FOURTH AMENDMENT OF LEASE

THIS FOURTH LEASE AMENDMENT ("Fourth Amendment") is made in multiple originals and entered into by and between the **City of San Antonio**, a Texas Municipal Corporation, (hereinafter "Lessor") acting by and through its Aviation Director, pursuant to Ordinance No. 2006-09-07-1034 adopted on September 7, 2006 and **Sierra Victor, Inc.** a Texas business corporation (hereinafter "Lessee") acting by and through its designated officers pursuant to its Bylaws, or a Resolution of the Board of Directors.

WHEREAS, Lease No. 122128 ("Lease Agreement") for lease of ground and building space at the San Antonio International Airport ("Leased Premises") with Sierra Victor, Inc. was executed on October 18, 1996, pursuant to Ordinance No. 84988; and

WHEREAS, The November 30, 2015 the City agreed to extend the term of the Leased Premises for an additional three years, with two one-year options in exchange for Lessee's demolition of two T-hangars, buildings 1400 and 1401 and the erection of a security fence; and

WHEREAS, The City now agrees to further extend the term of the Leased Premises for an additional ten years, with three one-year options in exchange for Lessee's demolition of the Brown Hangars ALP Bldg. #1430 and Nayak Hangars, Bldg. #1425/#1426; and

NOW THEREFORE: In consideration of the terms, covenants, agreements and demises herein contained, and in consideration of other good and valuable consideration, each to the other given, the sufficiency and receipt of which are hereby acknowledged, Lease No. 122128 by and between Lessor and Lessee, authorized by Ordinance No. 84988 and adopted on October 17, 1996, as amended, is further amended as follows:

1. **ARTICLE 1. DESCRIPTION OF PREMISES DEMISED**

   The Premises Demised shall be increased to include an additional Five Thousand, Five Hundred and Three square feet (5,503 sq. ft.) of additional surface parking area, as shown in **Exhibits 2** and **3**, attached hereto. Lessee shall use this additional ground space for the construction of a covered carport structure, pursuant to the requirements contained in Standard Provision 5 of the Lease Agreement. The initial ground rental rate for this additional area shall be $0.42 per square foot, and shall be adjusted periodically pursuant to Standard Provision 1 of the Lease Agreement. Lessee shall also be permitted to replace and/or modify the existing gate at the southwest corner of its hangar.

2. **TERM**

The term of the Lease Agreement is hereby extended for an additional ten-year period that shall end on October 30, 2029. The term of the Lease Agreement may thereafter be extended for three additional one-year periods upon mutual agreement of the Parties and at the Aviation Director's discretion, with no further City Council action. The aforementioned Lease Agreement term extension is contingent upon Lessee completing all of the work listed herein within 180 days from the date all permits required for the work to commence are issued by the City and TSA ("Commencement Date"). Failure to complete all of the work listed herein within the 180 day time period will result in the term of the Lease Agreement expiring on October 31, 2019, voiding the extension provided by the terms of this Amendment, subject to events outside the control of Lessee.

3. **ARTICLE 9 -- SPECIAL PROVISIONS of the Lease Agreement** is amended by the addition of the following provisions:

H. RELOCATION.

Should any alteration, impact, interference, or lack of access occur to Lessee's operations and use of the current leasehold as the result of construction or alteration of Lessee's existing leasehold mandated by the provisions of any future Airport Master Plan, and as a further material inducement for Lessor and Lessee to enter into this Lease Agreement Extension, Lessor shall, throughout the Term of this Lease and any renewals thereof, have the right to relocate the Lessee at Lessee's cost to another location within the boundaries of San Antonio International Airport, and shall exercise its best efforts in good faith to provide an alternate location that meets with Lessee's approval, is appropriate and conducive to Lessee's continued operations and uses as established under this Lease Agreement, and is on similar terms, dimensions, and access. The following provisions shall apply:

i. The City shall not exercise its right to relocate Lessee, if ever exercised, prior to the expiration of seven (7) years from the date of the execution of this Amendment.
ii. No later than sixty (60) days following the completion of the demolition, as described herein, Lessee shall provide to Lessor documentation of all costs and payments associated with the work, and an amortization schedule covering the ten year primary extension term, including all costs associated with the demolition of said structures, which shall be included as **Exhibit 1** to this Lease Amendment.
iii. All documentation relating to construction costs and amortization shall be reviewed and validated by the Aviation Department's Construction and Development Division.
iv. If City should exercise its right to relocate Lessee, Lessee shall be reimbursed for any remaining unamortized amounts related to structure demolition, pursuant to the amortization schedule listed in Section H (ii), for any unexpired portion of the primary 10 year term under this Lease Amendment. This reimbursement will consist

of either a lump sum payment to Lessee, or application of credits against any present or future obligations of Lessee under the Lease Agreement, at the sole discretion of the Director.

v. The City shall provide twelve (12) months written notice prior to exercising its right to relocate.

I. DEMOLITION

Lessee, in exchange for the extension of the Lease Agreement term set forth above, shall perform and complete the following work within 180 days from the Commencement Date. Lessee shall:

i. Completely remove the Brown Hangars, ALP Building #1430 and the Nayak Hangars, ALP Buildings #1425/1426, to include removal of all existing protruding structural concrete and building attachments flush with existing apron surface.

ii. Remove existing hangar door rails to include patching concrete depressions smooth with existing apron pavement.

iii. Infill existing brick lug along perimeter of existing apron along exterior of existing hangars.

iv. Cap off utilities.

v. Procure demolition permit for City of San Antonio and provide 10 day notice to Texas Department of State Health Services for demolition.

vi. Haul off and dispose of all debris generated by demolition at an Environmental Protection Agency approved landfill.

vii. Remove all existing electrical service wiring from existing hangars to existing main panels to include cutting and patching of all existing exposed conduits below the surface of the existing apron pavement.

viii. Provide temporary SIDA fencing during construction.

ix. Sweep and clean all surrounding existing apron pavement.

x. Install new TSA approved permanent security fencing.

xi. Insure that all fencing installation is coordinated with the Aviation Department and TSA and is compliant with TSA and Aviation Department security regulations.

Lessor shall cooperate and assist Lessee in obtaining all permits and approvals. Except as amended hereby, all other provisions of the Lease Agreement are hereby retained in their entirety and remain unchanged.

EXECUTED AND AGREED TO this _____day of _____, 20__.

LESSOR:

CITY OF SAN ANTONIO

By: _____

Sheryl Sculley
City Manager

LESSEE:

SIERRA VICTOR, INC.

By: Jordana Markman-Epst

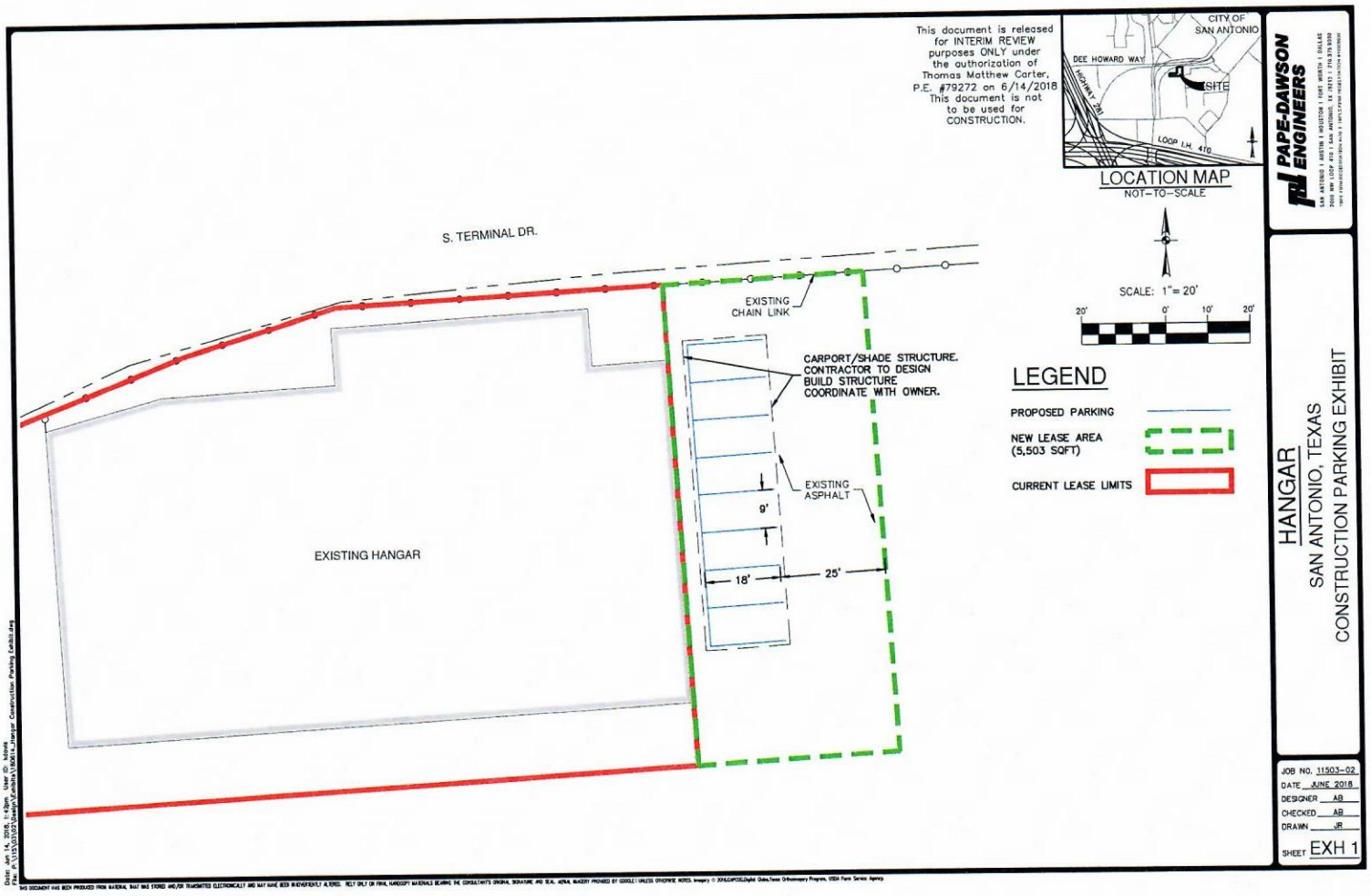
Printed Name: Jordana Markman-Epstein
Title: Vice President

APPROVED AS TO FORM:

By: _____
City Attorney

EXHIBIT 1 – AMORTIZATION SCHEDULE

EXHIBIT 2 – ADDITIONAL LEASED PREMISES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CITY OF SAN ANTONIO
DEE HOWARD WAY
HIGHWAY 281
SITE
LOOP I.H. 410
LOCATION MAP
NOT-TO-SCALE
SCALE: 1" = 20'
20' 0' 10' 20'
S. TERMINAL DR.
EXISTING CHAIN LINK
CARPORT/SHADE STRUCTURE. CONTRACTOR TO DESIGN BUILD STRUCTURE COORDINATE WITH OWNER.
EXISTING ASPHALT
EXISTING HANGAR
9'
18'
25'
LEGEND
PROPOSED PARKING
NEW LEASE AREA (5,503 SQFT)
CURRENT LEASE LIMITS
PAPE-DAWSON ENGINEERS
HANGAR
SAN ANTONIO, TEXAS
CONSTRUCTION PARKING EXHIBIT
JOB NO. 11503-02
DATE JUNE 2018
DESIGNER AB
CHECKED AB
DRAWN JR
SHEET EXH 1

EXHIBIT 3 – ADDITIONAL LEASED PREMISES – AERIAL PHOTOGRAPH

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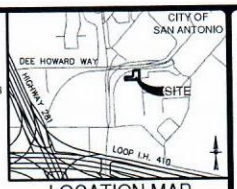

LOCATION MAP
NOT-TO-SCALE

SCALE: 1" = 20'
20' 0' 10' 20'

LEGEND

PROPOSED PARKING

NEW LEASE AREA (5,503 SQFT)

CURRENT LEASE LIMITS

PAPE-DAWSON ENGINEERS

HANGAR
SAN ANTONIO, TEXAS
CONSTRUCTION PARKING EXHIBIT

JOB NO. 11503-02
DATE JUNE 2018
DESIGNER AB
CHECKED AB
DRAWN JR
SHEET EXH 1

Date: Jun 14, 2018, 1:45pm User ID: kfritts
File: P:\11503\02\Design\Landuse\11503-Hangar Construction Parking Exhibit.dwg

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