

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 1

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and David Gosnell, d/b/a Diamond Star Aviation, hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated September 26, 2017 between the City of Killeen and David Gosnell, d/b/a Diamond Star Aviation will remain in full force and effect, with the exception of the changes made and incorporated in Addendum No. 1 herein.

ARTICLE II
Description of Concession Granted

1. The Airport grants Tenant the right to engage in the activities of a Fixed Based Operator providing customer aircraft storage, maintenance, repairs, rentals, and flight instruction, including testing and examinations. These activities are defined by the Skylark Field Rules and Regulations approved and signed by the City Manager on October 30, 2018 (Exhibit D).
2. No change

ARTICLE IV
Obligations of the Tenant

1. No change
2. Except as may be otherwise authorized herein, Tenant agrees it will not assign this lease or sublet the leased premises or any part thereof, without the prior written consent of the Executive Director of Aviation. It is further agreed consent will not be unreasonably withheld.
- 3-17. No change

ARTICLE V
Terms of Agreement

1. The airport hereby grants unto Tenant, for a period of ten (10) years beginning October 1, 2017 and ending September 30, 2027, the right to operate commercial aeronautical activities of a Fixed Base Operator, as previously described, at Skylark Field.

2-4. No change

ARTICLE VI
Rentals, Fees, and Accounting Records

1. Beginning October 1, 2017, Tenant shall pay the Airport, \$850 per month for the leased premises each and every month through September 30, 2020. Beginning October 1, 2020, Tenant shall pay the Airport \$900 each and every month through September 30, 2021. Beginning October 1, 2021 through September 30, 2027, the monthly rental rate will be adjusted annually based on the percentage of change in the Consumer Price Index (CPI) for ALL Urban Consumers as published by the United States Department of Labor, Bureau of Labor Statistics up to 2.5% and not less than 2%, per 12 month period (see Fee Schedule described in Exhibit C).
 2. In consideration of capital improvements to be made to the leased premises by Tenant per Article IV, paragraph 10, Airport will allow up to \$14,400 over the first seventy-two (72) months of this agreement. To claim such consideration, Tenant must first comply with conditions set forth in Article IV, paragraph 10, then provide Airport with receipts verifying the value of materials and labor (to include related professional services), and allow the Executive Director of Aviation or designated staff to inspect said materials or labor (improvements) to receive the credit for any improvements performed on the leased premises. Once the qualification requirements are satisfied, Tenant may reduce the monthly lease payment by \$200 per month. The \$200 per month reduction will commence the month following the first qualified expenditure of \$200 or more and will end seventy two (72) months from that date.
- 3-5. No change
6. The Airport will review the base rental rates prior to the approval of each subsequent term extension and reserves the right to adjust the base rental rate for each subsequent term extension based the current market value at that time.

EXHIBIT C
Rents and Fees Schedule

Replace Exhibit C with new Exhibit C (Addendum No. 1)

EXHIBIT D
Skylark Field Rules and Regulations

Add Exhibit D; updated Skylark Field Rules and Regulations

The effective date of this addendum is 30 days from the date of approval of the Killeen City Council on the ____ day of January, 2019.

IN WITNESS WHEREOF, the parties have executed this lease on this ____ day of _____, 2019.

ATTEST:

CITY OF KILLEEN:

Lucy Aldrich
City Secretary

Ronald L. Olson
City Manager

ATTEST:

TENANT
David Gosnell d/b/a Diamond Star Aviation

David Gosnell
Owner/President

City of Killeen and David Gosnell d/b/a Diamond Star Aviation

Rents and Fees Schedule

BASIC RENT

Hangar (1505 Stonetree Dr) [through September 30, 2020]	\$850.00 per month
Commencing 1 October 2020	\$900.00 per month
From 1 October 2021 – 2027	Hangar rental shall increase per the CPI from preceding year

SUNDRY CHARGES

Key replacement **	\$15.00
Additional Aircraft Tie-down spaces **	\$30.00 per month

LATE PAYMENT PENALTY

Late payment penalties shall be assessed on the total monthly payment:

5% of total monthly fees if paid after the first day of the month

** Subject to annual review

E X H I B I T C (Addendum No. 1)