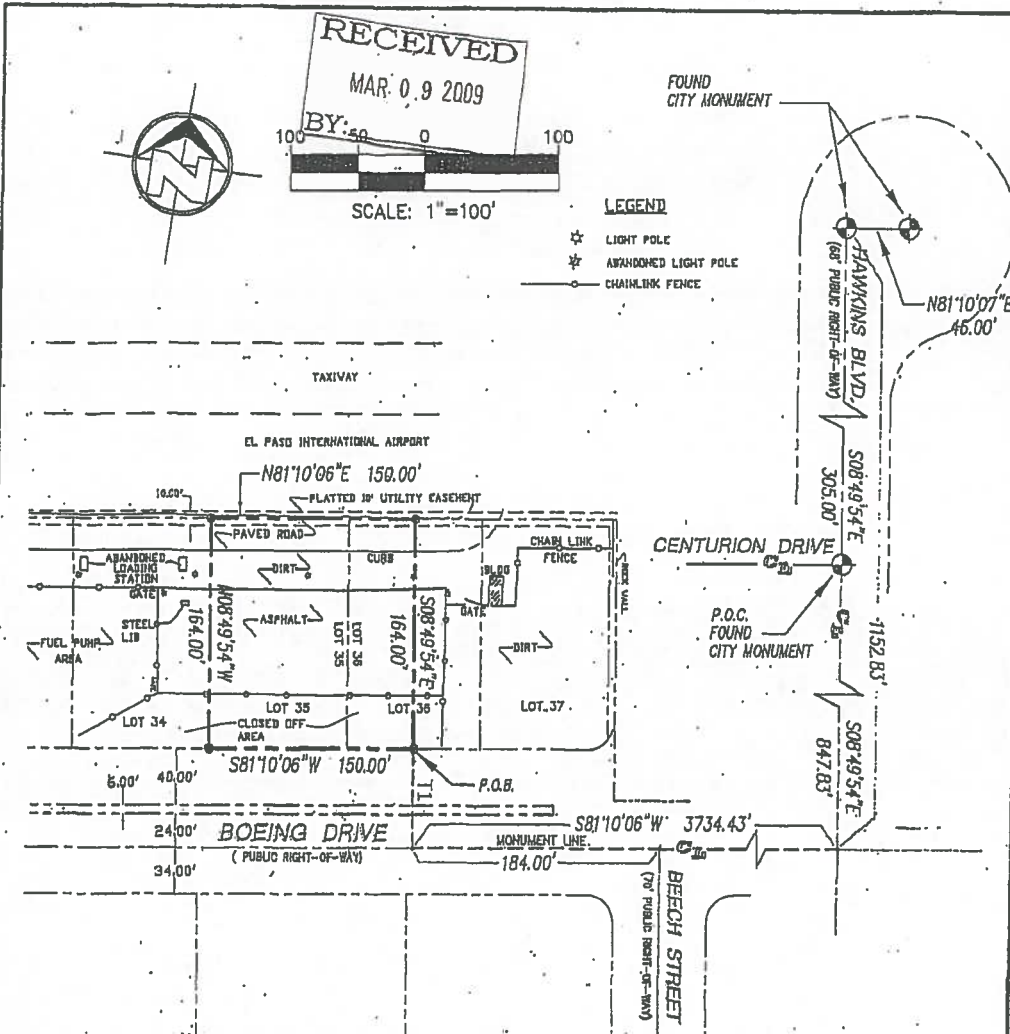
Aaron Alvarado, TX R.P.L.S. No. 6223

Date: July 11, 2016

07086-001-AAFT-LEASE.doc



Exhibit "A-5"



ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP COMMUNITY-PANEL NUMBER 480214-0035 B, DATED OCTOBER 15, 1982 THIS PROPERTY LIES IN FLOOD ZONE C.

ZONE C: AREAS OF MINIMAL FLOODING.

DUE TO INHERENT INACCURACIES OF FEMA OR FLOOD INSURANCE RATE MAPS THIS SURVEYOR DOES NOT CERTIFY TO THE ACCURACY OF LOCATIONS BASED ON SUCH MAPS. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR.

NOTE:
ALL INFORMATION SHOWN HEREON WITH RESPECT TO UNDERGROUND CONDITIONS WAS DETERMINED BY DATA COLLECTED THROUGH SURVEY CREW OBSERVATION AND OTHER INFORMATION TAKEN FROM EXISTING PLANS AND MAPS OF RECORD. NO UNDERGROUND UTILITIES EXISTING OR ABANDONED WERE EXPOSED OR LOCATED.

UNLESS SPECIFICALLY ACCEPTED BY SLI ENGINEERING, INC. IN WRITING, SLI ENGINEERING, INC. MAKES NO CLAIM, EXPRESSED OR IMPLIED, AS TO THE UNDERGROUND SITE CONDITIONS.

LINE TABLE		
TANGENT	LENGTH	BEARING
T1	70.00'	N08°49'54"W

- NOTES:
1. A METES AND BOUNDS DESCRIPTION OF EVEN DATE ACCOMPANIES THIS EXHIBIT.
 2. BASIS OF BEARING: PLAT OF EL PASO INTERNATIONAL AIRPORT TRACTS, UNIT ONE, RECORDED IN BOOK 18, PG. 30.
 5. NO BUILDINGS EXIST ON THE PROPERTY

Copyright 2009 SLI Engineering, Inc.

This map and survey are being provided solely for the use of EPA and no license has been created, expressed or implied, to copy the surveys and/or map(s) except as necessary in conjunction with the original transaction. This transaction shall be effective within six (6) months from the date hereon January 15, 2009.

EXHIBIT

<p>SLI ENGINEERING, INC. CIVIL ENGINEERS LAND SURVEYORS LAND PLANNERS 8600 WESTWIND DRIVE EL PASO, TEXAS 79912 915-584-4457</p>	<p>ALL OF LOT 35 & WEST 1/2 OF LOT 36 BLOCK 4 EL PASO INTERNATIONAL AIRPORT TRACTS UNIT 1 CITY OF EL PASO, EL PASO COUNTY, TEXAS</p>
	<p>JOB #: 08-08-2751 DR. BY: BW</p> <p>SCALE: 1"=100' F.B. #: "Book"</p> <p>PROJECTS\SPRINT\08-2751\EM- DATE: 01/15/2009 DRG. MerinoCadena.dwg SITE 2 LOT 35</p>
<p>PLAT REFERENCE</p> <p>BOOK 18 PAGE 30</p>	

RECEIVED
MAR 09 2009
BY:

Property Description: All of Lot 35 and a portion of Lot 36, Block 4, EL PASO INTERNATIONAL AIRPORT TRACTS, UNIT 1, an addition to the City of El Paso, El Paso County, Texas.

METES AND BOUNDS DESCRIPTION

The parcel of land herein described is all of Lot 35 and the westerly 1/4 of Lot 36, Block 4, EL PASO INTERNATIONAL AIRPORT TRACTS, UNIT 1, an addition to the City of El Paso, El Paso County, Texas, according to the plat thereof on file in Book 18, Page 30, Plat Records of El Paso County, Texas, and is more particularly described by metes and bound as follows:

BEGINNING at the City Monument found at the centerline intersection of Hawkins Boulevard and Centurion Drive, said city monument bears South 08° 49' 54" East a distance of 305.00 feet from a city monument found at the end of Hawkins Boulevard; THENCE South 08° 49' 54" East a distance of 847.83 feet to a point lying on the monumented centerline intersection of Hawkins Boulevard and Boeing Drive; THENCE South 81° 10' 06" West, along the monumented centerline of Boeing Drive, a distance of 3734.43 feet to a point; THENCE North 08° 49' 54" West a distance of 70.00 feet to a point on the northerly right-of-way line of Boeing Drive and the TRUE POINT OF BEGINNING of this description;

THENCE South 81° 10' 06" West, along the northerly right-of-way line of Boeing Drive, a distance of 150.00 feet to a point;

THENCE North 08° 49' 54" West, a distance of 164.00 feet to a point;

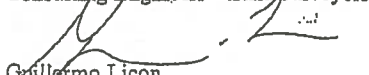
THENCE North 81° 10' 06" East, a distance of 150.00 feet to a point;

THENCE, South 08° 49' 54" East, a distance of 164.00 feet to the TRUE POINT OF BEGINNING of this description.

Said parcel of land contains 0.565 acres (24,600 sq. ft.) of land more or less.

A PLAT (EXHIBIT) OF EVEN DATE ACCOMPANIES THIS METES AND BOUND DESCRIPTION:

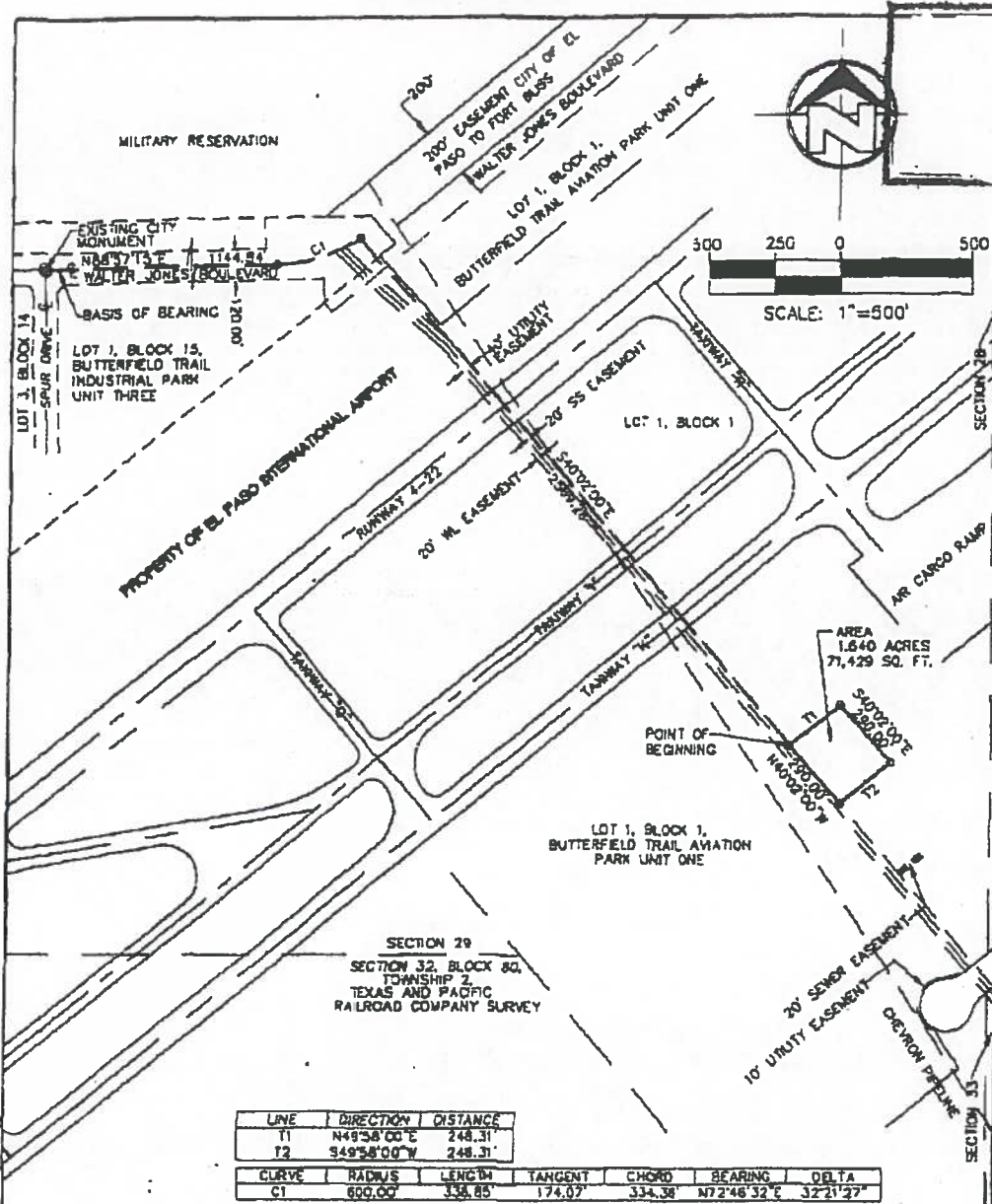
SLI ENGINEERING, INC.
Consulting Engineers - Land Surveyors.


Guillermo Licon
Registered Professional Land Surveyor
Texas License No. 2998

January 14, 2009
Job # 06-08-2751

M&B/1525

Exhibit "A-6"



LINE	DIRECTION	DISTANCE
T1	N49°58'00"E	248.31'
T2	S49°58'00"W	248.31'

CURVE	RADIUS	LENGTH	TANGENT	CHORD	BEARING	DELTA
C1	600.00'	358.85'	174.07'	334.38'	N72°46'32"E	32°21'27"

NOTE: SET 3/8" IRON WITH SU CAP ON ALL PROPERTY CORNERS UNLESS OTHERWISE INDICATED.

NOTE: A METES AND BOUNDS DESCRIPTION OF THE SAME DATE ACCOMPANIES THIS PLAT OF SURVEY.

NOTE: ALL INFORMATION SHOWN HEREON WITH RESPECT TO UNDERGROUND CONDITIONS WAS DETERMINED BY DATA COLLECTED THROUGH SURVEY CREW OBSERVATION AND OTHER INFORMATION TAKEN FROM EXISTING PLANS AND MAPS OF RECORD. NO UNDERGROUND UTILITIES EXISTING OR ABANDONED WERE EXPOSED OR LOCATED.

UNLESS SPECIFICALLY ACCEPTED BY SU ENGINEERING, INC. IN WRITING, SU ENGINEERING, INC. MAKES NO CLAIM, EXPRESSED OR IMPLIED, AS TO THE UNDERGROUND SITE CONDITIONS.

ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP COMMUNITY-PANEL NUMBER 480214 0030 B, DATED OCTOBER 15, 1982, THIS PROPERTY LIES IN FLOOD ZONE C.
ZONE C AREAS OF MINIMAL FLOODING.

PLAT OF SURVEY

<p>SU ENGINEERING, INC. CIVIL ENGINEERS LAND SURVEYORS LAND PLANNERS 8600 WESTING DRIVE EL PASO, TEXAS 79912 915-584-4457</p>	<p>A PORTION OF LOT 1, BLOCK 1, BUTTERFIELD TRAIL AVIATION PARK UNIT ONE, EL PASO, EL PASO COUNTY, TEXAS</p>	<p>CERTIFICATION I HEREBY CERTIFY THAT THE FOREGOING BOUNDARY SURVEY WAS PERFORMED UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.</p>
	<p>JOB # 09-00-1779 CR. BY: AMC SCALE: 1"=500' F.S. # ELPASOAP4 DATE: 07/05/00 DWG.: PLANS-PLA INITIAL</p>	<p>PLAT REFERENCE VOLUME 73 PAGE 50</p>

Property Description: A portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, El Paso, El Paso County, Texas

METES AND BOUNDS DESCRIPTION

The parcel of land herein described is a portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, El Paso, El Paso County, Texas and is more particularly described by metes and bounds as follows:

Commencing on an existing city monument lying on the centerline intersection of Spur Drive and Walter Jones Boulevard; Thence, North $88^{\circ} 57' 15''$ East, along the centerline of Walter Jones Boulevard, a distance of 1144.84 feet to a point for a curve; Thence, 338.85 feet continuing along said centerline and along the arc of a curve to the left, having a radius of 600.00 feet, a central angle of $32^{\circ} 21' 27''$ and a chord which bears North $72^{\circ} 46' 32''$ East, a distance of 334.36 feet to a point for a corner; Thence, South $40^{\circ} 02' 00''$ East, a distance of 2569.28 feet to a point for a corner, said point being a set 5/8-inch iron with SLI cap, said point also being the TRUE POINT OF BEGINNING of this description;

THENCE, North $49^{\circ} 58' 00''$ East, a distance of 246.31 feet to a point for a corner, said point being a set 5/8-inch iron with SLI cap;

THENCE, South $40^{\circ} 02' 00''$ East, a distance of 290.00 feet to a point for a corner, said point being a set 5/8-inch iron with SLI cap;

THENCE, South $49^{\circ} 58' 00''$ West, a distance of 246.31 feet to a point for a corner, said point being a set 5/8-inch iron with SLI cap lying on the easterly boundary line of a 20-foot sanitary sewer easement;

THENCE, North $40^{\circ} 02' 00''$ West, along said boundary line, a distance of 290.00 feet to the TRUE POINT OF BEGINNING of this description.

A PLAT OF SURVEY OF THE SAME DATE ACCOMPANIES THIS METES AND BOUNDS DESCRIPTION.

Said parcel of land contains 1.640 acres (71,429 sq. ft.) of land more or less.

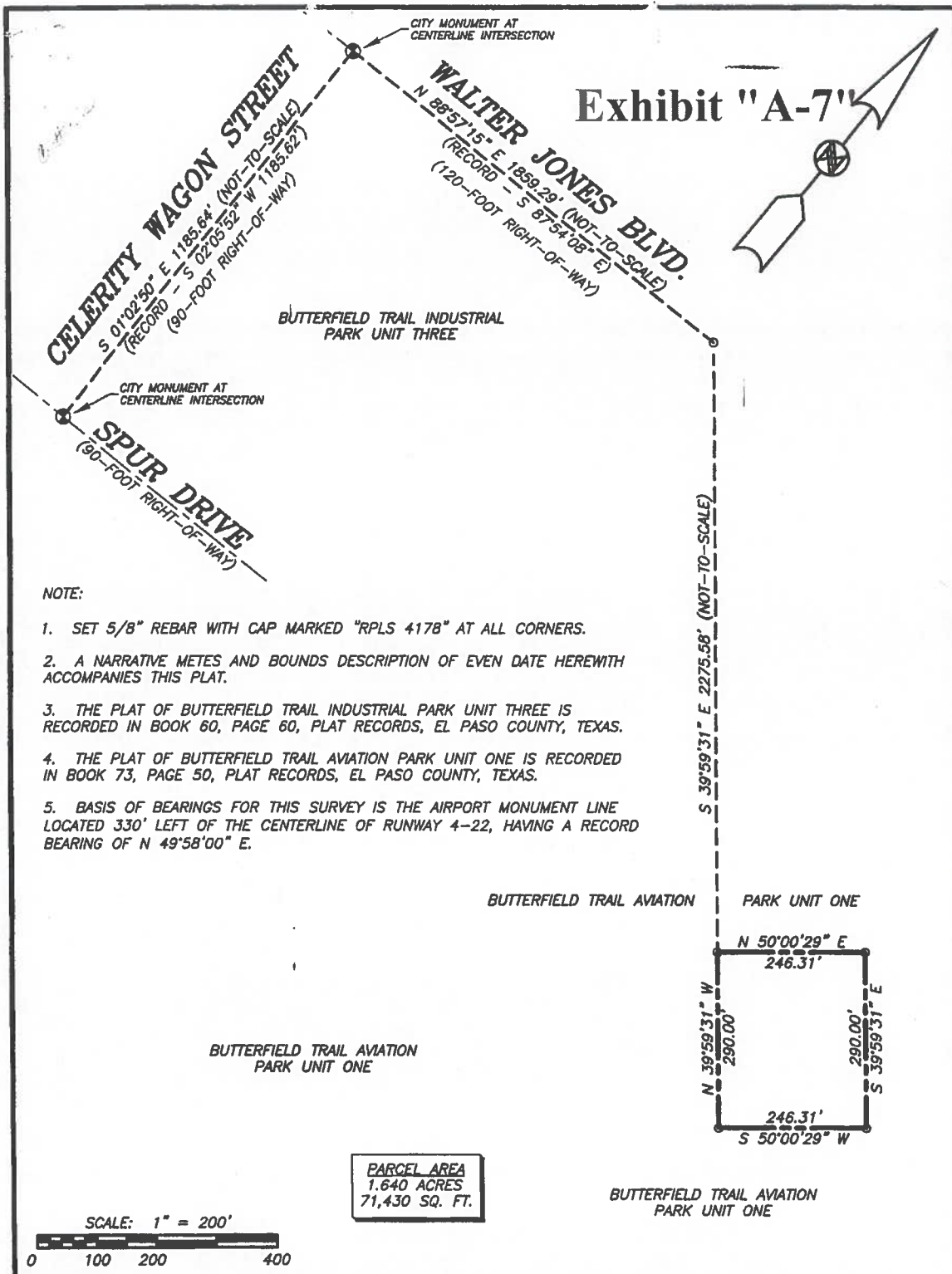
SLI ENGINEERING, INC.
Consulting Engineers—Land Surveyors

Guillermo Licon
Registered Professional Land Surveyor
Texas License No. 2998

Job Number 09-00-1775
July 5, 2000

Page 1 of 2
M&B\0838

Exhibit "A-7"



NOTE:

1. SET 5/8" REBAR WITH CAP MARKED "RPLS 417B" AT ALL CORNERS.
2. A NARRATIVE METES AND BOUNDS DESCRIPTION OF EVEN DATE HERewith ACCOMPANIES THIS PLAT.
3. THE PLAT OF BUTTERFIELD TRAIL INDUSTRIAL PARK UNIT THREE IS RECORDED IN BOOK 60, PAGE 60, PLAT RECORDS, EL PASO COUNTY, TEXAS.
4. THE PLAT OF BUTTERFIELD TRAIL AVIATION PARK UNIT ONE IS RECORDED IN BOOK 73, PAGE 50, PLAT RECORDS, EL PASO COUNTY, TEXAS.
5. BASIS OF BEARINGS FOR THIS SURVEY IS THE AIRPORT MONUMENT LINE LOCATED 330' LEFT OF THE CENTERLINE OF RUNWAY 4-22, HAVING A RECORD BEARING OF N 49°58'00" E.



ROBERT SEIPEL ASSOCIATES, INC.

PROFESSIONAL LAND SURVEYORS

1845 NORTHWESTERN DR. SUITE C EL PASO, TX 79912 915-877-1928

I HEREBY CERTIFY THAT THE FOREGOING BOUNDARY SURVEY WAS MADE ON THE GROUND UNDER MY SUPERVISION AND THAT THIS PLAT REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY.

ROBERT SEIPEL ASSOCIATES, INC.

Robert R. Seipel
 ROBERT R. SEIPEL, R.P.L.S.
 PRESIDENT
 TEXAS LICENSE No. 4178
 DATE: 10-06-00

PLAT OF SURVEY

A 1.640-ACRE PORTION OF LOT 1, BLOCK 1, BUTTERFIELD TRAIL AVIATION PARK UNIT ONE, EL PASO, EL PASO COUNTY, TEXAS.

SURVEY DATE: 10-06-00
 SCALE: 1" = 200'
 DRAWN BY: RRS
 CHECKED BY: RRS
 FIELD BOOK: 180
 FILE #: 00-0076B

Property description: A 1.640-acre portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One, El Paso, El Paso County, Texas

METES AND BOUNDS DESCRIPTION

The parcel of land herein described is a 1.640-acre portion of Lot 1, Block 1, Butterfield Trail Aviation Park Unit One (Book 73, Page 50, Plat Records, El Paso County, Texas), El Paso, El Paso County, Texas, and is more particularly described by metes and bounds as follows:

COMMENCING at a city monument at the centerline intersection of Walter Jones Boulevard (120-foot right-of-way per the plat of Butterfield Trail Industrial Park Unit Three in Book 60, Page 60, Plat Records, El Paso County, Texas) and Celerity Wagon Street (90-foot right-of-way), from which a city monument at the centerline intersection of Celerity Wagon Street and Spur Drive (90-foot right-of-way) bears South 01°02'50" East (record - South 02°05'52" West), a distance of 1185.64 feet (record - 1185.62 feet); Thence, North 88°57'15" East (record - South 87°54'08" East), along the centerline of Walter Jones Boulevard, a distance of 1859.29 feet; Thence, South 39°59'31" East, a distance of 2275.58 feet to a 5/8" rebar with cap marked "RPLS 4178" set for the **POINT OF BEGINNING** of this description;

THENCE, North 50°00'29" East, a distance of 246.31 feet to a set 5/8" rebar with cap marked "RPLS 4178";

THENCE, South 39°59'31" East, a distance of 290.00 feet to a set 5/8" rebar with cap marked "RPLS 4178";

THENCE, South 50°00'29" West, a distance of 246.31 feet to a set 5/8" rebar with cap marked "RPLS 4178";

THENCE, North 39°59'31" West, a distance of 290.00 feet to the **POINT OF BEGINNING** of this description.

Said parcel of land contains 1.640 acres (71,430 square feet) of land more or less.

NOTE: A PLAT OF EVEN DATE HERewith ACCOMPANIES THIS DESCRIPTION.

ROBERT SEIPEL ASSOCIATES, INC.
Professional Land Surveyors



Robert R. Seipel, R.P.L.S.,
President
Texas License No. 4178

Job Number 00-0076b
October 6, 2000

Exhibit "B"

MINIMUM STANDARDS AND REQUIREMENTS FOR COMMERCIAL AERONAUTICAL SERVICE PROVIDERS AT EL PASO INTERNATIONAL AIRPORT

**DEPARTMENT OF AVIATION
MINIMUM STANDARDS AND REQUIREMENTS
FOR COMMERCIAL AERONAUTICAL SERVICE PROVIDERS AT
EL PASO INTERNATIONAL AIRPORT**

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**DEPARTMENT OF AVIATION
MINIMUM STANDARDS AND REQUIREMENTS
FOR COMMERCIAL AERONAUTICAL SERVICE PROVIDERS AT
EL PASO INTERNATIONAL AIRPORT**

I. DEFINITIONS

- A. **Airport** means El Paso International Airport.
- B. **City** means the City of El Paso, a Texas home-rule municipal corporation.
- C. **Commercial Aeronautical Service** means a service which involves, makes possible, or is required for the operation of aircraft, or which contributes to, or is required for the safe conduct and utility of such aircraft operations, and includes those services provided by either a Fixed Base Operator or a Specialized Aviation Service Operator.
- D. **Director** means the Director of Aviation for the City of El Paso's Department of Aviation, or authorized designee.
- E. **FAA** means the Federal Aviation Administration of the United States Department of Transportation (USDOT).
- F. **Fixed Base Operator or FBO** means a Person maintaining facilities at the Airport for the purpose of: (1) engaging in the retail sale of aviation fuels; (2) performing other aircraft line services; and (3) providing aircraft airframe and engine repair and maintenance services. Section VI of these Minimum Standards specifies the minimum services which FBOs must provide. In addition to those required services, an FBO may provide any or all of the services of an SASO.
- G. **Improvements** includes, without limitation, any buildings, hangars, paved areas such as parking lots, ramp, or apron, or other improvements constructed or installed by an Operator on its Premises.
- H. **Operator** means either a Fixed Base Operator, or a Specialized Aviation Service Operator, or both, as the context indicates.
- I. **Person** means a natural person, corporation, partnership, trust, association, political subdivision, agency of the State, or other legal entity, but does not include the City.
- J. **Premises** means a defined area on the Airport which the City has either leased to an Operator, or has granted an Operator the preferential right to use, by lease or other written agreement to provide its Commercial Aeronautical Services.

- K. **Specialized Aviation Service Operator or SASO** is a Person maintaining facilities at the Airport for the purpose of providing one or more of the following services: (1) specialized aircraft repair services (radios, painting, upholstery, propellers, instruments, accessories, etc.); (2) aircraft airframe and powerplant maintenance and repair; (3) flight training; (4) aircraft sales; (5) aircraft rental; and/or (6) aircraft charter and air taxi service. Aircraft fueling may not be performed as a Specialized Aviation Service; only those Operators that provide each of the Minimum Services required in Section VI will be authorized to perform aircraft fueling. Section VII of these Minimum Standards sets out additional specific standards for SASOs.

II. APPLICABILITY

The City, acting by and through its Department of Aviation, owns and operates the Airport. To encourage growth and development of the Airport and to facilitate the development of adequate aeronautical services and facilities for Airport users, the City has established these standards and requirements (the "Minimum Standards") for provision of certain commercial aeronautical services at the Airport. These Minimum Standards may be amended by the City as conditions require, or to establish Minimum Standards for additional aeronautical services.

Pursuant to Title 14 of the El Paso Municipal Code, no Person may conduct or operate a business at the Airport except as authorized by the Director. These Minimum Standards establish the criteria by which the Director shall consider requests from prospective Commercial Aeronautical Service providers to do business at the Airport. These Minimum Standards shall apply to all Fixed Base Operators Lease and Operating Agreements ("Lease") and Commercial Operating Permits ("Permit") granted or renewed after the effective date of these rules. The provisions of the Lease or Permit will be compatible with the Minimum Standards herein contained and will not change or modify the Minimum Standards themselves. To the extent consistent with the terms of the Lease or Permit, these rules shall apply to all currently existing Leases and Permits.

The Minimum Standards do not apply to the City itself, to certified air carriers operating from the Airport, or to persons operating aircraft on the Airport who perform services on their own aircraft with their own regular employees and equipment in accordance with applicable Airport rules and regulations and applicable contract, permit, or lease provisions. These Minimum Standards are not intended to be all-inclusive; the Operator will be subject additionally to applicable federal, state and local laws, codes, ordinances and other similar laws or regulations including Airport Rules and Regulations pertaining to all such services.

III. STATEMENT OF POLICY

In establishing these Minimum Standards, the City's goal is to assure an adequate minimum level of quality of service to General Aviation users, to foster competition at the Airport, and to avoid unfair or prohibited discrimination among similar Commercial Aeronautical Service providers. The minimum standards shall be applied objectively and uniformly.

The standards and requirements in this policy are minimums. All Operators will be encouraged to exceed the minimum.

Contingent upon its qualifications, its meeting the Minimum Standards, the execution of a Lease or Permit, and the payment of the applicable rentals, fees and charges, the Operator shall have the right and privilege of providing the Commercial Aeronautical Service(s) for which it made application on the Airport, as specified in its Lease or Permit. The Operator may not provide any Commercial Aeronautical Service other than that authorized in its Lease or Permit.

The granting of such right and privilege, however, shall not be construed in any manner as affording the Operator any exclusive right of use of the premises and facilities and the Airport, other than those premises which may be leased exclusively to it, and then only to the extent provided in a written agreement. The City reserves and retains the right for use of the Airport by others who may desire to use the same, pursuant to applicable federal, state and local laws, ordinances, codes, minimum standards and other regulatory measures pertaining to such use. The City further reserves the right to designate the specific Airport areas in which the specific aeronautical services may be conducted, and to relocate existing Operators to another location on the Airport. Such designation shall give consideration to the nature and extent of the operation and the land and improvements available for such purpose, consistent with the orderly and safe operation of the Airport.

If the City determines there are more qualified applicants seeking to provide a particular Commercial Aeronautical Service than there is space or demand at the Airport for such service, the City may select the Commercial Aeronautical Service provider through a competitive solicitation or request for proposals.

These Minimum Standards are subordinate and subject to the provisions of any agreement between the City and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been, or may in the future be, required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as amended. The issuance of a Final Agency Order finding a provision of these Minimum Standards inconsistent with such agreement shall operate to invalidate such provision. The invalidity or unenforceability of any provision of these Minimum Standards shall not affect validity or enforceability of any other provision of these Minimum Standards, and the remainder shall be construed and enforced as if the invalid or unenforceable provision were never included in the Minimum Standards.

IV. APPLICATION REQUIREMENTS

- A. Application.** To operate a Commercial Aeronautical Service at the Airport, a Person shall submit a written application to the Director, which shall include the following information and, thereafter, shall provide such additional information as may be requested by the Director.

- 1) Intended Scope of Services. The prospective Operator must submit a detailed description of the scope of the proposed operation, and the means and methods to be employed to accomplish the contemplated operation, including, at a minimum, the following:
- a) The name, address and telephone number of the applicant. If the applicant is a corporation, include the name, address, and telephone number of the corporation's officers and directors. If the applicant is a partnership, provide the name, address, and telephone number of all general partners. Also provide the name, address, and telephone number of any Person that holds a controlling interest, directly or indirectly, in the applicant. Applicant must disclose if any officer, director, partner, or Person having a controlling interest in applicant is also an officer, director, partner, or a Person holding a controlling interest in another Commercial Aeronautical Service provider at the Airport.
 - b) The requested or proposed date for commencement of the service and the term of conducting the same.
 - c) The services to be offered.
 - d) The amount, size and location of land required.
 - e) The size, type, and location of the building(s) to be constructed or leased.
 - f) The number and type of aircraft to be parked, serviced, or provided (as applicable).
 - g) The number of persons to be employed (including the names, titles and qualifications of key employees).
 - h) The hours of proposed operation.
 - i) A list of material assets, goods and equipment necessary or required to perform the proposed services that owned, leased, or under purchase contract by the applicant. Copies of such leases and contracts shall be provided to the Director upon request.
 - j) Copies of all licenses, certifications and permits possessed by the applicant, or its key employees to be based at the Airport, that are necessary or required to perform the proposed services.

k) Such other or additional information as may be required under Sections VI and VII of these Minimum Standards, or that the Director may reasonably require to evaluate the application.

2) Financial and Managerial Responsibility and Capability. The prospective Operator must provide a statement, satisfactory to the City, in evidence of its financial responsibility, from a recognized financial institution or from such other source that may be acceptable to the City and readily verified through normal banking channels, together with copies of audited financial statements, SEC Form 10-K's, and annual reports for the prospective Operator for the previous three years. The prospective Operator must also demonstrate financial capability to initiate operations, to construct proposed improvements, and to provide working capital to carry on the contemplated operations. The demonstration of financial and managerial capability shall include a cash flow and a profit and loss projection for the first five years of the proposed operation.

3) Experience. The prospective Operator shall furnish the City with a statement of its qualifications and past experience in providing the proposed aviation services, together with a statement that it or its principals have the managerial ability to perform the selected services. The prospective Operator shall meet the applicable minimum experience qualification requirements under Sections VI or VII. The prospective Operator shall include resumes of its key employees engaged in the management and operation of the proposed aeronautical services at the Airport.

B. Annual Reporting Requirement and Notification of Changes. Operators shall report annually, by the anniversary date of the Effective Date of their Lease or Permit, that information listed above, and shall provide the Director with three weeks advance notice of its intention to start up or discontinue an authorized commercial aeronautical service. In addition, all Operators must file updated FAA certificates and ratings (their own and their employees') annually when received, and must file within two weeks of receipt any changes in their own and their employees' FAA certificates or ratings.

C. Grounds for Denial of an Application. The Director shall consider the application once the prospective Operator has submitted a complete application. A delay to implement a competitive process to select an Operator is not unreasonable. Grounds for denial of an application include the following:

1) The applicant does not, for any reason, fully meet the qualifications, standards and requirements established in these Minimum Standards.

- 2) The applicant's proposed operation or construction would create a safety hazard on the Airport.
- 3) The granting of the application will require the Airport to expend funds, or supply labor or materials, in connection with the proposed activity or operation that the Airport is unwilling to spend or supply, or the proposed activity or operation will result in a financial loss to the Airport.
- 4) No appropriate, adequate, or available land, space, or building exists at the Airport to accommodate the entire operation of the applicant at the time of application, and none is contemplated to be available within a reasonable time thereafter.
- 5) The proposed operation, development, or construction does not comply with the most recently FAA approved Airport Master Plan or Airport Layout Plan.
- 6) The proposed operation, development or construction will result in congestion of aircraft or buildings, or will result in undue interference with the operations of any present Operator at the Airport, or with adequate access to a present Operator's leased premises.
- 7) The applicant has intentionally or unintentionally misrepresented or omitted any material fact in the application or supporting documents, or has failed to make full disclosure in the application or supporting documents.
- 8) The applicant, or any officer, director, key employee, or Person having a controlling interest in the applicant, has a record of (a) violating the laws, rules and regulations applicable to the Airport or any other airport, including but not limited, to civil air regulations and FAA regulations, (b) having defaulted in the performance of a lease, license, permit, or similar agreement at the Airport or any other airport, or (c) having been convicted of any felony or misdemeanor involving moral turpitude.
- 9) The applicant, in the opinion of the Director, has not provided verified evidence of adequate financial responsibility or does not exhibit the experience to undertake the proposed operation or activity based on the information provided with the application.
- 10) The applicant cannot provide the required performance and other bonds, security deposits, or other acceptable surety in the amount required by the Airport for the proposed operation, activity or construction.

V. REQUIREMENTS APPLICABLE TO ALL OPERATORS

The following standards apply to all FBOs and SASOs, unless otherwise explicitly provided. Additional standards specific to each type of operation can be found in Sections VI and VII of these Minimum Standards.

A. Requirement of a Written Agreement

- 1) Before beginning operations, the prospective Operator must enter into a written Lease or Permit with the City reciting the terms and conditions under which it will do business on the Airport, including but not limited to, the term of agreement, the rentals, fees, and charges, the rights, privileges and obligations of the respective parties, and other relevant provisions. Such agreement shall be consistent with these Minimum Standards.
- 2) Such Lease or Permit shall contain, or adopt by reference, all provisions required by the applicable law, including, without limitation, regulations promulgated by the FAA, and assurances or agreements entered into by the City as a condition of any Federal Grant to the City for the Airport. The Lease or Permit shall be subordinate to any existing or future Federal grant assurances.
- 3) If an Operator desires to sublease space to another Operator, the Operator must obtain the written approval from the City to sublease the space, and if applicable, subcontract the function. The sublessee must apply for and obtain a Permit to operate at the Airport, and must satisfy the applicable Minimum Standards to provide sublessee's proposed Commercial Aeronautical Service.

B. Site Development Standards

- 1) Location. FBOs and SASOs may be situated only in those areas of the Airport specified for such use by the Department of Aviation in conformance with the Airport's long term plans and objectives.
- 2) Space Requirements. The minimum space requirements as provided in Sections VI and VII of these Minimum Standards shall be satisfied. The City will consider reduction in minimum space requirements for combined operations in a common location (e.g., an SASO that wishes to operate a flight training school and aircraft rental facility need have only one office, one set of restrooms, one customer lounge, etc.). An applicant who proposes combined operations in a common location shall provide a building layout or similar plan that demonstrates functional compliance with the applicable Minimum Standards.

- 3) Airport Design Criteria. All construction of Improvements and infrastructure must conform to and comply with the approved plans and specifications submitted by Operator and approved by the City and the Director, the applicable statutes, ordinances, building codes, rules and regulations of City and the FAA and such other authorities as may have jurisdiction over the Airport, the Premises or Operator's operations herein. The height of any structure on the Premises must be within the limits of the FAA regulations governing objects affecting airspace, as set forth in 14 C.F.R., Part 77. Any structure that violates these requirements shall be subject to removal or remediation at the Operator's expense. The Director will have the right to review all plans and specifications for any Improvements to be constructed on the Premises to determine compliance with such regulations. The approval by the Director shall not constitute a representation or warranty as to such conformity or compliance, but responsibility therefore shall at all times remain with the Operator.
- 4) Design/Construction Review. Operator shall not construct, install, remove, or modify any Improvements on the Premises without the prior written approval of the Director, or his designated representative, of Operator's plans and specifications for the proposed project. All plans shall be complete and submitted in accordance with the applicable provisions of the Lease or Permit.
- 5) Bonds and Insurance. Operator shall provide or cause to be provided to the City prior to the commencement of any construction of any Improvements, a valid performance bond and payment bond, each in the amount of the maximum estimated hard construction costs, for the successful construction of its Improvements. Said bonds shall be maintained and kept in full force and effect until work items called for in the Operator's agreement with the City are complete. The bonds shall be conditioned to ensure performance and payment by the Operator and its construction contractor of all Improvements required and proposed by the Operator, and to stand as security for the successful completion of the built Improvements on the Premises and for payment of any valid claim by the City against the Operator or its Contractor associated with the construction of the improvements. The bonds shall be in a form acceptable to the City and shall be issued by a surety that complies with the requirements of the Texas Insurance Code, as amended. If Operator engages any contractors and/or subcontractors to construct Improvements on the Premises, the contractors and subcontractors must carry appropriate builders risk and commercial general liability policies as is required at that time for construction projects on City property.

- 7) Landscaping. Landscaping of facilities is required. Each FBO or SASO will be required to provide a plan for landscaping its area to be approved by the City and maintained by the FBO or SASO in a neat, clean and aesthetically pleasing manner, all in accordance with the Lease or Permit.

C. **Maintenance Responsibilities.** Operator shall, at its sole cost and expense, maintain, repair and keep in good condition all of its Improvements on the Premises, as hereinafter described:

- 1) Operator shall maintain pavement, landscaping, lighting and all equipment on the Premises.
- 2) Operator shall maintain the interior and exterior of all Improvements, to include electrical, mechanical, plumbing, fire protection system(s), roof, floors, load-bearing and exterior walls, utilities, and HVAC system(s).
- 3) Operator shall clean debris and trash from driveway, taxiways, aprons, and sidewalks to maintain safe, clear, unobstructed access to the Improvements at all times for authorized users and emergency vehicles.
- 4) Operator shall maintain all hangar and overhead doors and door operating systems, including weather stripping and glass replacement.
- 5) Operator shall maintain electric loads within the designed capacity of the system. Any change to such designed capacity will require the prior written consent of the Director.
- 6) Operator shall install and maintain hand-held fire extinguishers in the interior of all buildings, aircraft shops, aircraft parking and tie-down areas, and fuel storage areas, pursuant to fire and safety codes.
- 7) Operator shall have the necessary utility meters installed, as required by the utility company(s), at Operator's expense. Operator shall pay all utility charges, including, but not limited to, electricity, water, wastewater, natural gas, and telephone. Operator shall maintain and repair all utility service lines and fixtures, including lighting fixtures, within the Premises to the extent utility company providing such utility service does not perform such maintenance or repair.
- 9) Operator shall provide, at its sole cost and expense, necessary arrangements for adequate sanitation, handling and disposal from the Airport of all trash, garbage and other refuse which results from

Operator's business operations, including receptacles for the deposit of such trash, garbage and other refuse.

- 10) Operator will not permit any action on the Premises that has an adverse effect, or interferes with the proper function of any drainage system, sanitary sewer system, or any facility provided for the operation or protection of Airport.

D. **Personnel.** The Operator shall employ a fully qualified, competent, experienced, full-time, on-site manager who shall supervise and direct the performance of all Commercial Aeronautical Services provided by the Operator, and one or more qualified assistant managers to act for the manager in his or her absence. During all operating hours, the Operator shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards, in an efficient manner, for all Commercial Aeronautical Services being provided by the Operator. Operator's employees shall, at all times, be neat and courteous, and shall wear an identification badge that displays the employee's name and the name of the Operator. Operator's employees may not use or possess alcohol, illegal drugs, controlled substances, or firearms at the Airport. Operator shall closely monitor its employees to insure consistent, high quality service.

E. **Security.**

- 1) Operator, its employees, agents, customers, and contractors, shall comply fully with the Airport Security Plan.
- 2) If the Premises are located in a restricted area accessible only to those persons displaying a security badge issued by the Airport, each person working on the Premises must wear the badge at all times while at the Airport.
- 3) To control access to the air operations area ("AOA"), Operator will provide written notice to the Director of the names, addresses, telephone number(s), and contact persons for each contractor employed by Operator that will require access to the AOA for the benefit of Operator within five (5) days after the execution of the contract with such person.
- 4) Operator shall control the Premises so as to prevent unauthorized access to the AOA. Operator shall comply with all applicable federal regulations relating to aviation security, and Operator's security system must be approved by the Director. The City reserves the right to install security devices in or on the Premises as it deems necessary at City's cost.

F. **Indemnification. Operator shall protect, defend, and hold City and its officials, agents or employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or**

demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this agreement and/or the use or occupancy of the leased premises or the acts or omissions of Operator's officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, provided, however, that the indemnity provided for in this paragraph shall have no application to any claim, loss, damage, cause of action suit or liability resulting from the sole negligence of City, its officers, agents or employees and provided, further, that the indemnity provided for in this paragraph shall not apply to the extent and degree that the negligence of City or its agents, officers or employees, is a contributing and proximate cause of any particular injury, death or damage. The City shall give to Operator reasonable notice of any such claims or actions. The Operator shall also use counsel reasonably acceptable to City in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this agreement.

G. **Insurance.** The following requirements pertain to all Operators. See Articles VI or VII for specific insurance requirements applicable to the specific FBOs and SASOs on the Airport.

- 1) **General Requirements.** Operator shall not commence operations or construction until Operator has obtained the types and amounts of required insurance indicated below and until such insurance has been reviewed by the City or a Certificate of Insurance is received indicating required coverage. If the coverage period ends during the term of Operator's Lease or Permit, Operator must, prior to the end of the coverage period, forward a new Certificate of Insurance to City as verification of continuing coverage for the duration of the term of the Lease or Permit. Operator must submit certificates of insurance for all subcontractors to the City prior to them commencing work on the project.
 - a) Approval of insurance by the City and the required minimums shall not relieve or decrease the liability or responsibility of the Operator hereunder and shall not be construed to be a limitation of liability on the part of the Operator.
 - b) Operator's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policy is issued and shall be written by companies with an A.M. Best rating of B+VII or better. Hazardous materials insurance, if required, shall be written by companies with A.M. Best ratings of A- or better. The

City shall accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

- c) All endorsements naming the CITY as additional insureds, waivers of subrogation, and notices of cancellation endorsements as well as Certificates of Insurance shall indicate:

City of El Paso
Department of Aviation
6701 Convair Road
El Paso, Texas 79925-1091
Attn.: Director of Aviation

- d) The "other" insurance clause shall not apply to the City where the City of El Paso is an additional insured shown on any policy. It is intended that policies required in this Agreement covering the City and the Operator, shall be considered primary coverage as applicable.
- e) If insurance policies are not written for amounts specified below, the Operator shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- f) The City shall be entitled, upon request and without expense, to receive certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- g) The City reserves the right to review insurance requirements set forth during the term of this Agreement and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Operator.
- h) The Operator shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of this Agreement or as required in the Agreement.

- i) Operator shall provide all deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificates of Insurance.
 - j) Insurance provided by an Operator pursuant to this Minimum Standards shall cover and protect the City, and its elected and non-elected officials, officers, agents, employees, contractors, successors, and assigns, as their interests may appear.
- 2) Specific Insurance Requirements. The Operator shall obtain, and maintain throughout the term of its Lease or Permit, the following insurance coverages, and furnish certificates of insurance and policy endorsements as evidence thereof:
- a) Workers' Compensation and Employers Liability coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Section 401.) and minimum policy limits for employers liability of \$1,000,000 bodily injury each accident, \$1,000,000 bodily injury by disease policy limit and \$1,000,000 bodily injury by disease each employee. The following endorsements shall be added to the policy:
 - i) A Waiver of Subrogation in favor of the City of El Paso;
 - ii) A thirty (30) day Notice of Cancellation/Material Change in favor of the City;
 - b) Property insurance coverage on an "All Risk of Physical Loss" form for 100% of the value of all improvements leased from the City, or constructed by or for Operator on the Airport. Coverage shall include but not be limited to fire, wind, hail, theft, vandalism and malicious mischief. The coverage shall be written on a replacement cost basis. The proceeds from such insurance shall be used to restore the improvements to their original condition in the event of a covered loss.
 - c) Liability insurance in the specific types and amounts specified in Sections VI or VII, as applicable for the proposed Commercial Aeronautical Service.. Where more than one Commercial Aeronautical Service is proposed, the minimum limits will vary (depending upon the nature of individual services in such combination) but will not necessarily be cumulative in all instances. Because of these variables, the applicable minimum insurance coverage on combinations of

services will be finalized with the prospective Operator at the time of its application or otherwise during lease negotiations.

- H. **Compliance With Laws.** The FBO will abide by all applicable federal, state and municipal laws, regulations, ordinances and standards currently in existence or which may hereafter be promulgated, including all environmental laws and regulations, the Airport's Rules and Regulations, the requirements and recommendations of National Fire Protection Association (NFPA), the latest FAA Advisory Circulars, and other standards established by recognized authority, all as set out in the Lease or Operating Permit.
- I. **Certifications.** The Operator shall obtain and maintain in full force and effect all FAA and other certificates and licenses necessary for the work being performed at the Airport, and shall provide a copy of such certificates to the Director upon request.
- J. **Motor Vehicles on Airport.** The Operator shall control the on-Airport transportation of pilots and passengers of transient general aviation aircraft using the Operator's facilities and services. Customer motor vehicles are not permitted on the Air Operations Area (AOA). The Operator-owned or operated motor vehicles driven on the AOA shall do so only in strict accordance with Airport Rules and Regulations, applicable federal, state and municipal laws, ordinances, codes or other similar regulatory measures now in existence or as may be hereafter modified or amended. The Airport may impose training and licensing requirements and charge a fee for AOA driving privileges.
- K. **Reporting.** An Operator shall:
- 1) Provide to the Director promptly on request, such information on operations at the Airport as the Director shall from time to time request, including but not limited to, passenger, cargo, and operations statistics, data on aircraft as it relates to the Airport by type, and arrival and departure information. The Director shall have the right, during reasonable times and upon reasonable notice, to audit and examine books, records and other data which pertain to the Operator's use of the Airport, and its performance of the requirements of these minimum standards.
 - 2) Provide promptly to the Director the result of any FAA inspections.
 - 3) Ensure that any employee performing weight and balance calculations is certified to do so.
 - 4) Ensure the proper licensing and certification of employees with copies maintained in the Operator's personnel record files regarding Federal Communications Commission (FCC)

requirements, Texas driver's license of the proper class, and FAA license, if required.

- 5) Ensure that all employees operating vehicles on the airfield have the appropriate Airport certification.

VI. REQUIREMENTS APPLICABLE TO FIXED BASE OPERATORS

The following standards apply to Fixed Base Operators.

A. Services.

- 1) Minimum Services. Each Fixed Based Operator shall provide the following minimum services:
 - a) **Aircraft Fueling Services.** Each FBO shall provide into-aircraft retail delivery of AV gas and jet aviation fuel, motor oil, and lubricants as required by the types of aircraft normally utilizing the Airport. The Operator shall clearly and prominently post its fuel prices on the Ramp in a public place with signage approved by the Director. The Operator shall provide proper fuel dispensing equipment to service aircraft, including mobile fuel dispensing trucks to service commercial passenger and cargo aircraft operating at the Airport. All fuel handling and storage facilities, equipment and procedures shall strictly comply with all applicable Federal, State, City and local laws, rules and regulations, including without limitation, the most current rules and regulations promulgated by the USDOT and FAA. Fueling personnel shall be properly trained and qualified to perform their assigned duties. The Operator shall ensure that only clean fuel, free of water or other contaminants, is delivered into the aircraft serviced. The Operator shall maintain current fuel reports on file and available for review at anytime by the Director. Fueling service by the FBO shall be in full compliance with all applicable federal, state and local safety laws and regulations, including proper fire protection and electrical grounding of aircraft during fueling operations. All FBO fueling services and systems shall be subject to inspection for fire and other hazards by the Director or other Airport representative and by the appropriate State and City fire officials. The FBO shall maintain a spill prevention and control plan in accordance with applicable Federal, State, City, and Airport laws, rules and regulations.
 - b) **Aircraft Line Services.** Each FBO shall provide:

- i) Suitable hard surface aircraft parking, tie-down, and hangar storage facilities; adequate tie-down facilities and equipment, including ropes, chains and other types of restraining devices, and wheel chocks for the typical number and type of aircraft simultaneously using the FBO during a peak period; and adequate loading, unloading and towing equipment to safely and efficiently move aircraft and store them in times of all reasonably expected weather conditions.
 - ii) Adequate ground equipment, including but not limited to, ground power and starting equipment, fire extinguishers, oxygen carts, portable compressed air, towing equipment, disabled recovery equipment, washing and cleaning facilities, and such other equipment, supplies and spare parts as may be reasonably required to service all general aviation aircraft at the Airport in accordance with manufacturers recommendations, including such services as repairing and inflating aircraft tires, servicing struts, changing engine oil, servicing oxygen systems, washing and cleaning of the interior and exterior of aircraft and aircraft windows, and recharging or energizing discharged aircraft batteries and starter.
 - iii) Conveniently located, heated and air-conditioned lounge(s), briefing room(s), restrooms, and telephone facilities.
 - iv) A flight planning facility equipped with direct telephone communication to an FAA Flight Service Station, local navigation charts, and flight planning materials during hours of control tower operations.
 - v) Sales counter to offer a variety of pilot supplies, navigation and flight planning materials.
 - vi) Access to weather information via computer available during hours of control tower operations.
- 2) Optional Services. In addition to the Minimum Services, an FBO may also provide any Specialized Aeronautical Service for which it is qualified under these Minimum Standards, and is authorized to perform under its Lease with the City. Optional Specialized Aeronautical Services ("Optional Services") include aircraft engine and frame maintenance and repair, specialized aircraft parts maintenance and repair, aircraft sales, charter and air taxi services, and flight training.

- 3) Subcontracting. An FBO may provide any Minimum or Optional Service using its own resources and personnel, or with the prior written consent of the Director, it may provide such Service through a subcontractor subleasing space from the FBO, in accordance with the Minimum Standards and Lease terms applicable to subleasing and subcontracting. The FBO shall remain primarily responsible for any services performed by a subcontractor, and the compliance by such subcontractor with these Minimum Standards.
- 4) Rates and Charges. The FBO's rates or charges to General Aviation users for its services shall be determined by the FBO, subject to the requirement that all such rates or charges shall be reasonable and equally and fairly applied to all users of the services. All rates and charges for such services shall be filed with the Director. In addition, the FBO shall prominently post its fuel prices on exterior ramp side signage as approved by the Director.
- 5) Hours of Operation. The FBO must make all of its required services, its aircraft fueling services and its aircraft line services available twenty-four (24) hours per day, seven (7) days per week. Unless expressly provided otherwise by these minimum standards, this requirement can be met by means of a prompt on-call system outside of the Operator's regularly scheduled hours.
- 6) Staffing. During all operating hours, the FBO shall employ and have on duty trained personnel in such numbers and with such certificates and ratings as are required to meet the Minimum Standards, in an efficient manner, for all Minimum and Optional Services being provided by the FBO, including appropriate supervisory and managerial personnel. The FBO shall employ personnel who will offer prompt, courteous and efficient services.
- 7) Field Use Charges. If so directed by the Airport, the FBO shall collect all landing, parking and other fees and charges assessed by the Airport from a non-tenant air carrier prior to providing services to such air carrier.

B. Minimum Space Requirements

- 1) Leased Premises. The minimum amount of land to be leased for a Fixed Base Operation shall be ten (10) acres.
- 2) Aircraft Parking. On the Leased Premises, the FBO must operate and maintain a minimum of 6.5 acres of paved apron parking for aircraft parking and tie-downs with taxi-out capability, including sufficient taxi clearance, in accordance with applicable FAA regulations.

- 3) **Facilities.** The FBO shall provide a minimum of 16,000 square feet of facilities including 12,000 square feet of hangar space and 4,000 square feet of office space. The facility shall include air-conditioned space for crew and passenger lounge facilities, public restrooms, training, flight planning and office space. Restrooms shall be conveniently located, free of charge, accessible to passengers and crews, and maintained in a clean and sanitary manner. At least one working telephone shall be provided for public use.
 - 4) **Automobile Parking.** The FBO must provide sufficient paved and striped parking to accommodate FBO, and FBO subtenant customers, passengers, and employees on a daily basis, in accordance with applicable City Code requirements.
- C. **Term.** The term of a Lease with an FBO shall be as agreed between the City and the Operator up to a maximum of thirty (30) years unless the Operator can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements required to operate its business at the Airport in accordance with these Minimum Standards. In no event may the term of any Lease exceed forty (40) years, including renewals.
- D. **Minimum Experience.** The Operator shall have a minimum of five (5) years of experience in operating a full service Fixed Base Operator facility at an airport similar, in levels and type of service and traffic, to the Airport.
- E. **Liability Insurance.** FBOs shall carry and maintain throughout the term of their Lease the following coverages:
- 1) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$10,000,000 product/completed operations limit of liability. The policy shall contain:
 - a) Independent Contractors coverage
 - b) Ground Hangarkeepers Liability with a limit of \$2,000,000
 - c) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - d) Medical expense coverage with a limit of \$5,000 any one person
 - e) City of El Paso listed as additional insured,
 - f) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - g) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso

- 2) If the FBO operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain:
 - a) City of El Paso named as additional insured
 - b) Thirty (30) day Notice of Cancellation in favor of the City of El Paso

- 3) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage Bodily Injury and Property Damage, and \$10,000,000 for Personal and Advertising Injury. The policy shall contain:
 - a) Non-Owned Aircraft Liability with a minimum limit of \$10,000,000
 - b) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - c) Medical expense coverage with a limit of \$5,000 any one person
 - d) City of El Paso as additional insured
 - e) Thirty (30) day Notice of Cancellation in favor of the City
 - f) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso

VII. STANDARDS APPLICABLE TO SPECIALIZED AERONAUTICAL SERVICE PROVIDERS.

The following standards apply to Specialized Aviation Service Operators. SASOs provide one or more of the following services and shall comply with the Minimum Standards described in this section. The term of a Lease with an SASO shall be as agreed between the City and the Operator up to a maximum of ten (10) years unless the Operator can demonstrate to the Director that a longer term is necessary to finance and construct the necessary Improvements required to operate its business at the Airport in accordance with these Minimum Standards. In no event may the term of any Lease exceed thirty (30) years, including renewals. If an Operator is not leasing land from the City, but is leasing from another Airport tenant, and shall operate under a Permit, the term of such Permit shall be for one year, and month to month thereafter, unless the Operator can demonstrate to the Director that a longer term is necessary to operate its business at the Airport in accordance with these Minimum Standards.

- A. **Aviation Shop Repair Services.** (Radios, Painting, Upholstery, Propellers, Instruments, Accessories, etc.) An Aviation Shop Repair Services Operator is a Person engaged in the business of operating a shop, or a combination of FAA certified shops for the repair of aircraft radios, propellers, instruments, and accessories for general aviation aircraft. The Operator

may furnish one, or if desired, any combination of these services. This category includes sale of new and/or used aircraft radios, propellers, instruments and accessories.

- 1) Minimum Standards. The Operator shall maintain, as necessary, the repair station certificates required by the FAA which are applicable to the operation or operations contemplated. The avionics portion of the services offered must maintain current the qualifications of Class I and Class II FAA designated repair station. The Operator shall have in its employ, and on duty during the required operating hours, trained personnel currently certified as FAA radio, instrument or propeller repairmen in such numbers as are required to meet the minimum standards set forth for this category in an efficient manner.
- 2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land upon which all required Improvements shall be located, including adequate (a) hangar or shop space for aircraft maintenance and repair and parts and equipment storage, (b) air conditioned space for office, restrooms, lounge and telephone facilities for customer use, (c) paved aircraft apron space to accommodate the maximum number and type of aircraft that Operator can service at any one time, and (d) paved motor vehicle parking facilities to accommodate Operators customers and employees on a daily basis. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety and air quality and other environmental requirements.
- 3) Hours of Operation. The Operator shall operate business hours of 8:00 am to 5:00 pm, Monday through Friday of each week or on a schedule previously approved in writing by the Director. The Operator shall have personnel available upon two hours notice on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.
- 4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 5) Liability insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$10,000,000 product/completed operations limit of liability. The policy shall contain the following provisions:

- i) Independent Contractors Coverage
 - ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
 - v) City of El Paso listed as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso
- b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain:
- i) City of El Paso named as additional insured,
 - ii) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
- c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage Bodily Injury and Property Damage and \$10,000,000 for Personal and Advertising Injury. The policy shall contain:
- i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person
 - iii) City of El Paso as additional insured
 - iv) Thirty (30) day Notice of Cancellation in favor of the City
 - v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso
 - vi) Non-owned aircraft liability with a minimum limit of \$10,000,000
- 6) Independent Repair Service Technicians. An independent repair service technician may provide aircraft repair services at the Airport if the independent technician applies for, and is granted, an Independent Repair Service Technician Permit in accordance with these Minimum Standards. The independent repair service technician must pay the applicable permit fee, and provide proof of proper and current required FAA certifications for the type of repair services offered, and liability insurance as specified above in

Section VI.A.5). Independent repair service technicians are not subject to the Minimum Space and Hours of Operation requirements of this Section. Repair services may be performed only in areas of the Airport designated by the Director as suitable for such work.

B. Aircraft Airframe And Powerplant Repair and Maintenance. The Operator is a Person engaged in the business of providing aircraft airframe and powerplant repair and maintenance services, including the non-exclusive right to sell aircraft parts and accessories.

- 1) Minimum Standards. The Operator shall apply for Part 145 Repair Station Certification from the FAA, and shall provide a true copy of the Certificate to the Director when granted. Failure to obtain Repair Station Certification within six months of application shall be a violation of these Minimum Standards, unless the Operator can demonstrate the failure is attributable to FAA delays, and not the fault of Operator. Operator shall employ a sufficient number of FAA certified mechanics with airframe, powerplant and inspector ratings to properly and safely perform the work performed by Operator, including and at least one FAA certified airframe and powerplant mechanic on duty during normal business hours. Operator shall have all necessary tools, equipment, supplies, and parts necessary to perform its repair and maintenance services in accordance with manufacturer's recommendations and applicable FAA regulations.
- 2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land upon which all required Improvements shall be located, in accordance with the requirements of Part 145, including (a) one or more hangars adequate for aircraft maintenance and repair and parts and equipment storage, (b) air conditioned space for office, restrooms, customer lounge and telephone facilities for customer use office, (c) paved aircraft apron space to accommodate the maximum number and type of aircraft that Operator can service at any one time, and (d) paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis. If painting operations are contemplated, the Operator shall provide a separate paint shop that meets all applicable safety and air quality and other environmental requirements.
- 3) Hours of Operation. The Operator shall have personnel available upon two hours' notice on an on-call basis at all times outside of the Operator's regularly scheduled business hours for emergency services.

- 4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$10,000,000 product/completed operations limit of liability. The policy shall contain:
 - i) Independent Contractors Coverage
 - ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
 - v) City of El Paso listed as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso
 - b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain the following provisions:
 - i) City of El Paso named as additional insured,
 - ii) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$10,000,000 for coverage Bodily Injury and Property Damage, and \$10,000,000 for Personal and Advertising Injury. The policy shall contain:
 - i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person
 - iii) City of El Paso as additional insured
 - iv) Thirty (30) day Notice of Cancellation in favor of the City

- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso
- vi) Non-owned aircraft liability with a minimum limit of \$10,000,000

C. **Flight Training and Ground School.** A flight training and ground school Operator is a Person engaged in the business of instructing pilots in dual and solo flight operations, in fixed and/or rotary wing aircraft, and such related ground school instruction as is necessary to prepare persons for taking a written examination and flight check for the category or categories of pilots' licenses and rating involved.

- 1) Minimum Standards. The Operator shall obtain and maintain an FAA certificate under FAR Part 61 or 141, as applicable to its operation. The Operator shall employ at a sufficient number of instructors to provide the type of flight and ground training offered. All instructors shall be fully trained and properly certificated by the FAA. Flight instructors shall have a current pilot's license and, to the extent required by applicable regulations, medical certificate. The Operator shall own or lease and have available for use in flight training at least one properly certified aircraft appropriate to the type of flight instruction offered. The Operator shall have appropriate training equipment and instructional materials to provide proper and effective flight training, including adequate mock-ups, pictures, slides, films or other visual aids. All equipment and materials must comply with applicable FAA requirements for the training offered.
- 2) Minimum Space Requirements. The Operator shall lease or sublease (a) a sufficient amount of hangar or tie-down space for all aircraft used for flight instruction at the Airport, (b) air conditioned space for classroom, office, briefing room, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis. Ground instruction may not be provided in public areas of the Airport.
- 3) Hours of Operation. A minimum of eight (8) hours per day, five (5) days per week.
- 4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of

\$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain:

- i) Independent Contractors Coverage
 - ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangarkeepers Liability with a limit of \$2,000,000
 - v) City of El Paso listed as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso
- b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:
- i) City of El Paso named as additional insured,
 - ii) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
- c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage Bodily Injury and Property Damage, and \$1,000,000 for Personal and Advertising Injury. The policy shall contain:
- i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person
 - iii) City of El Paso as additional insured
 - iv) Thirty (30) day Notice of Cancellation in favor of the City
 - v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso
 - vi) Non-owned aircraft liability with a minimum limit of \$1,000,000

6) Independent Flight Instructors. An independent flight instructor may provide aircraft flight instruction at the Airport if the independent instructor applies for, and is granted, an Independent Flight Instructor Permit in accordance with these Minimum Standards. The independent flight instructor must pay the applicable permit fee, and provide proof of proper and current pilot's license, required FAA certifications for the type of instruction offered, and liability insurance as specified above in Section VI.C.5). Independent flight instructors are not subject to the Minimum Space and Hours of Operation requirements of this Section. Ground school and briefing/debriefing may be provided off-airport or on-airport in leased or subleased space, but such instruction may not be provided in public areas of the Airport.

D. Aircraft Sales. An aircraft sales Operator is a Person engaged in the business of selling new or used aircraft through franchises, or licensed dealership or distributorship (either on a retail or wholesale basis) of an aircraft manufacturer or otherwise; and providing such repair, services and parts as necessary to meet any guarantee or warranty on new or used aircraft sold.

1) Minimum Standards. The Operator shall have at least one full time authorized agent to transact sales, and at least one fully licensed and certificated pilot with ratings appropriate for the types of aircraft to be demonstrated. All dealers shall be properly bonded and licensed in accordance with applicable Federal, State, City, and local laws, rules and regulations. A new aircraft sales Operator shall have available or on call at least one current model of the aircraft made by the manufacturer the Operator represents, and shall provide for demonstrations of additional models of such manufacturer. The Operator shall provide all parts, equipment and services required to repair and service aircraft sold by the Operator during applicable warranty periods. Warranty service facilities may be provided through written agreement with an FBO or other repair shop Operator at the Airport.

2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its projected inventory of aircraft, (b) air conditioned space for salesroom, office, restrooms, and telephone facilities for customer use, (c) if the Operator is providing warranty maintenance itself, sufficient additional space to provide warranty maintenance and service for aircraft and for parts storage, and (d) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.

- 3) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 4) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain:
 - i) Independent Contractors Coverage
 - ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangar Keepers Liability with a limit of \$2,000,000
 - v) City of El Paso listed as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso
 - b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:
 - i) City of El Paso named as additional insured,
 - ii) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage Bodily Injury and Property Damage and \$1,000,000 for Personal and Advertising Injury. The policy shall contain:
 - i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person

- iii) City of El Paso as additional insured
- iv) Thirty (30) day Notice of Cancellation in favor of the City
- v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso
- vi) Non-owned aircraft liability with a minimum limit of \$1,000,000

E. **Aircraft Rental.** An aircraft rental Operator is a Person engaged in the business of renting aircraft to the public.

- 1) Minimum Standards. The Operator shall own or lease and have available for rental, either owned or under written lease to Operator, a sufficient number of airworthy aircraft properly certificated to handle the proposed scope of its operation. Operator shall employ at least one person having current FAA pilot's license appropriate for the each of the aircraft models offered for rental. The Operator shall develop and implement written policies to ensure that only properly qualified and licensed Persons may rent aircraft, and shall provide a copy of such policies to the Director.
- 2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its projected inventory of rental aircraft, (b) air conditioned space for office, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.
- 3) Hours of Operation. A minimum of a minimum of eight (8) hours per day, six (6) days per week.
- 4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$1,000,000 product/completed operations limit of liability. The policy shall contain:
 - i) Independent Contractors Coverage

- ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangar Keepers Liability with a limit of \$2,000,000
 - v) City of El Paso listed as additional insured
 - vi) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso
- b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$1,000,000 for bodily injury and property damage. The policy shall contain the following provisions:
- i) City of El Paso named as additional insured,
 - ii) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
- c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$1,000,000 for coverage Bodily Injury and Property Damage and \$1,000,000 for Personal and Advertising Injury. The policy shall contain:
- i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person
 - iii) City of El Paso as additional insured
 - iv) Thirty (30) day Notice of Cancellation in favor of the City
 - v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso
 - vi) Non-owned aircraft liability with a minimum limit of \$1,000,000

F. **Aircraft Charter and Air Taxi Service.** An aircraft charter and air taxi Operator is a Person engaged in the business of providing air transportation to the public for hire, either on a charter basis or as an air taxi Operator, as defined in the Federal Aviation Act of 1958, or as said Act may be amended from time to time. Non-scheduled air carrier companies providing service to and from the Airport, but not based on the Airport, are exempt from these Minimum Standards.

- 1) Minimum Standards. The Operator must hold a valid current FAA Air Charter and Taxi Certificate under FAR Part 135, with appropriate ratings and licenses for the services to be provided at the Airport. All pilots must be fully qualified and certificated for air charter and air taxi service. The Operator must own or lease and have available under its exclusive control at least one airworthy and fully certificated multi-engine all-weather aircraft. The Operator shall have available sufficient trained personnel for checking in and ticketing passengers, and handling luggage.
- 2) Minimum Space Requirements. The Operator shall lease or sublease a sufficient amount of land to include (a) an adequate amount of paved aircraft ramp or apron space to accommodate its fleet of aircraft based at the Airport, (b) air conditioned space for office, customer lounge, cargo and luggage storage and handling space, restrooms, and telephone facilities for customer use, and (c) sufficient paved motor vehicle parking facilities to accommodate Operator's customers and employees on a daily basis.
- 3) Hours of Operation. A minimum of a minimum of eight (8) hours per day, five (5) days per week and shall be available on two hours' notice on an on-call basis after Operator's regularly scheduled business hours.
- 4) Minimum Experience. The Operator shall have a minimum of two (2) years of experience in providing the Commercial Aeronautical Service specified in this section.
- 5) Liability Insurance. The Operator shall carry and maintain the following insurance coverages:
 - a) Commercial General Liability Insurance with a minimum bodily injury and property damage per occurrence limit of \$20,000,000 for coverage A (Bodily Injury and Property Damage) and coverage B (Personal and Advertising Injury); and \$20,000,000 product/completed operations limit of liability. The policy shall contain the following provisions:
 - i) Independent Contractors Coverage
 - ii) Blanket contractual liability coverage for liability assumed under the Lease or Permit
 - iii) Medical expense coverage with a limit of \$5,000 any one person
 - iv) Ground Hangar Keepers Liability with a limit of \$2,000,000
 - v) City of El Paso listed as additional insured

- vi) Thirty (30) day Notice of Cancellation in favor of the City of El Paso
 - vii) Waiver of Transfer of Right of Recovery Against Others in favor of the City of El Paso
- b) If Operator operates any motor vehicle in the Air Operations Area of the Airport, Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$5,000,000 for bodily injury and property damage. The policy shall contain the following provisions:
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- c) Aircraft Liability Insurance for all Operator owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of \$20,000,000 for coverage Bodily Injury and Property Damage and \$20,000,000 for Personal and Advertising Injury. The policy shall contain:
- i) Contractual liability coverage for liability assumed under the Lease or Permit
 - ii) Medical Expense coverage with a limit of \$5,000 any one person
 - iii) City of El Paso as additional insured
 - iv) Thirty (30) day Notice of Cancellation in favor of the City
 - v) Waiver of Transfer of Rights of Recovery Against Others in favor of the City of El Paso
 - vi) Non-owned aircraft liability with a minimum limit of \$20,000,000

Exhibit "C"

RULES, REGULATIONS AND LAND USE REQUIREMENTS GENERAL AVIATION COMMERCIAL AREA

El Paso International Airport

El Paso, Texas

**RULES, REGULATIONS AND LAND USE REQUIREMENTS
GENERAL AVIATION COMMERCIAL AREA**

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RULES, REGULATIONS AND LAND USE REQUIREMENTS

GENERAL AVIATION COMMERCIAL AREA

The City of El Paso hereby declares that the property, more particularly described hereinafter, is, and shall be, held and conveyed subject to the rules, regulations and requirements hereinafter set forth, each and all of which are for the benefit of each tenant of any portion of said property, each and all of which shall inure to, and pass with, each and every parcel of said property, and each and all of which shall apply to and bind the respective successors in interest of said property and any portion thereof, as follows:

ARTICLE I - PROPERTY

The real property, subject to these rules, regulations and land use requirements is situated on the El Paso International Airport and is more particularly described in Exhibit A of the Lease to which these Rules, Regulations and Land Use Requirements are attached.

ARTICLE II - DEFINITIONS

Wherever used in this document, the following terms shall have the following meanings:

- A. "BUILDING"** shall include both the main portion of such building and all projections or extensions therefrom, including garages, outside platforms and docks, carports, canopies and porches. Ground cover shall not be included.
- B. "BUILDING SITE"** shall mean the entire lot or lots (if contiguous) leased by one tenant and as shown as "leased premises" in Exhibit A of the Lease to which these Rules, Regulations and Requirements are attached.
- C. "CITY"** shall mean the City of El Paso, Texas, its duly elected Council, or any duly constituted agent/committee appointed through said Council to fulfill the obligations herein required.

- D. **"DIRECTOR OF AVIATION"** or **"DIRECTOR"** shall mean the Director of Aviation of the El Paso International Airport.
- E. **"FRONT LOT LINE"** shall mean the property line which faces the Apron.
- F. **"PROPERTY LINE"** shall mean those boundaries of the leased premises, as set out in Exhibit "A" of the Lease to which this document is attached.
- G. **"REAR LOT LINE"** shall mean the property line which faces the Street.
- H. **"SETBACK"** shall mean the distance a building must be set back from the property line of the parcel.
- I. **"STREET"** shall mean any street, highway, or other thoroughfare shown on the map entitled "El Paso International Airport Tracts," as filed with the County Clerk, County of El Paso, Texas.

ARTICLE III - PERMITTED USES

No building, structure, or land shall be used for any purpose other than those purposes set out in the Lease attached hereto.

ARTICLE IV - PERFORMANCE STANDARDS

No land or structure shall be used or occupied in any manner so as to create any dangerous, injurious, noxious, or otherwise objectionable conditions, which may affect any other property, including, but not limited to:

- Fire, explosive or other hazard;
- Noise, vibration, or shock;
- Smoke, dust, odor or other forms of air pollution;
- Heat or glare;
- Electrical or other disturbance;
- Liquid or solid refuse or wastes;
- Other substance, condition, or element in such manner or in such amount as to affect the surrounding area or adjoining premises.

Lessee shall comply with all environmental ordinances and environmental state and federal laws.

- A. **FIRE AND EXPLOSIVE HAZARDS.** No activity shall be undertaken involving fire or explosive hazard which shall endanger the property, improvements, or employees of any other property owner or lessee.

- B. NOISE.** No noise, other than from the operation of motor vehicles or aircraft, which is objectionable to a person of normal sensibilities shall be permitted within fifty (50) feet of the property line.
- C. AIR POLLUTION.** No activity of any type shall be conducted or permitted on the Premises, which violates any applicable federal, state or local law, rule or regulation.
- D. DUST CONTROL.** All ground areas not covered by structures shall be landscaped or surfaced with concrete, asphaltic concrete, asphalt oil or other comparable dust-free surfacing; shall be maintained in good condition, free of weeds, dust, trash, and other debris; and shall be properly drained and graded.
- E. HEAT OR GLARE.** Any operation producing intense glare or heat shall be performed within an enclosed or screened area in such manner that the glare or heat emitted will not be discernible from the property line.
- F. ILLUMINATION.**
1. Exterior Lighting. The design and location of exterior lighting shall comply, in all respects, to the requirements of the City, the Federal Aviation Administration or any successor agencies, and other governmental agencies having applicable jurisdiction with respect to height, type, and placement of lighting standards as they may affect the safety of flight operations into, from and around the Airport.
 2. Interior Lighting. The source of illumination of any kind within any building on the site shall not be visible at the property line except for normal installation of standard interior lighting fixtures within buildings.
- G. SIGNS.** The number, size, design, and location of all signs displayed for observation from outside a building whether displayed on, near, or within a building shall be subject to prior written approval by the Director of Aviation. All signs shall comply with any applicable sign ordinances and building codes of the City of El Paso and with all rules and regulations of the Federal Aviation Administration and its successor. Signs on the Premises shall be limited to those identifying the uses conducted on the site, to those necessary for directional purposes, and to those required for temporary advertising of the rental of the Premises. Outdoor advertising, billboards or flashing lighting shall not be permitted.
- H. REFUSE OR TRASH.** No refuse or trash shall be kept, stored or allowed to accumulate on any building site except in accordance with Article IV, Section 4.07 of the Lease to which this document is attached.

- I. **STORAGE.** All storage of every type, except of autos or aircraft, shall be within buildings or enclosures formed by a tight, painted board fence. Storage of aircraft parts, service equipment or similar items shall be expressly prohibited outside buildings or such enclosures. Storage of motor vehicles, other than aircraft, is not permitted; provided, however, that motor vehicle parking for reasonable periods of time in designated areas for such, is permitted.
- J. **SEWAGE DISPOSAL SYSTEMS.** No cesspool, septic tank or other sewage disposal system or device shall be installed, maintained or used upon any parcel without the approval of the El Paso City-County Health District.

ARTICLE V - DEVELOPMENT OF SITE - REQUIRED IMPROVEMENTS

- A. **OFFSTREET PARKING.** All provisions for automobile parking for employees and visitors of the Lessee shall be placed on the lot(s) leased. No parking whatsoever shall be permitted on the streets.

All parking areas shall be in rear setback areas and shall be paved to provide dust-free, all-weather surfaces.

Offstreet parking facilities shall be provided generally in accordance with the City of El Paso Offstreet Parking Ordinance No. 1653 and any amendments or successor ordinances thereto and shall be sufficient for the parking of all automobiles necessary to the conduct of the business.

Each parking space shall be designated by white lines painted upon the paved surface.

- B. **AIRCRAFT PARKING AND SERVICING.** Except for routine parking and servicing of transient aircraft on a specifically designated transient parking apron, all provisions for parking of all aircraft of Lessee and its patrons, if any, shall be on the lot(s) leased. Parking of aircraft in areas other than the lot(s) leased or on transient parking aprons specifically designated by the City is expressly prohibited.
- C. **VEHICLE LOADING.** All provisions for the loading and maneuvering of vehicles incidental to the operation of the business shall be placed on lot(s) leased; on-street vehicle loading shall not be permitted.
- D. **SETBACKS.** All buildings shall be set back a minimum of twenty-five (25) feet from the front lot line and twenty-five (25) feet from the rear lot line. Side setbacks shall be a minimum of fifteen (15) feet.

One hundred percent (100%) of the required rear setback area shall be landscaped and planted, unless covered by paving.

- E. LANDSCAPING.** A reasonable amount of landscaping, including the planting of ground covers, shrubs and trees, shall be required, such landscaping to be in accordance with standards established by the City. The first phase of such landscaping, as approved, shall be installed within a period not to exceed one hundred eighty (180) days after the notice of completion has been filed on the initial building.

Setback areas shall be landscaped to the minimum extent outlined in Paragraph D above. In addition, paving or landscaping shall extend from the property line to the curb, such paving or landscaping to be compatible with treatment for this area on other lots in the same Block.

All trees shall be limited to a height of thirty-five (35) feet above the curb line.

Tenants are encouraged to expand landscape development plans to include such elements as fountains, sculpture, rock arrangements, sheltered outdoor seating areas, all subject to design approval by the City, or its representative consultants before installation.

- F. BUILDING HEIGHTS.** All building heights shall conform to FAA rules and regulations, and any amendment and successor rules and regulations. The term building height shall include any building equipment, extrusions, etc.
- G. SITE COVERAGE.** All buildings and structures, or portions thereof, placed on the lot(s) shall not cover more than fifty percent (50%) of the total lot area.
- H. TYPE OF CONSTRUCTION.** All buildings shall be framed with reinforced concrete or masonry, structural steel or structural aluminum. Siding shall be masonry, glass, or enameled steel. Concrete or masonry units shall be kept neatly painted, if used.

All structures for the storage of gasoline, jet fuel, or other petroleum products shall be screened from public view; of a state of the art design and construction; and shall conform to applicable laws, ordinances and regulations of the EPA and TCEQ. All buildings, structures and improvements shall conform to applicable laws, ordinances and building codes.

All buildings shall conform to applicable laws, ordinances and building codes of the City of El Paso.

- I. STORAGE.** All storage, except of autos or aircraft, shall be within buildings or an enclosure.

- J. **PIPES.** No water pipe, gas pipe, sewer pipe or drainage pipe (other than those within structures) shall be installed or maintained upon any building site above the surface of the ground, except hoses and movable pipes used for irrigation or similar purposes, as approved by the City.
- K. **FENCING.** Construction of fencing between buildings of all lessees on all lots shall be required, unless approved by El Paso International Airport with the consent of any adjoining tenant. The placement and design of such construction shall be in accordance with plans and specifications prescribed by the City, or its authorized agent, for the General Aviation Commercial area and shall be uniform throughout the area.

ARTICLE VI - PREPARATION AND SUBMISSION OF

PLANS FOR IMPROVEMENTS

- A. **GENERAL.** All plans for improvements shall be prepared by registered engineers and architects, shall be of contemporary design, and shall require prior written approval by the Director of Aviation, or his/her authorized agent, before any application for a building permit and before any construction can take place. Said approval shall be based on the general conformity with the lease provisions and these Rules, Regulations and Land Use Requirements.

The following plans, if applicable, shall be submitted to the Director of Aviation for review:

1. A plot plan at a scale not smaller than 1 inch equals 100 feet showing the relationship of the proposed improvements to the building site and to the improvements on adjacent lots, utilities and access thereto, curbs, walks, driveways, parking areas, etc.
2. Building Plans and Specifications of sufficient detail to permit the City, or its authorized agent, to determine compliance with all applicable laws and ordinances and with the restrictions herein. These plans and specifications may be manufacturers' standard plans, if such are sufficient as aforesaid.
3. Ground cover plans, including landscaping.
4. A true architectural rendering of the proposed buildings, including the proposed exterior color scheme, style, materials, and design and placement of signs.
5. Any other plans, specifications, or design features which the City or its authorized agent may deem necessary and request.

- B. FORM AND CONTENT OF PLANS.** The City may promulgate rules governing the form and content of plans to be submitted for its approval and may issue statements of its policy with respect to approval or disapproval of architectural styles, details or other matters pertaining to the plans.

Such rules and such statements of policy may be amended or revoked by the City at any time; and no inclusion in, omission from, or amendment of any such rule shall be deemed thereafter to bind the City to its future approval or disapproval of any matter subject to its approval or to waive the exercise of the City's discretion as to any such matter.

- C. CODES AND REGULATIONS.** All improvements shall be planned and constructed in accordance with rules and regulations prescribed by the City, with the laws and ordinances of the City of El Paso, with applicable building codes, and in compliance with the rules and regulations of the Federal Aviation Administration or any successor agencies, where applicable.

- D. APPROVAL OF PLANS.** Approval of plans and specifications shall be at the sole discretion of the City. If the City or its authorized agent fails to approve or disapprove such plans and specifications within sixty (60) days after submission thereof, said plans and specifications, as pertaining to these Rules, Regulations and Land Use Requirements, shall be deemed approved as submitted.

Approval of said plans and specification may be withheld because of:

1. Failure to comply with any of these restrictions.
2. Failure to include such information as may be reasonably requested.
3. Reasonable objection to the design and appearance of the proposed structure.
4. Failure to conform with existing structures upon other parcels.
5. The disapproval of the location, grading plan, color scheme, finish, design, proportions, style or architecture, height, or appropriateness of the proposed structure or because of any other matter which, in the judgment of the City, would render the proposed structure inharmonious with the general plan for improvement of the Airport.

Approval of any plans or specifications for use on any one parcel shall not be deemed a waiver of the City's right, in its discretion, to disapprove the same plans or specifications if such plans or specifications are subsequently submitted for approval for use on any other parcel or parcels.

- E. COMMITMENT TO CONSTRUCT.** Upon approval by the City of plans for construction of any structure, a copy of the approved plans shall be deposited for permanent record with the City, and a copy of such plans bearing the written

approval of the City shall be returned to the owner of the parcel upon which such structure is or will be placed.

Approval of these plans by the City shall constitute a commitment on the part of the Lessee to erect and maintain the improvements as proposed and approved within a reasonable time period, such period to be determined jointly by the City and the Lessee and to be set forth in writing by the City.

- F. CONSTRUCTION WITHIN TIME SPECIFIED.** Any approved construction shall be prosecuted diligently in accordance with the approved plans and specifications and shall be completed within the time period specified. Failure to complete such work in the time specified shall cause such approval to be automatically withdrawn, unless the City grants written extension of such approval. After such automatic withdrawal of approval, the Lessee shall be considered in default of its Lease for such property, and the City may terminate such Lease in accordance with the provisions set forth in that document.
- G. LANDSCAPING PLANS.** Trees, shrubs, fences, hedges or other landscaping shall not be planted, placed or maintained upon any parcel until a complete plan thereof has been submitted to, and approved by, the City, in a manner similar to that required for architectural plans.
- H. PLANS FOR ALTERATIONS IN IMPROVEMENTS.** All plans for alterations to the building site, either for the construction of additional facilities or alterations to existing buildings, shall be prepared, submitted and approved, as outlined in Paragraphs A through G above, and shall be subject to the same restrictions as herein provided. This paragraph shall apply only to exterior or structural changes; alterations to the interior of buildings shall not be considered, unless they affect the performance standards set forth in Article IV.
- I. CONSTRUCTION WITHOUT APPROVAL.** If any structure shall be altered, erected, placed or maintained upon any parcel, other than in accordance with plans and specifications approved by the City, such alterations, erection and maintenance shall be deemed to have been undertaken without the approval required herein. This restriction shall be applicable to landscaping plans, as well as architectural plans.

In the event of such construction without approval, the Lessee shall be considered in default of the Lease for such property, and the City may terminate the Lease in accordance with the provisions set forth in that document.

- J. FEE FOR EXAMINATION OF PLANS AND SPECIFICATIONS.** The City may charge and collect a fee of not more than Two Hundred Fifty Dollars (\$250.00) for the examination of any plans and specifications submitted for approval pursuant to this Article. Such fee shall be payable at the time such plans and specifications are submitted.

The amount of such fee shall not exceed the actual cost to the City of making such examination, including the cost of any architect's or engineer's fees incurred in connection therewith.

- K. RIGHT OF ENTRY AND INSPECTION.** Any authorized agent of the City may, at any reasonable time and without notice, enter upon and inspect any parcel for the purpose of ascertaining whether the maintenance of such parcel and the maintenance, construction, or alteration of structures thereon are in compliance with the provisions hereof; and neither the City nor such authorized agent shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

ARTICLE VII - GENERAL PROVISIONS

- A. CUTTING AND FILLING.** The City or any authorized agent thereof may at any time make such cuts and fills upon any parcel or other part of said property and do such grading and moving of earth as, in its judgment, may be necessary to improve or maintain the streets in, or adjacent to, any property and to drain surface waters therefrom; provided, however, that after the principal structure upon a parcel shall have been completed in accordance with approved plans, the rights of the City under this paragraph shall terminate with respect to such parcel, except that the City shall thereafter have the right to maintain existing streets and drainage structures.
- B. HOUSEKEEPING.** If accumulations of weeds, rubbish, or items of equipment or supplies are permitted to remain on a parcel more than ten (10) days after a request in writing from the City to have them removed has been received by Lessee, the City, or its authorized agent, may enter upon any parcel for the purpose of removing same by whatever means it deems necessary. Such entry shall not be deemed a trespass and the City shall not be subject to any liability therefore. The cost of such work shall be borne by the Lessee.
- C. MAINTENANCE OF LANDSCAPING.** If landscaping areas are not maintained in accordance with the standards prescribed by the City and the condition is not corrected within ten (10) days after receipt of written notice from the City, the City, or its authorized agent, shall have the right to enter on any of the lot(s) leased and plant or replant such areas, without being deemed guilty of trespass. The costs therefore, as determined by the City, shall be paid by the Lessee.
- D. USE PERMITS.** Such use and occupancy permits as may be required by the Building Code of the City of El Paso shall be maintained in force at all times by each Lessee.

- E. FAILURE TO ENFORCE A RESTRICTION.** The City or Airport may fail to enforce any restriction herein specified, but in no event should this be deemed a waiver of these Rules, Regulations and Land Use Requirements or the right to enforce any restriction at a later date.