

AN ORDINANCE 2014 - 11 - 13 - 0927

AUTHORIZING A 25-YEAR GROUND SUB-LEASE AND BUILDING LEASE-BACK BY CITY FROM SAN ANTONIO SKY PLACE REAL ESTATE VENTURES, LLC AT THE SAN ANTONIO INTERNATIONAL AIRPORT FOR USE BY CUSTOMS AND BORDER PROTECTION AGENCY AS A GENERAL AVIATION FEDERAL INSPECTION STATION.

* * * * *

WHEREAS, San Antonio Sky Place Real Estate Ventures, LLC (Sky Place) has committed to expend approximately \$2,000,000.00 to construct a General Aviation Federal Inspection Station (GA FIS) for use by the United States Customs and Border Protection Agency (CBP); and

WHEREAS, the City and Sky Place have agreed to enter into a lease for a term of 25 years for 0.46 acres for the site of the GA FIS to be operated by the CBP; and

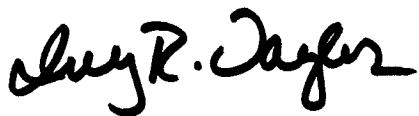
WHEREAS, the City and Sky Place have agreed to enter into a Ground Sub-Lease and Building Lease-Back Agreement for a 25 year term under which agreement the City will sublease the ground space and lease back the GA FIS facility from Sky Place for CBP's use; **NOW THEREFORE**,

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

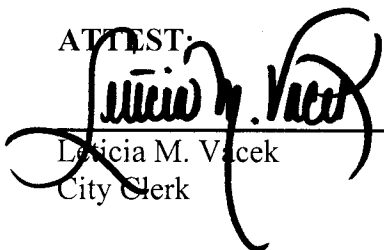
SECTION 1. The City Manager or her designee is hereby authorized to execute the Ground Sub-Lease and Building Lease-Back Agreement with San Antonio Sky Place Real Estate Ventures, LLC, a copy of which Agreement is set out in **Exhibit 1**.

SECTION 2. This Ordinance shall take effect immediately upon receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 13th day of November, 2014.

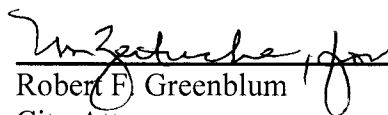

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:



Robert F. Greenblum
City Attorney

Agenda Item:	37C (in consent vote: 5, 6, 8, 9, 10, 11, 13, 15A, 15B, 16, 17, 18, 19A, 19B, 22, 23, 24, 25, 26, 27, 28, 30, 31, 33, 37A, 37B, 37C, 37D, 37E)						
Date:	11/13/2014						
Time:	09:45:37 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing a 25-year sublease of the proposed lease agreement with Sky Place between Sky Place and the City of San Antonio to authorize the City to take possession of the GA FIS upon completion of its construction.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Diego Bernal	District 1		x				x
Keith Toney	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5	x					
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x			x	
Michael Gallagher	District 10		x				

Exhibit 1

**GROUND SUB-LEASE AND BUILDING
LEASE BACK AGREEMENT WITH SKY
PLACE REAL ESTATE VENTURES, LLC
AT SAN ANTONIO INTERNATIONAL
AIRPORT**

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**SAN ANTONIO INTERNATIONAL AIRPORT
GROUND SUB-LEASE AND BUILDING LEASE-BACK AGREEMENT**

This San Antonio International Airport Ground Sub-Lease and Building Lease-Back Agreement (hereinafter "**Sub-Lease**" or "**Sub-Lease Agreement**") is entered into by and between **San Antonio Sky Place Real Estate Ventures, LLC**, a Texas limited liability company ("**Sub-Lessor**"), acting by and through its duly authorized officer, and the **City of San Antonio** ("**Sub-Lessee**" or "**City**"), a Texas home-rule municipal corporation, acting by and through its City Manager pursuant to Ordinance No. _____.

WHEREAS, there is a need at San Antonio International Airport (the "**Airport**") for a United States Customs and Border Protection ("**CBP**") FIS (as hereinafter defined) to service international general aviation ("**GA**") traffic; and

WHEREAS, City and Sub-Lessor have entered into a Lease pursuant to Ordinance No. _____ ("**Lease**") whereby Sub-Lessor (as Lessee under the Lease) agrees to construct such FIS on the Leased Premises in accordance with the terms of the Lease; and

WHEREAS, under the terms of the Lease the Leased Premises are leased by Sub-Lessor and the Improvements (as hereinafter defined) are owned by Sub-Lessor.

WHEREAS, upon commencement of the Lease, the parties have agreed to enter into this Sub-Lease whereby the Leased Premises are subleased back to the City, and the Improvements (as hereinafter defined) are leased by Sub-Lessor to the City; **NOW THEREFORE:**

Sub-Lessor and Sub-Lessee for and in consideration of the mutual covenants and promises herein expressed do hereby agree as follows:

ARTICLE 1. DEFINITIONS

As used herein, the following words and phrases shall have the meanings set forth below:

- 1.1 "Airport" means San Antonio International Airport.
- 1.2 "Aviation Director" means the Aviation Director of the City of San Antonio or his designee.
- 1.3 "CBP" means the United States Customs and Border Protection or such other agency that shall replace or assume such responsibilities in the future.
- 1.4 "Commencement Date" is defined in **Article 5 – Term**.
- 1.5 "DOT" means the United States Department of Transportation, and any federal agency succeeding to its jurisdiction.
- 1.6 "FAA" means the Federal Aviation Administration of the United States government, and any federal agency succeeding to its jurisdiction.

- 1.7 "FIS" or "FIS Facility" means Federal Inspection Station of the United States Customs and Border Protection.
- 1.8 "GA" means general aviation traffic.
- 1.9 "Improvements" is defined in **Section 2.1**.
- 1.10 "Initial Construction Period" is defined in **Section 3.1**.
- 1.11 "Lease-Back Premises" means the FIS Facility more particularly described in **Article 2 – Description of Sub-Leased Premises and Lease-Back Premises**.
- 1.12 "Lease Year" means the twelve (12) month period commencing on the conclusion of the Initial Construction Period and each successive twelve (12) month period thereafter.
- 1.13 "Sub-Leased Premises" means those certain premises at Airport more particularly described in **Article 2 – Description of Sub-Leased and Lease-Back Premises**.
- 1.14 "Primary Term" is defined in **Article 5 – Sub-Lease Term**.
- 1.15 "Sign" means any advertising sign, billboard, identification sign or symbol, or other similar device, regardless of content.

ARTICLE 2. DESCRIPTION OF SUB-LEASED PREMISES AND LEASE-BACK PREMISES

2.1 Sub-Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Sub-Lessee, (i) does hereby sublease unto Sub-Lessee, and Sub-Lessee does hereby accept from Sub-Lessor, the following described property ("**Sub-Leased Premises**"):

The real property described as Parcels 4-A and 4-B on **Exhibit 1** attached hereto and incorporated herein by reference, containing approximately 20,270 square feet of land (0.4654 acres) (Parcel 4-A) and 6 square feet of land (0.00001 acres) (Parcel 4-B) for a total of 20,276 square feet at the San Antonio International Airport, San Antonio, Bexar County, Texas ("**Ground Space**"); and

(ii) does hereby lease unto Sub-Lessee the FIS Facility and other improvements constructed by Sub-Lessor upon the Ground Space and owned by Sub-Lessor under the terms of the Lease ("**Improvements**") (hereinafter referred to as the "**Lease-Back Premises**") effective upon the expiration of the Initial Construction Period.

A survey drawing of the Sub-Leased Premises and Lease-Back Premises accompanies the metes and bounds description and is included in **Exhibit 1**.

ARTICLE 3. RENT

3.1 As consideration for Sub-Lessor's construction of the Lease-Back Premises at Sub-Lessor's cost pursuant to the terms and conditions of the Lease, Sub-Lessee agrees to pay Sub-Lessor as rental as indicated on the table below, in advance (without notice or demand,

both of which are expressly waived) at the times and in the manner hereinafter provided. After the Initial Construction Period, all rentals shall be calculated on an annual basis and shall be paid by Sub-Lessee to Sub-Lessor in advance without invoicing, notice or demand, in annual installments on or before the first day of each Lease Year during the Term. Payment of rentals shall commence on the Commencement Date and continue throughout the remainder of the term of this Sub-Lease Agreement and any extension(s) hereof. Sub-Lessee shall pay the sum set forth in the table below for the Initial Construction Period, which shall commence on the Commencement Date and shall continue until the first day of the month following the date CBP takes possession, use, and occupancy of the FIS Facility ("**Initial Construction Period**"). Thereafter, rental payments shall be in the full annual amount and shall not be prorated during any Lease Year. Rental amount for Ground Space shall increase fifteen percent (15%) every five (5) years during the term.

**GA FIS LEASE
RENTAL SCHEDULE**

Lease Period *	Square Feet	Rental Rate **	Annual Rent	Monthly Rent ***
Initial Construction Period	20,276	\$ 1,500.00	n.a.	n.a.
Lease Year until 2015	20,276	\$ 0.3090	\$ 6,265.28	\$ 522.11
2016 - 2020	20,276	\$ 0.3180	\$ 6,447.77	\$ 537.31
2021 - 2025	20,276	\$ 0.3657	\$ 7,414.93	\$ 617.91
2026 - 2030	20,276	\$ 0.4206	\$ 8,527.17	\$ 710.60
2031 - 2035	20,276	\$ 0.4836	\$ 9,806.25	\$ 817.19
2036 - 2040	20,276	\$ 0.5562	\$ 11,277.19	\$ 939.77

* The Lease Period will become effective at the completion of the Initial Construction Period.

** The Rental Rate will adjust at the beginning of the Lease Year for each 5-year period.

*** Monthly Rental not applicable as long as the Sublease to the City is in effect.

3.2 Fees and charges for miscellaneous items and services, including, but not limited to, employee badges, parking charges, airfield driver's and security classes, personal property storage, shall be agreed to, in writing, by the parties hereto or be assessed by City Ordinance, in connection with the ordinary usage of Airport facilities.

3.3 All rentals and payments that become due and payable by the Sub-Lessee shall be made to Lessee at the following address:

San Antonio Sky Place Real Estate Ventures, LLC
c/o Smart Traveling, Inc.
Attn: Pablo Hoyos, CEO
1770 Sky Place Blvd.
San Antonio, Texas 78216

unless otherwise notified in writing. All rentals and payments unpaid for thirty (30) days after the date due shall bear interest at the rate of eighteen percent (18%) or the maximum allowed per law, whichever is lower, per annum from the due date.

3.4 All rentals, fees and charges payable by Sub-Lessee to Sub-Lessor under the terms hereof, whether or not expressly denominated as rent, shall constitute rent for all purposes, including, but not limited to, purposes of the United States Bankruptcy Code.

ARTICLE 4. USE OF SUB-LEASED PREMISES AND LEASE-BACK PREMISES

4.1 Sub-Lessee shall not have possession, use, or occupancy of the Sub-Leased and Lease-Back Premises during the Initial Construction Period and construction of the Project, other than its rights under the Lease, as Lessor, to inspect the construction progress of the FIS Facility and site improvements, and for access, as needed, during construction of the City improvements required under the Lease.

4.2 Upon the expiration of the Initial Construction Period, Sub-Lessee shall deliver the Sub-Leased Premises and Lease-Back Premises to CBP for its possession, use, and occupancy for the purpose of operating the FIS Facility for processing international general aviation passengers until termination of the Sub-Lease term, during which time, Sub-Lessee's right of possession of the Sub-Leased and Lease-Back Premises shall be limited to access granted by CBP and for the purposes set forth in **Article 7 – Maintenance and Repair** hereof.

ARTICLE 5. SUB-LEASE TERM

The term of this Sub-Lease Agreement shall be the Initial Construction Period plus twenty-five (25) years ("**Primary Term**"), and shall commence on the tenth (10th) day following the passage of an Ordinance by the City Council of San Antonio approving the Lease and this Sub-Lease Agreement ("**Commencement Date**") and shall terminate (unless earlier terminated in accordance with this Agreement) at midnight of the last day of said twenty-five year period. If CBP ceases its possession, use, and occupancy of the FIS Facility, this Sub-lease shall thereupon *ipso facto* terminate. Upon such termination, Sub-Lessee shall provide Sub-Lessor with written notice thereof no later than fifteen (15) days after receiving said notice. In such event, and if Sub-Lessor exercises its option under the Lease to take possession of the Sub-Leased Premises and Lease-Back Premises, Sub-Lessor shall reimburse Sub-Lessee on a pro-rata basis for the rental paid in advance during the Lease Year in which the Sub-Lease terminates.

ARTICLE 6. INSURANCE

6.1 The City of San Antonio maintains insurance and a fully-funded reserve account which meets or exceeds the insurance requirement for the State of Texas. The fund, as designated by City Council, is solely for the purpose of providing relief from all risk physical damage and third party legal liability claims for which the City may become liable. All claims against the City are governed by statutes of the State of Texas, including the Texas Tort Claims Act and Section 150 of the City Code, with which the City is in full compliance.

6.2 City shall maintain all risk physical damage insurance (property insurance) provided by a commercial property policy after satisfaction of a \$100,000 deductible. Sub-Lessor will be added as Loss Payee.

6.3 Sub-Lessee's obligations set forth in this **Article 6 – Insurance** shall apply only during

CBP's possession, use, and occupancy of the FIS Facility.

ARTICLE 7. MAINTENANCE AND REPAIR

7.1 Sub-Lessee shall pay or cause to be paid, any and all charges for water, heat, gas, electricity, sewer and any and all other utilities used on the Sub-Leased and Lease-Back Premises, throughout the term of, or any extension of, this Sub-Lease Agreement, including, but not limited to, any connection fees and any and all additional costs related to utility connection, metering, maintenance, repair and usage. Notwithstanding the foregoing, if acceptable to CBP, the water and sewage lines to the FIS Facility may be provided by lines from Sub-Lessor's adjacent premises, with one San Antonio Water System meter for water supplied to both Sub-Lessor's adjacent premises and the FIS Facility, in which case Sub-Lessor agrees to pay all costs of water and sewage to both the adjacent premises and the FIS Facility.

7.2 Except as may be otherwise provided herein, Sub-Lessee shall, during CBP's possession, use, and occupancy of the FIS Facility, assume the entire responsibility, cost and expense, for all repair and maintenance of the Sub-Leased and Lease-Back Premises and all buildings and improvements thereon, whether such repair or maintenance be ordinary, extraordinary, structural or otherwise. Additionally, without limiting the foregoing, Sub-Lessee shall:

7.2.1 during CBP's possession, use, and occupancy of the FIS Facility, maintain the buildings and improvements in a good state of repair and preservation; and

7.2.2 replace or substitute any fixtures and equipment which have become inadequate, obsolete, worn out, unsuitable or undesirable, with replacement or substitute fixtures and equipment, free of all liens and encumbrances, which shall automatically become a part of the buildings and improvements; provided that Sub-Lessee shall not be obligated to replace or substitute any such fixtures or equipment which Sub-Lessee and/or CBP reasonably determines to not be necessary for the operations of Sub-Lessee and/or CBP conducted on the Sub-Leased and Lease-Back Premises; and

7.2.3 during CBP's possession, use, and occupancy of the FIS Facility, keep the Sub-Leased and Lease-Back Premises, its buildings, improvements, fixtures, equipment and personal property, in a clean and orderly condition and appearance; and

7.2.4 provide, and maintain in good working order, all obstruction lights and similar devices, fire protection and safety equipment, and all other equipment of every kind and nature required by applicable laws, rules, orders, ordinances, resolutions or regulations of any competent authority, including CBP and Aviation Director; and

7.2.5 observe all insurance regulations and requirements concerning the use and condition of the Sub-Leased and Lease-Back Premises, for the purpose of reducing fire hazards and insurance rates on the Airport; and

7.2.6 repair any damage caused by Sub-Lessee and/or CBP to paving or other surfaces of the Sub-Leased and Lease-Back Premises or the Airport, in connection with the scope of the Sub-Lease Agreement, caused by any oil, gasoline, grease, lubricants, flammable liquids and/or substances having a corrosive or detrimental effect thereon, or by any other reason whatsoever; and

7.2.7 take reasonable measures to prevent erosion, including, but not limited to, the planting and replanting of grass on all unpaved or undeveloped portions of the Sub-Leased and Lease-Back Premises; the planting, maintaining and replanting of any landscaped areas; the designing and constructing of improvements on the Sub-Leased and Lease-Back Premises; and the preservation of trees as may be required by City ordinance, consistent with Sub-Lessee's and/or CBP's operations; and

7.2.8 if damage caused by Sub-Lessee and/or CBP, be responsible for the maintenance and repair of all utility services lines upon the Sub-Leased and Lease-Back Premises, including, but not limited to, water and gas lines, electrical power and telephone conduits and lines, sanitary sewers and storm sewers; and

7.2.9 keep and maintain all vehicles and equipment operated by Sub-Lessee on the Airport in safe condition, good repair and insured, as required by this Sub-Lease Agreement; and

7.2.10 replace broken or cracked plate glass, paint/repaint structures upon the Sub-Leased and Lease-Back Premises and, where applicable, mow the grass; and

7.2.11 provide and use suitable covered metal receptacles for all garbage, trash and other refuse; assure that boxes, cartons, barrels or similar items are not piled in an unsightly, unsafe manner, on or about the Sub-Leased and Lease-Back Premises; provide a complete and proper arrangement, for the adequate sanitary handling and disposal away from the Airport, of all trash, garbage and refuse caused as a result of the operation of Sub-Lessee's and/or CBP's business.

7.3 Sub-Lessee's obligations set forth in this **Article 7 – Maintenance and Repair** shall apply only during CBP's possession, use, and occupancy of the FIS Facility.

ARTICLE 8. TITLE TO FURNITURE, FIXTURES, AND EQUIPMENT

It is expressly understood and agreed that, upon commencement of CBP's possession, use, and occupancy of the FIS Facility, title to any and all items of personal property, including furniture, removable trade fixtures and equipment, owned, purchased, placed or maintained on the Sub-Leased and Lease-Back Premises shall permanently vest in Sub-Lessee.

ARTICLE 9. ENVIRONMENTAL COMPLIANCE

9.1 Sub-Lessee agrees that it shall, at its sole expense, comply with all applicable federal, state and local environmental statutes, laws, ordinances, rules and regulations, including without limitation (i) those promulgated by the Environmental Protection Agency, and (ii) those governing inspection, financial liability and inventory control recording. Sub-Lessee further agrees that, if applicable, it shall provide Sub-Lessor with copies of certificates of registration from the Texas Commission on Environmental Quality (hereinafter "**TCEQ**"), together with copies of any required proof of financial responsibility and other documentation reasonably required by the Aviation Director or applicable regulatory agency.

9.2 Sub-Lessee shall, in conducting any activity or business on the Sub-Leased and Lease-Back Premises, including environmental response or remedial activities, comply with all environmental laws, including, but not limited to, those regarding the generation, storage, use, transportation and disposal of solid wastes, hazardous materials, toxic chemicals, special wastes or other contaminants, and all laws, regulations and notice requirements pertaining to releases or threatened releases of hazardous materials, toxic chemicals, special wastes or other contaminants into the environment. Sub-Lessee shall not cause the release, or permit its employees, agents, permittees, contractors, subcontractors, sublessees, or others in Sub-Lessee's control, supervision, or employment, to release (whether by way of uncapping, pouring, spilling, spraying, spreading, attaching or otherwise), into or onto the Sub-Leased and Lease-Back Premises or any other location upon or above the Airport (including the air, ground and ground water thereunder and the sewer and storm water drainage systems thereon), any quantity of hazardous substances (as defined or established from time to time by applicable local, state, or federal law and including, among other things, hazardous waste and any other substances that have been or may in the future be determined to be toxic, hazardous or unsafe). To the extent any such release may exceed quantities or volumes permitted by applicable federal, Texas or local law, Sub-Lessee shall immediately notify TCEQ, and Local Emergency Planning Committee, as may be required under the federal Emergency Planning and Community Right To Know Act. Sub-Lessee, or any occupant of Sub-Leased and Lease-Back Premises, shall be responsible for compliance with said Act, in the event of any such release.

9.3 Sub-Lessee shall remedy any release or threatened release caused by Sub-Lessee's operations at the Airport, as described above and, whether resulting from such release or otherwise, remove any hazardous materials, special wastes and any other environmental contamination caused by Sub-Lessee on, under or upon the Sub-Leased and Lease-Back Premises, as may be required by a governmental or regulatory agency responsible for enforcing environmental laws and regulations. Such work shall be performed, at Sub-Lessee's sole expense. Sub-Lessor shall have the right to review and inspect all such work at any time, using consultants and representatives of its choice, at Sub-Lessor's sole cost and expense. Specific cleanup levels for any environmental remedial work shall be designed to meet all of the applicable environmental laws and regulations, to the satisfaction of the appropriate government or regulatory agency responsible for enforcing environmental laws and regulations.

9.4 In addition to any other rights of access herein regarding the Sub-Leased and Lease-Back Premises, Sub-Lessor shall, upon reasonable notice, have access thereto in order to inspect and confirm that the Sub-Lessee is using same in accordance with all applicable environmental laws and regulations.

9.5 Sub-Lessee, at Sub-Lessor's request, shall make available for inspection and copying, upon reasonable notice and at reasonable times, any or all of the non-privileged documents and materials Sub-Lessee has prepared pursuant to any environmental law or regulation, which may be retained by Sub-Lessor or submitted to any governmental regulatory agency; provided, such documents and materials relate to environmental regulatory compliance and pertain to the Airport or the Sub-Leased and Lease-Back Premises. If any environmental law or regulation requires Lessee to file any notice or report of a release or threatened release of regulated materials on, under or about the Sub-Leased and Lease-Premises or the Airport, Sub-Lessee shall promptly submit such notice or report to the appropriate governmental agency and simultaneously provide a copy of such report or notice to Sub-Lessor. In the event that any written allegation, claim, demand, action or notice is made against Sub-Lessee regarding Sub-Lessee's failure or alleged failure to comply with any environmental law or regulation, Sub-

Lessee, as soon as practicable, shall notify Sub-Lessor in writing and provide same with copies of any such written allegations, claims, demands, notices or actions so made.

9.6 Sub-Lessee's obligations set forth in this **Article 9 – ENVIRONMENTAL COMPLIANCE** shall only apply during CBP's possession, use, and occupancy of the FIS Facility.

ARTICLE 10. REGULATIONS

Sub-Lessee's officers, agents, employees and servants shall obey all rules and regulations promulgated by City as Lessor under the Lease, its authorized agents in charge of the Airport, or other lawful authority, to insure the safe and orderly conduct of operations and traffic thereon.

ARTICLE 11. TIME OF EMERGENCY

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

ARTICLE 12. SECURITY

12.1 Sub-Lessee shall provide for the security of the Air Operations Area (hereinafter "**A.O.A.**") and/or Security Identification Display Area (hereinafter "**S.I.D.A.**") to prevent entry or movement of unauthorized persons thereupon, in accordance with Chapter 3, Division 8 Security, of the City Code of San Antonio, Texas, as currently written, or as amended or replaced in the future.

12.2 Sub-Lessee shall comply with all rules, regulations, statutes, orders, directives or other mandates of the United States, the State of Texas, and/or the City of San Antonio or City's Aviation Department regarding Airport security requirements or measures.

12.3 Sub-Lessee shall comply with all current and future mandates of the Transportation Security Administration, or successor agency, for background investigations of its personnel.

12.5 Sub-Lessee's obligations set forth in this **Article 12 - Security** shall only apply during CBP's possession, use, and occupancy of the FIS Facility.

ARTICLE 13. DEFAULT AND REMEDIES

13.1 Each of the following shall constitute an event of default by Sub-Lessee:

13.1.1 Sub-Lessee shall fail to pay any rent as provided for in this Sub-Lease Agreement and such failure shall continue for a period of ten (10) days after receipt by Sub-Lessee of written notice thereof.

13.1.2 Sub-Lessee shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained, and if such neglect or failure

should continue for a period of thirty (30) days after receipt by Sub-Lessee of written notice of same, or if more than thirty (30) days shall be required because of the nature of the default, if Sub-Lessee shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default.

13.1.3 Sub-Lessee shall become insolvent; take the benefit of any present or future insolvency statute; make a general assignment for the benefit of creditors; file a voluntary petition in bankruptcy or a petition or answer seeking a reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property.

13.1.4 An Order of Relief shall be entered, at the request of Sub-Lessee or any of its creditors, under federal bankruptcy, reorganization laws or any law or statute of the United States or any state thereof.

13.1.5 A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, shall be filed against Sub-Lessee and shall not be dismissed within ninety (90) days after the filing thereof.

13.1.6 Pursuant to, or under the authority of, any legislative act, resolution, rule, or any court, governmental, agency or board order or decree or officer, a receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of Sub-Lessee and such possession or control shall continue in effect for a period of sixty (60) days.

13.1.7 Sub-Lessee shall become a municipal corporation in dissolution or voluntarily or involuntarily forfeit its charter; provided that, in the event of involuntary charter forfeiture no event of default shall exist so long as Sub-Lessee reinstates the charter within sixty (60) days following the forfeiture thereof.

13.1.8 The rights of Sub-Lessee hereunder shall be transferred to, pass to or devolve upon, by operations of law or otherwise, any other person, firm, corporation or other entity, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation, receivership, or other proceeding or occurrence described in Paragraphs 13.1.3 through 13.1.8 of this **Section 13.01**.

13.1.9 Sub-Lessee shall voluntarily discontinue its operations at the Airport for a period of one hundred eighty (180) consecutive days.

13.2 In the event any default by Sub-Lessee shall occur, Sub-Lessor then, or at any time thereafter, but prior to the removal of such condition of default by Sub-Lessee, shall have, as its sole and exclusive remedy, the right to assert a claim for monetary damages against Sub-Lessee. Sub-Lessor may not terminate this Sub-Lease Agreement under any circumstances.

13.3. The rights and remedies set forth in this **Article 13 – Default and Remedies** shall only apply during CBP's possession, use, and occupancy of the FIS Facility.

ARTICLE 14. ASSIGNMENT AND SUBLET

During the term of this Sub-Lease Agreement, other than Sub-Lessee's agreement with CBP to have possession, use, and occupancy of the FIS Facility, Sub-Lessee is not permitted under any circumstances to transfer or assign this Sub-Lease or Sub-Lessee's interest in or to the Sub-Leased and Lease-Back Premises to any party other than the CBP.

ARTICLE 15. DAMAGE OR DESTRUCTION OF SUB-LEASED OR LEASE-BACK PREMISES

15.1 In the event any of the Improvements on the Sub-Leased or Lease-Back Premises are destroyed or damaged to the extent that they are unusable, Sub-Lessee shall have the election of repairing or reconstructing the Improvements substantially as they were immediately prior to such casualty, or in a new or modified design, or not to construct the Improvements. Sub-Lessee shall give Sub-Lessor written notice of its election within sixty (60) days after the occurrence of such casualty. If the entirety or substantially all of the Improvements are damaged or destroyed and Sub-Lessee elects not to repair or reconstruct the damaged Improvements within the sixty (60) day election period, Sub-Lessor may terminate this Sub-Lease by written notice to Sub-Lessee given within sixty (60) days following expiration of Sub-Lessee's election period, whereupon (i) this Sub-Lease shall terminate, Sub-Lessee shall clear the Sub-Leased and Lease-Back Premises of any remaining improvements or debris, and Sub-Lessee shall thereupon abandon the Sub-Leased and Lease-Back Premises and (ii) the insurance proceeds covering the Improvements shall be paid to Sub-Lessee. If such damage or destruction is to less than substantially all of the Improvements, and Sub-Lessee elects not to repair or reconstruct the damaged Improvements within the said 60-day period following such damage or destruction, then (i) this Sub-Lease shall be deemed modified so as to terminate the Sub-Lease as to such damaged Improvements, and (ii) the insurance proceeds covering the Improvements shall be paid to Sub-Lessee. In the event of damage or destruction to any of the Improvements, the City shall have no obligation to repair or rebuild the Improvements or any fixtures, equipment or other personal property installed by Sub-Lessee on the Sub-Leased and Lease-Back Premises.

15.2 If Sub-Lessee elects to repair or reconstruct the Improvements, Sub-Lessee may use its insurance proceeds from the policy covering the destroyed Improvements. If the insurance proceeds are not sufficient, Sub-Lessee agrees to pay the deficiency. If Sub-Lessee elects to repair or reconstruct, Sub-Lessee shall, at its expense, replace and repair any and all fixtures, equipment and other personal property necessary to properly and adequately continue its authorized activities on the Sub-Leased and Lease-Back Premises. In no event shall Sub-Lessee be obligated to provide equipment and fixtures in excess of those existing prior to the damage or destruction. Sub-Lessee agrees that such work will be commenced and completed with due diligence.

15.3 Sub-Lessee's obligations set forth in this **Article 15 - Damage or Destruction of Sub-Leased and Lease-Back Premises** shall only apply during CBP's possession, use, and occupancy of the FIS Facility.

ARTICLE 16. LAWS AND ORDINANCES

Sub-Lessee agrees to comply promptly with all laws, ordinances, orders, rules and regulations, as amended from time to time, affecting the Sub-Leased and Lease-Back Premises, including, but not limited to, those related to its cleanliness, safety, operation, use, and business operations. Sub-Lessee shall comply with all Federal and State regulations concerning its operation on the Airport.

ARTICLE 17. NONDISCRIMINATION & AFFIRMATIVE ACTION REGULATIONS

17.1 Sub-Lessee understands and agrees to comply with the Non-Discrimination Policy of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein. As part of said compliance, Sub-Lessee shall adhere to the City's Non-Discrimination Policy in the solicitation, selection, hiring or commercial treatment of vendors, suppliers or commercial customers; further, Sub-Lessee shall not retaliate against any person for reporting instances of such discrimination.

17.2 Sub-Lessee for itself, its heirs, representatives, successors 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 Sub-Leased and Lease-Back Premises, for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Sub-Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

17.3 Sub-Lessee for itself, its representatives, successors and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that: (1) no person, on the grounds of race, color, creed, sex, age, religion, national origin or handicap, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, creed, sex, age, religion, national origin or handicap shall be excluded from participation, denied the benefits of, or otherwise be subjected to discrimination; and (3) that Sub-Lessee shall use the Sub-Leased and Lease-Back Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

17.4 Sub-Lessee agrees that it will comply with applicable statutes, Executive Orders and such rules as are promulgated by applicable state, federal or municipal agencies to assure that no person shall be excluded from participating in any activity conducted with or benefiting from Federal assistance on the basis of race, creed, color, national origin, sex age, or handicap. Sub-Lessee, its successors and assigns, shall be obligated to comply with the provisions of this **Section 17.4** for the period during which Federal assistance is extended to the Airport, except where Federal assistance is to provide, or is in the form of, personal property or real property or interest therein or structures or improvements thereon. In these cases, this **Section 17.4** shall

apply to Sub-Lessee, its successors and assigns, through the later of: (a) the period during which such property is used by Sub-Lessor, its successors and assigns for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which Sub-Lessor, its successors or assigns, retains ownership or possession of the Sub-Leased and Lease-Back Premises.

ARTICLE 18. WAGES

Sub-Lessee shall pay at least the minimum wage, as required by Federal and State statutes and City ordinances, to employees of its operations hereunder.

ARTICLE 19. FORCE MAJEURE

If either party shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, war, terrorism, inability to procure materials, restrictive governmental laws or regulations or other cause, without fault and beyond the control of the party obligated (the financial inability of the party excepted), performance of such act shall be extended by a period equal to the period of such delay; provided, however, that nothing in this paragraph shall excuse Sub-Lessee from the prompt payment of any rental except as may be expressly provided otherwise in this Sub-Lease; and further provided that the party relying on this paragraph shall provide written notice to the other party notifying such other party of the force majeure event promptly after such force majeure event, and shall proceed with all diligence to complete the performance of the act upon the cessation of the force majeure event.

ARTICLE 20. ATTORNEYS' FEES AND COSTS

In the event that either party brings an action under this Sub-Lease Agreement, and prevails therein, it shall be entitled to recover from the other party its reasonable attorneys' fees and court costs, including but not limited to constable and eviction fees and expenses, not to exceed the actual amount incurred in the defense or prosecution thereof.

ARTICLE 21. SEVERABILITY

If any clause or provision of this Sub-Lease Agreement is illegal, invalid or unenforceable under present or future laws, it is the parties' intention that the remainder hereof not be affected. In lieu of each clause or provision that is illegal, invalid or unenforceable, the parties intend that there be added, as a part of this Sub-Lease Agreement, a clause or provision, as similar in terms to such illegal, invalid or unenforceable clause or provision, as may be possible, yet be legal, valid and enforceable.

ARTICLE 22. AMENDMENT

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

ARTICLE 23. RELATIONSHIP OF PARTIES

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

ARTICLE 24. CUMULATIVE REMEDIES NO WAIVER - NO ORAL CHANGE

The specific remedies of the parties under this Sub-Lease Agreement are cumulative and do not exclude any other remedies to which they may be lawfully entitled in law or equity, in the event of a breach or threatened breach hereof. Notwithstanding the foregoing, Sub-Lessor is limited to the stated remedy for default set forth in **Section 13 – Default and Remedies**. The failure of either party to insist upon the strict performance of any covenant of this Sub-Lease Agreement, or to exercise any option herein contained, shall not be construed as its future waiver or relinquishment thereof. Sub-Lessor's receipt of a rent payment, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach. Further, no waiver, change, modification or discharge by either party of any provision of this Sub-Lease Agreement shall be deemed to have been made or be effective, unless in writing and signed by the party to be charged. In addition to other remedies herein, the parties shall be entitled to an injunction restraining the violation, or attempted violation, of any of the covenants, conditions or provisions hereof, or to a decree compelling performance of same; subject, however, to other provisions herein.

ARTICLE 25. CONFLICT OF INTEREST

25.1 Sub-Lessor acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

25.2 Pursuant to the subsection above, Sub-Lessor warrants and certifies, and this contract is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the City. Sub-Lessor further warrants and certifies that it has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

ARTICLE 26. GENERAL PROVISIONS

26.1 Incorporation of Exhibits. All exhibits referred to in this Sub-Lease Agreement are intended to be and hereby are specifically made a part of this Sub-Lease Agreement.

26.2 Nonexclusive Rights. It is understood and agreed that nothing herein contained shall be construed to grant to Sub-Lessee any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport, except that, subject to the terms and provisions hereof, Sub-Lessee shall have the right to exclusive possession of the Sub-Leased and Lease-Back Premises.

26.3 Compliance with Part 77, Title 14, CFR. Sub-Lessee agrees to comply with the notification and review requirements covered in Part 77, Title 14, Code of Federal Regulations, FAA Regulations, in the event future construction of a building is planned for the Sub-Leased and Lease-Back Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Sub-Leased and Lease-Back Premises.

26.4 Inspection of Books and Records. Each party hereto, at its expense and on reasonable notice, shall have the right from time to time to inspect and copy the books, records, and other data of the other party as reasonably required in order to verify a party's compliance with the provisions hereof, provided (i) such inspection is made during regular business hours, and (ii) such examination is not prohibited by the U.S. Government..

26.5 Independent Contractor. Sub-Lessor is not an employee or agent of City by reason of this Sub-Lease Agreement, or otherwise. Sub-Lessor shall be solely responsible for its acts and omissions arising from or relating to its operations or activities at Airport, or sub-lease of property herein.

26.6 Authority of Agreement. Sub-Lessor warrants and represents that it has the right, power, and legal capacity to enter into, and perform its obligations under this Sub-Lease Agreement, and no approvals or consents of any persons are necessary in connection with it. The execution, delivery, and performance of this Sub-Lease Agreement by the undersigned Sub-Lessor representatives have been duly authorized by all necessary corporate action of Sub-Lessor, and this Sub-Lease Agreement constitutes a legal, valid, and binding obligation of Sub-Lessor, enforceable in accordance with its terms.

26.7 Authority of the Aviation Director. The Aviation Director shall administer this Sub-Lease Agreement on behalf of Sub-Lessee. Whenever this Sub-Lease Agreement calls for approval by Sub-Lessee, such approval shall be evidenced, in writing, by either the Aviation Director or the City Manager of the City of San Antonio or his designee. In no event shall this language be considered a waiver by Sub-Lessor to object to decisions by the Aviation Director which it considers to be arbitrary, capricious or inconsistent with any express obligations to act reasonably set forth herein.

26.8 Consent. Whenever the consent or approval of either party hereto is required or authorized hereunder, such consent or approval shall not be unreasonably withheld, unreasonably conditioned, or unreasonably delayed.

26.9 Time is of the Essence. Time shall be of the essence in complying with the terms, conditions and provisions of this Sub-Lease Agreement.

26.10 Vehicular and Equipment Parking. Vehicular and equipment parking in areas other than the Sub-Leased and Lease-Back Premises by Sub-Lessee, CBP, their respective officers, representatives, agents, employees, guests, patrons, volunteers, contractors, subcontractors, licensees, suppliers or other invitees shall be restricted to such areas at Airport as are designated by the Airport Director. In addition, Sub-Lessor grants City, as Sub-lessee under this Sublease, for the sole use of CBP and its visitors to the FIS Facility, the right to use four (4) parking spaces marked for GA FIS use, which parking spaces will be located within the leased premises of the separate lease by and between the parties for Sub-Lessor's hangar facilities, which CBP parking spaces are depicted on the attached **Exhibit 1**.

26.11 Notices. Unless otherwise expressly provided elsewhere in this Agreement, any election, notice or communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or on receipt after mailing the same by certified mail, return receipt request with proper postage prepaid, or three (3) days after mailing the same by first class U.S. mail, postage prepaid (in accordance with the "Mailbox Rule"), or when sent by a national commercial courier service (such as Federal Express or United Parcel Service) for expedited delivery to be confirmed in writing by such courier.

If intended for CITY, to:

City of San Antonio
Aviation Department
Attn: Director
9800 Airport Boulevard
San Antonio, TX 78216

If intended for Sub-Lessor, to:

San Antonio Sky Place Real
Estate Ventures, LLC
c/o Smart Traveling, Inc.
Attn: Pablo Hoyos, CEO
1770 Sky Place Blvd.
San Antonio, TX 78216

26.12 Noise Control. Neither Sub-Lessee nor CBP shall conduct any operations on or about the Sub-Leased Premises that would cause Sub-Lessor to be in violation of **Section 38.12** of the Lease.

26.13 Lease Termination. In the event the Lease terminates pursuant to **Article 20 – Subordination of Lease & Right of Recapture** thereof, this Sub-Lease shall automatically terminate.

ARTICLE 27. PARTIES BOUND

This Sub-Lease Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, as permitted hereby.

ARTICLE 28. TEXAS LAW TO APPLY

All obligations under this Sub-Lease Agreement are performable in Bexar County, Texas, and shall be construed pursuant to the laws of the State of Texas, except where state law shall be preempted by any rules, laws or regulations of the United States. Venue for any actions brought to enforce or interpret this Sub-Lease shall be Bexar County, Texas.

ARTICLE 29. GENDER

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

ARTICLE 30. CAPTIONS

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

ARTICLE 31. ENTIRE AGREEMENT

This Sub-Lease Agreement comprises the final and entire agreement, including all terms and conditions thereof, between the parties hereto, and supersedes all other agreements, oral or otherwise, regarding the subject matter hereof, none of which shall hereafter be deemed to exist or to bind the parties hereto. The parties intend that neither shall be bound by any term, condition or representation not herein written.

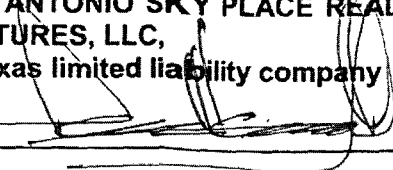
[signature page follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Sub-Lease Agreement as of the dates set forth below.

CITY OF SAN ANTONIO

SAN ANTONIO SKY PLACE REAL ESTATE
VENTURES, LLC,
A Texas limited liability company

By: _____
City Manager

By:  _____

Date: _____

Printed Name: PABLO A. HOYOS

Title: CEO

Approved as to form:

Date: NOV 5th 2014

City Attorney

EXHIBIT 1
SUB-LEASED AND LEASE-BACK PREMISES

Exhibit 1-B – Summary
Leased Premises

*	Lease Amendment	Parcels 1A, 1B, 2, 6
**	GA FIS Lease and City Sublease	Parcels 4A, 4B
***	Apron & Taxiway Improvements	Parcels 5A, 5B
****	Roadway	Parcel 3

**METES AND BOUNDS DESCRIPTION
FOR NINE PARCELS WITHIN THE
SAN ANTONIO INTERNATIONAL AIRPORT
CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS
COMPRISING 32.07 ACRES**

*** PARCEL 1A - 0.1419 OF AN ACRE TRACT**

Being a 0.1419 of an acre (6,180 square feet) tract of land in Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 0.1419 of an acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

COMMENCING at a found PK Nail, at a point of curvature in the southerly Right-of-Way, (R.O.W.), line of Skyplace Boulevard, (60-foot R.O.W.), being the northeast corner of Lot 44, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 60°04'27" W, a distance of 3598.68 feet;

THENCE N 48°23'19" W, along the common line of said Skyplace Boulevard and Lot 44, a distance of 50.77 feet a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR.", for the **POINT OF BEGINNING** and northeast corner of the herein described tract;

THENCE departing said common line, into and across said Lot 44, the following three (3) courses and distances:

- 1.) S 03°21'42" E, a distance of 206.97 feet to a point, for the south corner of the herein described tract,
- 2.) N 18°36'18" W, a distance of 153.06 feet to a point, for a corner of the herein described tract, and
- 3.) N 03°48'03" W, a distance of 97.67 feet to a non-tangent point of curvature of a curve to the right on the common line of said Skyplace Boulevard and Lot 44, for the north corner of the herein described tract;

THENCE along said common line, the following two (2) courses and distances:

- 1.) along said curve to the right, a distance of 35.24 feet, with a radius of 370.00 feet, a central angle of 05°27'25 and a chord bearing and distance of S 51°21'45" E, 35.23 feet to a found 1/2-inch iron rod, for a corner of the herein described tract, and
- 2.) S 48°23'19" E, a distance of 20.94 feet returning to the **POINT OF BEGINNING** and containing 0.1419 of an acre (6,180 square feet) of land, more or less.

*** PARCEL 1B - 11.42 ACRE TRACT**

Being an 11.42 acre (497,580 square feet) tract of land in Lot 43 and Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 11.423 acre tract of land being more particularly described as follows, with all

bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

COMMENCING at a found 1/2-inch iron rod at the south corner of Lot 44, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 41°55'32" W, a distance of 4494.24 feet;

THENCE N 48°37'52" W, along the southwest line of said Lot 44, a distance of 232.04 feet a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR.", for the **POINT OF BEGINNING** and the south corner of the herein described tract;

THENCE N 48°37'52" W, continuing along said southwest line of Lot 44, at a distance of 472.89 feet, passing a found 3/4-inch iron rod for the southernmost corner of Lot 43, being a westerly corner of Lot 44, continuing along the southwest line of Lot 43, in all a total distance of 622.31 feet to a point; for the west corner of the herein described tract;

THENCE N 41°22'08" E, at a distance of 45.00 feet, passing the common line of said Lot 43 and Lot 44, continuing into and across said Lot 44, a total distance of 1,099.36 feet to a point, for the north corner of the herein described tract;

THENCE continuing into and across said Lot 44, the following seven (7) courses and distances:

- 1.) S 18°36'18" E, a distance of 14.89 feet to a point, for a corner of the herein described tract,
- 2.) S 03°21'42" E, a distance of 866.44 feet to a "X" scribed in concrete, for a corner of the herein described tract,
- 3.) S 41°24'44" W, a distance of 30.36 feet to a building corner, for a corner of the herein described tract,
- 4.) S 48°35'16" E, a distance of 30.00 feet to a "X" scribed in concrete, for a corner of the herein described tract,
- 5.) S 41°24'44" W, a distance of 156.36 feet to a "X" scribed in concrete at tangent point of curvature of a curve to the right, for a corner of the herein described tract,
- 6.) along said curve to the right, a distance of 47.12 feet, with a radius of 30.00 feet, a central angle of 90°00'00" and a chord bearing and distance of S 86°24'44" W, 42.43 feet to a "X" scribed in concrete, for a corner of the herein described tract, and
- 7.) S 41°24'44" W, a distance of 259.64 feet returning to the **POINT OF BEGINNING** and containing 11.42 acres (497,580 square feet) of land, more or less.

*

PARCEL 2 - 16.92 ACRE TRACT

Being a 16.92 acre (736,990 square feet) tract of land in Lot 43 and Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 16.92 acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

COMMENCING at a found 1/2-inch iron rod at the south corner of Lot 44, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516,



Page 195-198 and using the bearing basis herein stated) bears N 41°55'32" W, a distance of 4494.24 feet;

THENCE N 48°37'52" W, along the southwest line of said Lot 44, at a distance of 704.93 feet passing a found 3/4" iron rod for the southernmost corner of Lot 43, being a westerly corner of Lot 44, continuing along the southwest line of said Lot 43, a total distance of 854.34 feet a point, for the **POINT OF BEGINNING** and south corner of the herein described tract;

THENCE N 48°37'52" W, continuing along said southwest line of Lot 43, a distance of 646.90 feet to a 1/2-iron rod found, for the west corner of the herein described tract;

THENCE N 41°22'08" E, into and across said Lot 43, a distance of 985.92 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR." in the southerly Right-of-Way, (R.O.W.), line of Skyplace Boulevard (60' R.O.W.), for the northwest corner of the herein described tract;

THENCE along the common line of said Skyplace Boulevard R.O.W. and Lot 43 and Lot 44, the following two (2) courses and distances:

- 1.) S 82°10'53" E, at a distance of 338.11, passing the approximate northeast corner of Lot 43, being the approximate northwest corner of Lot 44, continuing in all a total distance of 346.44 feet set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR." at a tangent point of curvature of a curve to the right, for a corner of the herein described tract, and
- 2.) along said curve to the right, a distance of 181.40 feet with a radius of 370.00 feet, a central angle of 28°05'26" and a chord bearing and distance of S 68°08'10" E, a distance of 179.59 feet to a point, for the northeast corner of the herein described tract,

THENCE departing said common line, into and across said Lot 44 and Lot 43, the following three (3) courses and distances:

- 1.) S 03°48'03" E, a distance of 97.67 feet to a point, for a corner of the herein described tract,
- 2.) S 18°36'18" E, a distance of 138.17 feet to a point, for the east corner of the herein described tract, and
- 3.) S 41°22'08" W, at a distance of 1,054.36 passing the common line of Lot 44 and Lot 43, continuing in all a total distance of 1099.36 feet returning to the **POINT OF BEGINNING** and containing 16.92 acres (736,990 square feet) of land, more or less.

***** PARCEL 3 - 0.9784 OF AN ACRE TRACT**

Being a 0.9784 of an acre (42,620 square feet) tract of land in Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 0.9784 of an acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

BEGINNING at a found PK Nail at a point of curvature in the southerly Right-of-Way, (R.O.W.), line of Skyplace Boulevard, (60-feet R.O.W.), being the northeast corner of Lot 44 and the herein described tract, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 60°04'27" W, a distance of 3598.68;

THENCE S 03°37'46" E, along the east line of said Lot 44, a distance of 1,080.04 feet to a "X" scribed in concrete, for the southeast corner of the herein described tract;



THENCE into and across said Lot 44, the following four (4) courses and distances:

- 1.) S 86°22'27" W, a distance of 41.05 feet to a "X" scribed in concrete, for the south corner of the herein described tract,
- 2.) N 48°35'16" W, a distance of 30.00 feet to a building corner, for the west corner of the herein described tract,
- 3.) N 41°24'44" E, a distance of 30.36 feet to a "X" scribed in concrete, for a corner of the herein described tract, and
- 4.) N 03°21'42" W, a distance of 1,073.41 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR." returning to the southerly R.O.W. line of Skyplace Boulevard, being the north line of Lot 44, for the north corner of the herein described tract;

THENCE S 48°23'19" E, along the common line of said Lot 44 and Skyplace Boulevard R.O.W., a distance of 50.77 returning to the **POINT OF BEGINNING** and containing 0.9784 of an acre (42,620 square feet) of land, more or less.

★ ★

PARCEL 4A - 0.4654 OF AN ACRE TRACT

Being a 0.4654 of an acre (20,270 square feet) tract of land in Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 0.4654 of an acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

COMMENCING at a found 1/2-inch iron rod at the south corner of Lot 44, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 41°55'32" W, a distance of 4494.24 feet;

THENCE N 41°25'30" E, along the southeast line of said Lot 44, a distance of 298.47 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR.", for the **POINT OF BEGINNING** and south corner of the herein described tract;

THENCE into and across said Lot 44, the following three (3) courses and distances:

- 1.) N 48°35'16" W, a distance of 202.10 feet to a "X" scribed in concrete, for the west corner of the herein described tract,
- 2.) N 41°24'44" E, a distance of 147.36 feet to a "X" scribed in concrete, for a corner of the herein described tract, and
- 3.) N 86°22'27" E, a distance of 41.05 feet to a "X" scribed in concrete in the east line of said Lot 44, for the northeast corner of the herein described tract;

THENCE S 03°37'46" E, along the east line of said Lot 44, a distance of 244.62 feet to a found 3/4" iron rod at the most easterly corner of said Lot 44, for the most easterly corner of the herein described tract;

THENCE S 41°25'30" W, along the southeast line of said Lot 44, a distance of 3.56 feet returning to the **POINT OF BEGINNING** and containing 0.4654 of an acre (20,270 square feet) of land, more or less.

★ ★

PARCEL 4B - 0.0001 OF AN ACRE TRACT

Being a 0.0001 of an acre (6 square feet) tract of land in the San Antonio International Airport Property (no Deed found), adjoining Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision



within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 0.0001 of an acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

COMMENCING at a found 1/2-inch iron rod at the south corner of Lot 44, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 41°55'32" W, a distance of 4,494.24 feet;

THENCE N 41°25'30" E, along the southeast line of Lot 44, a distance of 298.47 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR.", for the **POINT OF BEGINNING** and the west corner of the herein described tract;

THENCE N 41°25'30" E, continuing along the southeast line of said Lot 44, a distance of 3.56 feet to a found 3/4-inch iron rod at the east corner of said Lot 44, for the north corner of the herein described tract;

THENCE departing said east line of Lot 44, into and across San Antonio International Airport property, the following two (2) courses and distances:

- 1.) S 03°37'46" E, a distance of 5.04 feet to a point, for the south corner of the herein described tract, and
- 2.) N 48°35'16" W, a distance of 3.57 feet returning to the **POINT OF BEGINNING** and containing 0.0001 of an acre (6 square feet) of land, more or less.

PARCEL 5A - 1.568 ACRE TRACT

Being a 1.568 acre (68,310 square feet) tract of land in Lot 44, New City Block 8644, North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 1.568 acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

BEGINNING at a found 1/2-inch iron rod at the south corner Lot 44 and the herein described tract, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 41°55'32" W, a distance of 4494.24 feet;

THENCE N 48°37'52" W, along the southwest line of Lot 44, a distance of 232.04 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR.", for the west corner of the herein described tract;

THENCE into and across said Lot 44, the following four (4) courses and distances:

- 1.) N 41°24'44" E, a distance of 259.64 feet to a "X" scribed in concrete at a non-tangent point of curvature of a curve to the left, for a corner of the herein described tract,
- 2.) along said curve to the left, a distance of 47.12 feet, with a radius of 30.00 feet, a central angle of 90°00'00" and a chord bearing and distance of N 86°24'44" E, 42.43 feet to a "X" scribed in concrete, for a corner of the herein described tract,
- 3.) N 41°24'44" E, a distance of 9.00 feet to a "X" scribed in concrete, for the north corner of the herein described tract, and



- 4.) S 48°35'16" E, a distance of 202.10 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR." in the east line of said Lot 44, for the east corner of the herein described tract;

THENCE S 41°25'30" W, along the southeast line of said Lot 44, a distance of 298.47 feet returning to the **POINT OF BEGINNING** and containing 1.568 acres (68,310 square feet) of land, more or less.

*** **PARCEL 5B – 0.2930 ACRE TRACT**

Being a 0.2930 acre (12,763 square feet) tract of land in New City Block 8644, said 0.2930 acre tract being in an area of unknown record adjoining Lot 44 of North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Pages 195-198, Deed and Plat Records of Bexar County, Texas, said 0.2930 acre tract of land being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinate System, South Central Zone (4204):

BEGINNING at a found 1/2-inch iron rod for the south corner of Lot 44 and the western most corner of the herein described tract, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N 41°55'32" W, a distance of 4494.24 feet;

THENCE N 41°25'30" E, along the southeast line of Lot 44, a distance of 298.47 feet to a set 1/2-inch iron rod with cap stamped "VICKREY PROP. COR.", for the northern most corner of the herein described tract;

THENCE into and across San Antonio International Airport Property of unknown record, the following six (6) courses and distances:

- 1.) S 48°35'16" E, a distance of 3.57 feet to a point, for a corner of the herein described tract,
- 2.) S 03°37'46" E, a distance of 91.23 feet to a non-tangent point of curvature of a curve to the left, being a corner of the herein described tract,
- 3.) along said curve to the left, a distance of 56.70 feet, with a radius of 72.00 feet, a central angle of 45°07'10" and a chord bearing and distance of S 63°58'57" W, 55.25 feet to a point, for a corner of the herein described tract,
- 4.) S 41°22'20" W, a distance of 105.63 feet to a tangent point of curvature of a curve to the right, for a corner of the herein described tract,
- 5.) along said curve to the right, a distance of 89.11 feet, with a radius of 98.00 feet, a central angle of 52°05'46" and a chord bearing and distance of S 67°25'12" W, 86.07 feet to a point, for a corner of the herein described tract, and
- 6.) N 48°37'52" W, a distance of 9.32 feet returning to the **POINT OF BEGINNING** and containing 0.2930 acres (12,763 square feet) of land, more or less.

* **PARCEL 6-0.2766 ACRE TRACT**

Being a 0.2766 acre (12,047 square feet) tract of land in New City Block 8644, said 0.2766 acre tract being in an area of unknown record adjoining Lot 44 of the North Airport Parkway Sub'd, a subdivision within the San Antonio International Airport, City of San Antonio, Bexar County, Texas, thereof recorded in Volume 9516, Page 195-198, Deed and Plat Records of Bexar County, Texas, said 0.2766 acre tract being more particularly described as follows, with all bearings being referenced to North American Datum of 1983, Texas State Plane Coordinates System, South Central Zone (4204):



BEGINNING at a found $\frac{1}{2}$ " iron rod on the south right-of-way (R.O.W.) line of Skyplace Boulevard (60' R.O.W.), same point also being the northeast corner of said Lot 44 and the northwest corner of the herein described tract, from which the approximate intersection of the east R.O.W. line of Jones Maltsberger at the south R.O.W. line of said Skyplace Boulevard, being the north corner of a Drainage R.O.W., (each as depicted on said plat recorded in Volume 9516, Page 195-198 and using the bearing basis herein stated) bears N60deg04'27"W, a distance of 3,598.68 feet;

THENCE into and across said San Antonio International Airport Property of unknown record and along the south R.O.W. line of Skyplace Boulevard, the following three (3) calls:

- 1.) S48deg 23'19"E, a distance of 14.97 feet to a tangent point of curvature of a curve to the right, for a corner of the herein described tract,
- 2.) along said curve to the right, a distance of 102.10 feet, with a radius of 130.00 feet, a central angle of 45deg00'00", and a chord bearing and distance of S25deg53'19"E, 99.50 feet to a tangent point, for a corner of the herein described tract, and
- 3.) S03deg23'19"E, a distance of 180.28 feet to a point, for the southeast corner of the herein described tract;

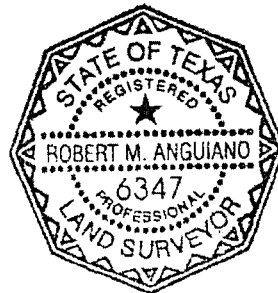
THENCE S86deg29'18"W, departing said R.O.W., continuing into and across said San Antonio International Airport Property of unknown record, a distance of 47.47 feet to a point on the east line of said Lot 44, for the southwest corner of the herein described tract;

THENCE N03°37'46"W, along the east line of said Lot 44, a distance of 282.89 feet returning to the **POINT OF BEGINNING** and containing 0.2766 acres (12,047 square feet) of land, more or less.

Certified this 27th day of June, 2014



Robert M. Anguiano, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6347
Vickrey & Associates, Inc.



Job No. 1241-041-140
April 30, 2014
Revised June 27, 2014

Appendix I
Chart – Applicable Provisions and Term Periods

Appendix I

Table of Parties' Responsibilities - Provisions of GA FIS Lease/Sublease

Section Number	Caption	Initial Construction Period	CBP Possession	ST Entity Possession After City Sublease Terminates
6 (6.4) Lease	Indemnification	ST	--	ST
7.3 Lease	Builder's Risk Insurance	ST	--	
7 (7.14) Lease 7 (7.14) Sub-Lease	Insurance	ST	City	ST
8 (8.4) Lease	Performance Guarantee & Landlord's Lien	--	--	ST
9 (9.4) Lease	Privileges & Conditions		Article 9 rights are not granted during CBP possession	
13 (13.4) Lease 13 (13.4) Sub-Lease	Maintenance & Repair	ST	City	ST
15 (15.8) Lease 15 (15.8) Sub-Lease	Environmental Compliance	ST	City	ST
19 (19.2) Lease	Quality of Services	ST	--	ST
21 (21.5) Lease 21 (21.5) Sub-Lease	Security	ST	City	ST