

**LEASE AGREEMENT**

**BY AND BETWEEN**

**City of Crossville**

**AND**

**Azure Flight Support, LLC**

**DATED AS OF \_\_\_\_\_**

**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (the “Lease”) is made and entered into as of \_\_\_\_\_ by and between the City of Crossville, a municipality existing under the laws of the State of Tennessee (the “Landlord”), and Azure Flight Support, LLC, a limited liability company authorized to do business in the State of Tennessee (the “Tenant”).

**WITNESSETH:**

**WHEREAS**, Landlord is the owner and operator of the Crossville Memorial Airport, located in Crossville, Tennessee, hereinafter referred to as “the Airport”; and

**WHEREAS**, Tenant desires to enter into a ground lease of \_\_\_\_\_ square feet of undeveloped land (the “Parcel”) for aviation use, as shown in the attached diagram on Exhibit A; and

**WHEREAS**, Tenant shall construct aviation-related facilities as more fully depicted on Exhibit B, and shall make all necessary site and infrastructure improvements as defined in this Lease, in accordance with the requirements therein, and operate such improvements at its sole cost and expense; and

**WHEREAS**, it is the intent of Landlord to grant, demise and let unto Tenant, and Tenant intends to lease, accept and rent from Landlord, the above referenced Parcel; and

**NOW, THEREFORE**, for and in consideration of the use and occupancy of the Parcel, benefits, covenants and agreements contained herein, and in consideration of the rents to be paid to Landlord, Landlord does hereby lease the Parcel to Tenant on the following terms and conditions:

**ARTICLE 1**  
**DEFINITIONS**

For purposes of this Lease, the following terms are defined as follows, unless the context clearly indicates otherwise:

1. “Applicable Laws” shall mean the following:
  - a. All present and future ordinances, statutes, orders, directives, rules, codes, regulations and decrees of federal, state and municipal authorities and agencies and their respective agencies, departments, authorities and commissions;
  - b. All present and future grant assurances provided by Landlord to any Governmental Authority, including the State of Tennessee, the United States Department of Transportation, the Federal Aviation Administration (the “FAA”) and the Transportation Security Administration (the “TSA”), in connection with Landlord’s ownership or operation of the Airport; and
  - c. All generally applicable rules, regulations, policies and procedures of Landlord, as the same may be amended, modified or updated from time to time, including the Rules and Regulations of the Airport.

2. "Business Day" shall mean each day other than a Saturday, a Sunday or any other legal holiday on which commercial banks in the State of Tennessee are authorized to close under Applicable Laws.
3. "Lease Year" shall mean the 12-month period beginning on the Commencement Date of this Lease, as hereinafter defined, and each annual anniversary thereof.
4. "Parcel" shall have the meanings set forth in the second recital paragraph hereof and shall include all unimproved and improved property, now existing or as may be constructed during the Term of this Lease, on, in or under the leasehold area as depicted on Exhibit A, attached hereto.
5. "Person" shall mean a natural person, corporation, partnership, trust, joint venture, association, limited liability company or other entity.
6. "Residual Value Amount" shall mean the Project Costs remaining at the time of termination of this Lease, calculated by a monthly straight-line depreciation of the Project Costs over the Lease Term, commencing upon completion of the Project or permanent improvement, as applicable.

**ARTICLE 2**  
**TERM**

Subject to the earlier termination of this Lease as permitted by the terms hereof, the term of this lease (the "Term") shall commence on the Commencement Date, which date will be on the date this Lease is fully executed, and shall end at twelve o'clock midnight, Crossville, Tennessee time, on the date which is thirty (30) Lease Years from the Commencement Date. Notwithstanding the forgoing, it is agreed that either party may terminate this lease upon 180 days written notice to the other party.

**ARTICLE 3**  
**RENT**

Rent shall commence on the Commencement Date of this Lease. Tenant shall pay the annual ("Rent") of \$.30 per square foot of the Parcel. Time is of the essence in the performance of all of Tenant's and Landlord's obligations hereunder. If any Rent or other amounts owed by Tenant to Landlord hereunder are not paid within fifteen (15) days following the due date, Landlord may, in its sole discretion, impose on Tenant a late fee equal to five percent (5%) of the outstanding amount (the "Late Fee"). The Late Fee shall become due and payable from Tenant to Landlord with the next monthly rental installment.

**ARTICLE 4**  
**TENANT IMPROVEMENTS**

- A. Tenant anticipates making the capital improvements to the Parcel as shown on Exhibit B, attached hereto. (the "Project").

- B. In addition to the Project, Tenant shall have the right to install or erect additional improvements on the Parcel, provided however, that construction of all such improvements, including the capital improvements for the Project, shall commence only after plans and specifications have been submitted to and approved in writing by the Landlord, which approval shall not be unreasonably withheld, delayed or conditioned. Once approved, no material changes or alterations shall be made without the Landlord's prior written approval of such change, which approval shall not be unreasonably withheld, conditioned, or delayed. Any such alterations shall be without cost to the Landlord except for any applicable Residual Value Amount, and shall be completed in a timely manner and with the least disturbance possible to the public. All improvements made by Tenant to the Parcel shall be of good quality and workmanship. All charges, including installation cost, meter deposits and all service charges for water, electricity, and other utility services to and within the Parcel shall be paid by Tenant. All improvements and equipment constructed or installed by Tenant, its agents, or contractors, including the plans and specifications shall conform to all Applicable Laws.
- C. Landlord's approval of any plans or specifications submitted by Tenant shall refer only to the conformity of such plans and specifications to existing improvements at the Airport and Landlord requirements. Such plans and specifications are not approved for architectural or engineering design or compliance with Applicable Laws, and the Landlord, by approving such plans and specifications, assumes no liability or responsibility for any defect in any structure or improvement constructed according to such plans and specifications.
- D. Copies of the architectural drawings, as-builts, or other final documents for all improvements or subsequent changes therein or alterations thereof to the Parcel shall be submitted to the Landlord within ninety (90) days following completion of the Project, in such form as requested by Landlord. Upon completion of the Project or any other additional permanent improvements, Tenant shall provide Landlord with a true and correct statement of the actual cost of the Project or additional permanent improvements, if applicable, to include architectural and engineering fees, construction management, the cost to obtain the applicable permits, construction costs, and the purchase and installation of improvements, but not including the cost of any temporary structures which will be removed by Tenant or subtenant (the "Project Costs").
- E. Notwithstanding the foregoing, Tenant shall have the right to make interior changes or alterations which are non-structural, and which do not affect the mechanical, electrical or plumbing systems in the Parcel without the Landlord's approval or consent. Examples of allowable improvements include painting, installation of detached furniture, furniture attached to walls, carpet replacement, ceiling tile replacement, and appliance replacements.
- F. All improvements made to the Parcel and additions and alterations thereto by Tenant shall be and remain the property of Tenant until the termination of this Agreement (whether by expiration of the term, default, termination, forfeiture, or otherwise), whichever first occurs; at which time the

said improvements shall become the property of Landlord, after payment of any Residual Value Amount, if applicable, provided, however, that any temporary structures, trade fixtures, signs and other personal property of Tenant or any subtenant not permanently affixed to the Parcel shall remain the property of Tenant or its subtenant and shall so remain unless Tenant shall fail within ten (10) days following the termination of this Agreement to remove its temporary structures, trade fixtures, signs and other personal property not permanently affixed to the Parcel, in which event, at the option of Landlord, title to the same shall vest in Landlord, at no cost to Landlord, or Landlord may elect to exercise its rights as set forth in this Agreement.

- G. Tenant shall not remove or demolish, in whole or in part, any permanent improvements upon the Parcel without the prior written consent of the Landlord, which may be conditioned upon the obligation of Tenant to replace the same by an improvement specified in such consent, and which shall not be unreasonably withheld.
- H. Tenant shall be responsible for making repairs at its sole cost and expense for any damage resulting from the removal by Tenant of its furniture, trade fixtures, or other personal property.
- I. In the event that the Landlord is required to pay the Residual Value Amount under any provision of this Lease, the Landlord shall pay the Residual Value Amount in full to Tenant immediately upon the event giving rise to Landlord's obligation to pay the Residual Value Amount.

## **ARTICLE 5** **SURVEY**

Upon Tenant's completion of the Project, Tenant, at Tenant's sole cost and expense, shall cause an as-built survey (the "As-Built Survey") to be prepared by a licensed surveyor, satisfactory to both parties, reflecting an accurate metes and bounds description of the Parcel, setting forth the acreage and square footage of the Parcel, and the location and square footage of the Project constructed on the Parcel.

## **ARTICLE 6** **USE OF PARCEL**

- A. **Permitted Use.** Landlord makes no representations or warranties, either express or implied, as to the condition of the Parcel or the suitability of the Parcel for the use intended by Tenant. Tenant takes the Parcel in an "as is" condition and accepts its suitability and sufficiency for Tenant's intended use. During the Term of this Lease, and subject to Tenant's obligations hereunder, Tenant shall have the right, on a non-exclusive basis, to perform at and provide from the Parcel aeronautical uses permitted under the applicable Airport Rules and Regulations, to include but not be limited to aircraft storage, and aircraft maintenance and repair (the "Permitted Use").

- B. Landlord and Tenant hereby agree that the management, maintenance and operation of the Parcel shall at all times be under the supervision and direction of active, and qualified personnel who shall at all times be subject to the direction and control of Tenant and its employees. The actions of Tenant, and its employees, invitees, suppliers and contractors, shall be conducted in an orderly and proper manner so as not to unreasonably annoy, disturb or be offensive to others beyond that typical for the Permitted Use.
  
- C. Should Landlord, or any successor entity prevent Tenant from using the Parcel for a period of ninety (90) days or longer or cease operation of the Airport in whole or in part for a period of ninety (90) days or longer such that Tenant is prevented from using the Parcel for its Permitted Use, then Tenant may elect, in its sole discretion, to terminate this Lease by providing Landlord with at least thirty (30) days prior notice of its intent to terminate. Upon the date of termination, Tenant shall have no further obligations under this Lease. Landlord shall pay any Residual Value Amount, if applicable, to Tenant.

**ARTICLE 7**  
**ACCESS**

Subject to all Applicable Laws, Tenant shall have access to the Parcel twenty-four (24) hours per day, seven (7) days a week. Tenant shall have the right of ingress to and egress from the Parcel for Tenant, any subtenants, and Tenant or subtenant’s officers, employees, agents, servants, customers, vendors, suppliers, patrons and invitees, subject, however, to all statutes, ordinances, rules and regulations from time to time enacted or established by the Airport Authority, the FAA, or any other governmental agency or authority. Such right of ingress and egress shall include, but not be limited to, the non-exclusive right to use all existing and hereafter created means of access to the Airport through, across, over and by the unimpeded use of all presently existing or hereafter relocated or installed taxiways, runways, roads, bridges, overpasses, causeways and highways providing access within, to and from the Airport. The right of ingress and egress shall be used jointly with other subtenants and tenants of the Airport.

**ARTICLE 8**  
**REPAIRS AND MAINTENANCE**

- A. During the Term, Tenant, at Tenant’s sole cost and expense, shall be responsible for all repairs and maintenance of the Parcel and shall keep and maintain all of the Parcel, including buildings, aircraft ramp and apron areas, roadways, driveways, automobile parking areas, sidewalks, fencing, gates, lighting, under-ground detention/retention ponds, drainage and utility facilities and all other improvements located on, in or under the Parcel, in a state of good condition and repair in accordance with the reasonable requirements of Landlord and all Applicable Laws, and shall make

all necessary repairs, replacements and renewals, whether structural or nonstructural, foreseen or unforeseen and ordinary or extraordinary, in order to maintain such state of condition and repair; it being the intention of the parties that Landlord shall have no liability for any of the foregoing. Notwithstanding the foregoing, Landlord is responsible for landscaping of the Parcel, including installation and maintenance of any landscaping.

- B. Tenant shall be responsible for keeping the Parcel in a good, clean, safe and sanitary condition, reasonable wear and tear excepted. This shall include the provision of janitorial services, supplies, and trash removal.
- C. Except in an emergency, the Landlord will not permit or cause any blockage into or out of the Parcel, nor will Landlord permit any blockage of any taxiways, runways, roads, bridges, overpasses, causeways and highways providing access within, to and from the Airport.

## **ARTICLE 9**

### **COMPLIANCE WITH LAWS**

In its use and occupancy of the Parcel during the Term, Tenant, its officers, agents, servants, employees, contractors, licensees, invitees, and any other person whom Tenant controls or has the right to control shall comply with all Applicable Laws that are applicable to Tenant's use and occupancy of the Parcel, and Landlord, its officers, agents, servants, employees, contractors, licensees, invitees, and any other person whom Landlord controls or has the right to control, shall comply with all Applicable Laws that are applicable to Landlord's ownership of the Parcel. Each party shall pay all costs, expenses, liabilities, losses, fines, penalties, claims and demands, including reasonable attorneys' fees, that may in any way arise out of or be imposed because of the failure of said party to comply with any Applicable Laws.

## **ARTICLE 10**

### **ENVIRONMENTAL COMPLIANCE**

A. As used herein:

- (1) "Hazardous Wastes" means all waste materials subject to regulation under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. §§ 9601, *et seq.*; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901, *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C.

§§ 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. §§ 300f, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 5101, *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401, *et seq.*; the Clean Water Act, 33 U.S.C. §§ 1251, *et seq.*; the Tennessee Hazardous Waste Management Act, Tennessee Code Annotated §§ 68-212-101, *et seq.*, the Tennessee Hazardous Waste Management Act of 1983, Tennessee Code Annotated §§ 68-212-201, *et seq.*; and the Tennessee Petroleum Underground Storage Tank Act, Tennessee Code Annotated §§ 68-215-101, *et seq.*, all as amended, and any other materials, wastes, pollutants, oils or governmentally regulated substances or contaminants defined or designated as hazardous, radioactive, dangerous or any other similar term in or under any of the Environmental Laws.

- (2) “Toxic Substances” means and includes any materials that have been shown to have significant adverse effects on human health or which are subject to regulation under the Toxic Substances Control Act, 15 U.S.C. §§ 2601, *et seq.*, as amended, or any other Applicable Laws now in force or hereafter enacted relating to toxic substances. “Toxic Substances” includes asbestos, polychlorinated biphenyls (PCBs), petroleum products, lead-based paints, flammable explosives, radioactive materials and any other pollutants and any hazardous, toxic or dangerous waste, substance, material or pollutant defined as such in (or for purposes of) the Environmental Laws or listed as such by the United States Environmental Protection Agency.
- (3) “Hazardous Materials” means Hazardous Wastes and Toxic Substances, collectively.
- (4) “Environmental Laws” means and includes all current and future laws relating to Hazardous Materials together with all other Applicable Laws, and any judicial or administrative interpretations thereof, relating to health, safety or environmental matters.

B. Tenant (including its agents, contractors, employees, and any other entities for which Tenant is responsible), in its use of the Parcel shall comply with all federal, state, and local statutes, ordinances, regulations, rules, policies, codes, or guidelines now or hereafter in effect, as they may be amended from time to time, that govern Hazardous Materials (as defined above) or relate to the protection of human health, safety, or the environment and represents and agrees that:

- (1) It shall not give authorization or consent for any activity at or near the Parcel which could involve or lead to the use, manufacture, storage or disposal of any Hazardous Materials, except for the types, and in the amounts, used in the ordinary course of the business of Tenant within the Parcel;
- (2) It shall keep the Parcel free and clear of any liens imposed pursuant to any applicable Environmental Laws as a result of Tenant’s use of the Parcel;
- (3) All licenses, permits and other governmental or regulatory actions necessary for operations that Tenant conducts at the Parcel to comply with Environmental Laws shall be obtained and maintained and Tenant shall ensure compliance therewith;

- (4) It shall promptly notify Landlord in the event of the discovery of any Hazardous Materials on the Parcel not permitted hereunder or any violation of any of the Environmental Laws; and
- (5) Subject to the terms of this Article, it will promptly forward to Landlord copies of all orders, notices, permits, applications or other communications and reports (individually, an "Order") that Tenant receives and that relate to any violation of Environmental Laws applicable to the Parcel or any discharge, spillage, use or discovery of any Hazardous Materials or any other matter relating to the Environmental Laws as it may affect the Parcel, and shall promptly comply with each such Order and remediate such violation. In the event that an Order is subject to an attorney/client or attorney work product privilege, Tenant shall not be required to provide such Order to Landlord; provided, however, that Tenant shall promptly provide the notice required under this Lease regardless of the source of such information, including an Order subject to an attorney/client or attorney work product privilege. Upon the receipt of any such notice or Order, Landlord and any environmental consultant or other Person designated by Landlord shall have the right, but not the obligation, to enter upon the Parcel at reasonable times to assess the environmental condition of the Parcel and its use, including conducting an environmental assessment or audit (the scope of which shall be determined in the sole and absolute discretion of the party conducting the assessment) and taking samples of soil, groundwater or other water, air or building materials; provided, however, that, (i) except in the event of an emergency, any such entry by Landlord or any environmental consultant or other Person designated by Landlord shall occur between the hours of 8:00 a.m. and 5:00 p.m. after not less than 48 hours prior notice to Tenant, and (ii) Landlord shall repair and restore any damage to the Parcel resulting from such entry upon the Parcel by Landlord or any environmental consultant or other Person designated by Landlord. Tenant shall reasonably cooperate with and provide access to Landlord and any environmental consultant or other Person designated by Landlord.

C. In making the representations and agreements set forth in this Lease and the indemnification obligations, Tenant does not undertake any obligation to remediate, or take any other action with respect to, or incur any liability for the cost of remediating or taking other action with respect to, any environmental condition affecting the Parcel that (i) has resulted from the migration of Hazardous Materials to the Parcel from off-site sources or adjacent parcel and is not attributable to the activities of Tenant or any of its officers, contractors, subcontractors, invitees, agents, representatives or employees or any of their respective officers, contractors, subcontractors, invitees, agents, representatives or employees, or (ii) is not attributable to the activities of Tenant or any of its officers, contractors, subcontractors, invitees, agents, representatives or employees or any of their respective officers, contractors, subcontractors, invitees, agents, representatives or employees; provided, however, that Landlord and Tenant do not intend this Article to limit Landlord's right to seek contribution or cost-sharing under any applicable Environmental Laws for costs that it may incur in connection with inspections, investigations, studies, design,

construction, remediation or operations or maintenance of remedial activities at, on or near the Parcel from parties responsible for any contamination occurring at, on or near the Parcel. The foregoing express right of Landlord to seek contribution or cost-sharing shall in no way increase and alter Tenant's liability as set forth elsewhere in this Lease.

- D. If Tenant shall fail to comply with any of the requirements of the Environmental Laws, Landlord may, in addition to the other remedies for Tenant's default set forth herein, at Landlord's election but without the obligation to do so, (i) give such notices, (ii) cause such work to be performed on the Parcel, and (iii) take any and all other actions as Landlord shall deem necessary or advisable in order to abate, remove or remediate any Hazardous Materials or otherwise cure Tenant's noncompliance, with the costs thereof to be reimbursed to Landlord within sixty (60) days of demand, together with interest thereon from the date of payment until paid at the interest rate (the "Interest Rate") equal to the lesser of (i) the maximum lawful rate of interest permitted to be charged under Applicable Laws of Governmental Authorities or (ii) the interest rate equal to 2% per annum above the prime rate of interest as published from time to time by *The Wall Street Journal*.

## **ARTICLE 11**

### **LIENS**

- A. Tenant shall not do or suffer anything to be done by which the Parcel, or any part thereof, may be encumbered by a lien of any kind. In the event that any mechanic's or materialmen's lien or other lien, purporting to be for or on account of any labor done or materials or services furnished in connection with any work on or about the Parcel or any part of any thereof done by, for or under the Landlord of Tenant, or anyone claiming by, through or under Tenant, is filed against the Parcel or any part of any thereof, Tenant shall commence action to discharge the same of record within sixty (60) business days after service upon Tenant of notice of the filing thereof; provided, however, that Tenant shall have the right to remove the lien by bonding against the same in accordance with Applicable Laws and to contest any such lien; provided, further, that Tenant shall diligently prosecute any such contest, at all times effectively staying or preventing any official or judicial sale of the Parcel or any part of any thereof under execution or otherwise, and, if unsuccessful, Tenant shall satisfy any final judgment against Tenant adjudging or enforcing such lien or, if successful, Tenant shall obtain a record satisfaction or release thereof. In the event Tenant fails to comply with this Article, Landlord, in addition to all other remedies provided herein or otherwise, shall have the right, but not the obligation, to cause the lien to be released by such means as it shall deem proper, including payment of the claim giving rise to the lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith, including reasonable attorneys' fees and costs, shall be immediately payable to Landlord by Tenant with interest thereon at the Interest Rate from the date of payment by Landlord until Landlord receives payment from Tenant. Landlord shall have the right at all times to post and keep posted on the Parcel any notices permitted or required by law, or which Landlord shall deem

proper, for the protection of Landlord, the Parcel and any other party having an interest therein from mechanic's or materialmen's liens.

- B. All Persons furnishing labor or materials to Tenant in connection with the Project or any subsequent alterations or additions thereto are hereby notified that the filing of any mechanic's or materialmen's lien shall attach only to Tenant's leasehold estate in the Parcel.

**ARTICLE 12**  
**TAXES**

- A. Tenant shall pay, not less than thirty (30) days prior to delinquency all taxes, assessments, levies, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which during the Term are imposed or levied upon or assessed against (i) the Parcel, (ii) any Rent (except for taxes generally classified as income or franchise taxes assessed against Landlord), or (iii) this Lease, the leasehold estate hereby created or the operation, possession or use of the Parcel; and
- B. All ad valorem real estate taxes and personal property taxes (and in-lieu of tax or tax equivalent charges) that are assessed against the Parcel with respect to any portion of the Term shall be prorated for the first and last years of the Term. Tenant shall be responsible for and shall pay the portion of such taxes or charges relating to the period beginning with the Commencement Date through and including the expiration or earlier termination of the Term.

**ARTICLE 13**  
**UTILITIES**

Landlord will provide adequate utility service to Tenant for Tenant's use and accessible at or immediately adjacent to the Parcel within sixty (60) days from the Commencement Date of this Lease. Tenant shall install additional meters for any or all the utilities provided to it. Tenant shall bear the full cost of any meter installations and tap fees that Tenant may require to connect to the available utilities. Tenant shall submit detailed plans of any intended installations to Landlord. All such installations shall have the prior written approval of the Landlord before being undertaken, which approval shall not be unreasonably withheld, conditioned, or delayed. Tenant shall, at its sole cost and expense, pay for all utility services required for the Permitted Use during the Term, including gas, electricity, water, sewer, heat/air, internet, cable/TV services, and telephone, and all charges associated with any of the foregoing.

**ARTICLE 14**  
**INDEMNIFICATION**

- A. For purposes of this Lease, the term "Indemnified Party" shall mean Landlord and each of its commissioners, officers, employees, agents, representatives, successors and assigns.

Tenant agrees to defend, indemnify and hold the Indemnified Party harmless from and against any and all suits, losses, costs, claims, damages, demands, penalties, fines, settlements, liabilities and expenses (including reasonable attorneys' fees, court costs and litigation expenses) (the "Claims") arising out of or related to (i) Tenant's use, occupancy or condition of the Parcel, or (ii) any reckless or negligent act or omission of Tenant or any of Tenant's officers, contractors, subcontractors, invitees, agents, representatives or employees; provided, however, that Tenant shall have no obligation to defend, indemnify and hold the Indemnified Party harmless from and against any such suits, losses, costs, claims, damages, demands, penalties, fines, settlements, liabilities or expenses arising solely and directly from such Indemnified Party's gross negligence or willful misconduct. Tenant shall use attorneys, experts, and professionals that are reasonably acceptable to Landlord in carrying out these obligations.

- B. Except as otherwise provided herein, it is expressly understood and agreed that Tenant's obligations under this Article shall survive the expiration or earlier termination of this Lease for any reason but shall not continue beyond the end of any statute of limitations.

## **ARTICLE 15** **INSURANCE**

It is agreed that City will not be required to maintain any insurance on this property. Tenant will obtain and maintain in full force and effect during the Term of this Lease, and all extensions and amendments thereto, at least the following insurance. Each insurance policy shall name Landlord and its commissioners, officers and employees as additional insureds and shall provide that such insurance policy shall be considered primary insurance as to any other valid and collectible insurance or self-insured retention Landlord may possess or retain. Each insurance policy shall provide contractual liability coverage under which the issuing insurance company agrees to insure any other liability that Tenant has under this Lease for which such insurance policy would otherwise provide coverage. Each insurance company issuing an insurance policy shall be (a) admitted to do business in the State of Tennessee and rated not less than the Minimum Rating, unless otherwise approved by Landlord in its sole discretion.

- A. Tenant shall obtain and maintain continuously in effect at all times while this Lease remains in force and effect, at its sole cost and expense, comprehensive general liability insurance coverage (the "CGL Coverage"), including products liability, completed operations and warehouse legal liability, with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence. The aggregate deductible amount under the insurance policy or policies providing the CGL Coverage shall not exceed Fifty Thousand Dollars (\$50,000) per occurrence or any higher amount [not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000)], if necessary to obtain a suitable insurance policy.

- B. For purposes of this Lease, the CGL Coverage, the Pollution Coverage, the Property Coverage, and any Umbrella Coverage are collectively referred to as the “Insurance Coverages”. Tenant agrees that each insurance policy providing any of the Insurance Coverages (i) shall not be altered, modified, cancelled or replaced without not less than thirty (30) days prior written notice from Tenant to Landlord; (ii) shall provide for a waiver of subrogation by the issuing insurance company as to claims against Landlord and its commissioners, officers and employees; (iii) shall provide that any “other insurance” clause in such insurance policy shall exclude any policies of insurance maintained by Landlord and that such insurance policy shall not be brought into contribution with any insurance maintained by Landlord; and (iv) shall have a term of not less than one year.
- C. Landlord shall have the right to change the terms and required coverage amounts of any of the Insurance Coverages if such changes are recommended or imposed by Landlord’s insurers as long as such insurance is available, so long as Landlord agrees to reimburse Tenant for any increases in insurance premium costs resulting solely from any such change (except that Tenant shall be solely responsible for increases in premium costs resulting from any changes to the requirements for the Insurance Coverages that are reasonably required as a result of relevant insurance market conditions or practices, increases in the CPI, or the requirements of present or future Applicable Laws). Tenant shall provide, prior to the Commencement Date, one or more certificates of insurance which shall indicate that Tenant maintains the Insurance Coverages and that the insurance policy or policies referenced or described in each such certificate of insurance comply with the requirements of this Lease. Tenant shall give to Landlord written notice of the cancellation or non-renewal or if coverage limits decrease below the minimums required in this Lease for each such insurance policy not less than thirty (30) days prior to the effective date of the expiration or earlier cancellation of such insurance policy. Upon receipt of a request from Landlord, Tenant also agrees to make copies of any or all of the insurance policies providing the Insurance Coverages available for the Landlord to view, at the Parcel. The certificate(s) of insurance provided by Tenant to evidence the WC Coverage shall specifically certify that the insurance policy or policies which provide the WC Coverage cover Tenant’s activities in the State of Tennessee.
- D. If Tenant shall at any time fail to obtain or maintain any of the Insurance Coverages, Landlord may take, but shall not be obligated to take, all actions necessary to effect or maintain such Insurance Coverages, and all monies expended by it for that purpose shall be reimbursed to Landlord by Tenant upon demand therefor or set-off by Landlord against funds of Tenant held by Landlord or funds due to Tenant. Tenant hereby grants, approves of and consents to such right of set-off for Landlord. If any of the Insurance Coverages cannot be obtained for any reason, Landlord may require Tenant to cease any activity on the Parcel until all Insurance Coverages are obtained.

- E. The term “Minimum Rating” shall mean a rating (if A.M. Best Company is the Rating Service) of A- (Financial Size: X) based upon the criteria for financial strength and financial size ratings utilized by A.M. Best Company on the Commencement Date, or such equivalent rating (if A.M. Best Company is not the Rating Service or if A.M. Best Company subsequently revises its criteria for financial strength and financial size ratings) as determined in the sole discretion of the Landlord.
- F. It is expressly understood and agreed that the minimum limits set forth in the Insurance Coverages shall not limit the liability of Tenant for its acts or omissions as provided in this Lease.

**ARTICLE 16**  
**DAMAGE AND DESTRUCTION**

- A. Except as hereinafter provided, if, during the Term, any of the improvements on the Parcel shall be damaged or destroyed by fire or any other casualty, Tenant shall, at Tenant’s sole cost and expense, repair or rebuild all the improvements on the Parcel or such portion thereof which were damaged, in a good and workmanlike manner using materials of first grade and quality, to the original condition of the improvements on the Parcel or such portion thereof at the time of such fire or other casualty. Notwithstanding the foregoing, however, in the event the improvements on the Parcel are damaged or destroyed at any time during the final five (5) Lease Years of the Term and if either (i) the cost to repair or replace the improvements on the Parcel, as estimated by a contractor, architect or other construction consultant selected by Tenant and approved by Landlord, exceeds fifty percent (50%) of the full replacement value of all improvements located on the Parcel, or (ii) such repair and replacement cannot reasonably be completed within one hundred eighty (180) days after the date of the damage or destruction, as estimated by a contractor, architect or other construction consultant selected by Tenant and approved by Landlord, then Tenant may terminate this Lease upon such date as is set forth in a notice given to Landlord within thirty (30) days after the date of the damage or destruction; provided, however, that the date of termination shall be no less than five (5) and no more than sixty (60) days after the effectiveness of such notice and in no event shall Tenant terminate this Lease upon the occurrence of damage or destruction of the improvements on the Parcel unless (a) it has maintained the PC Coverage in the manner required by this Lease and (b) it pays over to Landlord all insurance proceeds from such PC Coverage and the amount of any deductible or self-insurance retention amount with respect to such PC Coverage. Unless this Lease is so terminated, Tenant shall proceed with repair or rebuilding and Landlord shall make the net insurance proceeds of such PC Coverage payable with respect to such fire or other casualty available to Tenant on a commercially reasonable basis to pay the costs of such repair and rebuilding, and all costs of such repair or rebuilding in excess of the net insurance proceeds shall be paid by Tenant. If Tenant terminates the Lease as provided in this Paragraph 16(A), Landlord shall pay Tenant the Residual Value Amount.

- B. In no event shall Landlord be liable for any loss or damage sustained by Tenant by reason of any casualty to the Parcel except to the extent such loss or damage arises from the gross negligence or willful misconduct of Landlord and / or its employees, contractors, and agents.

**ARTICLE 17**  
**CONDEMNATION**

In the event of any condemnation proceeding in which all or any part of the Parcel is taken (by a condemnor other than the Landlord), all compensation from such proceeding shall be paid to Landlord and Landlord shall remit to Tenant the portion of the compensation equal to the value of the improvements. Additionally, Tenant may pursue a claim against the condemnor for the value of Tenant's leasehold interest,. In the event of a partial taking that leaves Tenant with a sufficient remaining portion such that Tenant can utilize the Parcel for the Permitted Use, Landlord shall reduce the Rent payable by Tenant on a pro rata basis for the portions of the Parcel taken. If, however, the Parcel is rendered unusable for the Permitted Use, in Tenant's reasonable discretion, Tenant may terminate this Lease by giving Landlord a written notice of termination, and after payment of the Residual Value Amount by Landlord to Tenant, if applicable, this Lease shall terminate at the time specified in the notice (which shall not be less than thirty (30) days after the date of such notice).

**ARTICLE 18**  
**ASSIGNMENT AND SUBLETTING**

Tenant shall not assign or transfer any portion of the interest under the Lease without the prior written approval of the Landlord which shall not be unreasonably withheld.

**ARTICLE 19**  
**DEFAULT AND REMEDIES**

- A. Any of the following occurrences or acts shall constitute an event of default (an "Event of Default") under this Lease:
- (1) By Tenant, if Tenant shall:
    - (a) Fail to pay any Rent under this Lease as and when required to be paid by Tenant and such failure shall continue for a period of thirty (30) days following Tenant's receipt of written notice from Landlord of such failure to pay Rent; or

- (b) Breach or materially fail to observe or perform any of its covenants, agreement or obligations, and such breach or failure shall continue for thirty (30) days after notice from Landlord to Tenant of such breach or failure; provided, however, that if any such breach or failure is such that it cannot be cured or remedied within such thirty (30) day period, then such breach or failure shall not constitute an Event of Default if corrective action is instituted by Tenant within such thirty (30) day period and diligently pursued until such breach or failure is corrected.
- (c) Except as otherwise provided in this Lease, if Tenant (i) shall make an assignment for the benefit of creditors or petition or apply to any tribunal for the appointment of a custodian, receiver or trustee for it, the Parcel or a substantial part of its assets; or (ii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or shall have had any such petition or application filed or any such proceeding commenced against it that is not dismissed within thirty (30) days of the filing or commencement thereof; or (iii) shall indicate, by any act or omission, its consent to, approval of or acquiescence to any such petition, application or proceeding or the appointment of a custodian, receiver or trustee for it, the Parcel or a substantial part of its assets; or (iv) shall suffer any such custodianship, receivership or trusteeship to continue undischarged for a period of thirty (30) days or more; or
- (d) If a receiver, trustee or liquidator of Tenant or of all or substantially all of the assets of Tenant or of the Parcel or Tenant's leasehold interest therein shall be appointed in any proceeding brought by Tenant, or if any such receiver, trustee or liquidator shall be appointed in any proceeding brought against Tenant and shall not be discharged within sixty (60) days after Tenant's receipt of notice of such appointment, or if Tenant shall consent to or acquiesce in such appointment.

(2) By Landlord, if Landlord (i) fails to perform or observe any covenant or condition to be performed or complied with by Landlord under this Lease, and the failure continues for thirty (30) days after written notice by Tenant to Landlord, or (ii) if the default complained of is of such a nature that it cannot reasonably be completely cured or remedied within such thirty (30) day period, Landlord fails to commence to cure the default during the thirty (30) day period, or does not thereafter diligently prosecute such remedy or cure to completion.

B. Right to Cure Defaults.

The parties have the following respective right to cure defaults:

(1) If Tenant shall fail to make any payment of applicable taxes, assessments or other charges, or perform any other act required to be made or performed under this Lease, and the applicable grace period for cure by Tenant shall have expired, Landlord, without waiving or releasing any obligation or default, may (but shall be under no obligation to) upon notice to Tenant, make the payment or perform the act for the account and at the expense of Tenant. All sums so paid by Landlord, together with interest thereon, shall constitute additional rent and shall be paid by Tenant to Landlord on demand.

(2) If Landlord shall fail to make any payment or perform any other act required to be made or performed under this Lease, and the applicable grace period for cure by Landlord shall have expired, Tenant, without waiving or releasing any obligation or default, may (but shall be under no obligation to) upon notice to Landlord, make the payment or perform the act for the account and at the expense of Landlord. All sums so paid by Tenant, together with interest thereon, shall be paid by Landlord to Tenant on demand or Tenant, at its option, may deduct from the payment of any Rent any such sums paid by Tenant.

C. Upon Default.

(1) Upon the occurrence of an Event of Default, the non-defaulting party shall be entitled to all rights and remedies available at law or in equity and shall be entitled to recover and collect from the defaulting party all damages that may be available under the laws of the State of Tennessee. Termination of the Lease by either party pursuant to an Event of Default shall result in the payment by Landlord to Tenant the applicable Residual Value Amount, less the costs to cure any default. Termination of the Lease shall be effective no less than sixty (60) days from delivery of such notice to terminate. After payment of the Residual Value Amount, if applicable, this Lease shall expire and terminate on the date set forth in such notice as fully and completely and with the same effect as if such date were the date herein fixed for the expiration of the Term, and all rights of Tenant hereunder shall expire and terminate.

(2) Following a default by Tenant under the Lease, Landlord shall exercise commercially reasonable, good faith efforts to mitigate its damages as required by applicable Tennessee law.

**ARTICLE 20**

**HOLDING OVER AND SURRENDER OF LEASED PARCEL**

A. If Tenant continues to hold and occupy the Parcel after the expiration or earlier termination of the Term, such holding over shall operate as an extension of this Lease on the same terms and conditions as herein provided, except for duration and except that the Base Rent payable hereunder during such holding over shall be paid monthly in advance in an amount equal to one hundred twenty five percent (125%) of the monthly installment of Base Rent payable during the final Lease Year of the Term. Tenant shall then be considered a Tenant-at-will, and Landlord may terminate this Lease at any time by giving one month's notice.

- B. At the expiration or earlier termination of the Term, Tenant shall surrender the Parcel to Landlord in substantially the same condition, order and repair as at the Commencement Date, except for the approved Project, ordinary wear and tear, obsolescence and deterioration occurring on account of normal use and aging.

**ARTICLE 21**  
**QUIET ENJOYMENT**

Landlord warrants to Tenant that Landlord has full power to enter into this Lease, and that Tenant shall have and enjoy full, quiet and peaceful possession of the Parcel during the Term, subject to the provisions of this Lease.

**ARTICLE 22**  
**NOTICES**

All notices, approvals, consents, requests, demands and other communications required or permitted by this Lease (individually, a “Notice”) must be in writing to be effective and personally delivered or sent by certified United States Mail, postage prepaid, or by a recognized delivery service that provides registered and verifiable shipment or air bill tracking and delivery record, with costs prepaid, to the addresses set forth below:

If to Tenant:  
Azure Flight Support, LLC  
276 Doug Warpoole Road  
Smyrna, TN 37167  
Attn: Chief Manager

If to Landlord:  
City of Crossville  
392 North Main Street  
Crossville, TN 38555  
Attention: City Manager

with a copy to:

The person and place to which a Notice is to be sent may be changed by a party hereto upon written notice to the other. A Notice shall be deemed received and effective on the date that is three days after the date on which the Notice is deposited in the United States Mail if sent by certified mail, or, if personally delivered, on the date such personal delivery is made. If a Notice is sent by a recognized delivery service,

then the Notice shall be deemed received by the addressee on the date on which the signature receipt is recorded by such recognized delivery service.

**ARTICLE 23**  
**WAIVER OF COVENANTS, ETC.**

No waiver of any condition or covenant of this Lease shall be deemed to imply or constitute a further waiver of the same or any other like condition or covenant, and nothing herein contained shall be construed to be a waiver on the part of a party of any right or remedy in law or otherwise, and all of a party's remedies herein provided for shall be deemed to be cumulative.

**ARTICLE 24**  
**ESTOPPEL CERTIFICATES**

At any time and from time to time, either party, on or before the date specified in a request therefor made by the other party, which date shall not be earlier than thirty (30) days from the making of such request, shall execute, acknowledge and deliver to the other a certificate stating (i) whether this Lease is in full force and effect; (ii) whether this Lease has been amended in any way and, if so, including any such amendments; (iii) whether, to the knowledge of such party, there are any existing Events of Default hereunder and specifying the nature thereof; (iv) the then-current Base Rent and the date to which Base Rent has been paid; and (v) such other facts with respect to this Lease or the Parcel as Landlord or Tenant may reasonably request. Each certificate delivered pursuant to this Article may be relied on by any prospective purchaser, mortgagee or transferee of the Parcel or of Landlord's or Tenant's interest hereunder.

**ARTICLE 25**  
**MISCELLANEOUS PROVISIONS**

The headings used in this Lease are inserted for convenience and are not to be considered in the construction of the provisions of this Lease. The word "Landlord" means only the owner of the Parcel from time to time, including its authorized agencies such as the Shelbyville Airport Authority, and, in the event of any transfer of the Parcel by the owner thereof, the transferring owner of the Parcel shall be released from all covenants, agreements and conditions as the Landlord hereunder and without further agreement between the parties, and the transferee owner of the Parcel shall be deemed to have assumed all covenants, agreements and conditions of Landlord hereunder. Such transferee owner of the Parcel shall be subject to Tenant's rights of use and possession under this Lease, so long as no Event of Default has occurred and is continuing hereunder. All exhibits referred to are attached and made a part of this Lease. Bracketed provisions in the forms of instruments included in exhibits hereto shall be conformed and/or completed as appropriate for the execution versions thereof. This Lease and the exhibits constitute

the entire agreement of the parties with respect to the Parcel and all prior understandings and agreements relating to the subject matter hereof are hereby superseded. This Lease and all the terms and conditions hereof shall be binding on and inure to the benefit of Tenant and its successors and assigns. This Lease may not be amended or modified except by agreement in writing signed by both parties. The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms, and personal pronouns may be read as masculine, feminine and neuter. References to statutes, regulations or ordinances are to be construed as including all provisions consolidating, amending, or replacing the referenced statute, regulation or ordinance, and references to agreements and other contracts shall be deemed to include all subsequent amendments to or changes in such agreements or instruments entered into in accordance with their respective terms. Use of the term “include” or “including” means to include or including without limitation.

**ARTICLE 26**  
**PARTIAL INVALIDITY**

In the event any clause, term or condition of this Lease shall be declared null and void, this Lease shall remain in full force and effect as to all other terms, conditions and provisions.

**ARTICLE 27**  
**GOVERNING LAW**

This Lease shall be governed, construed, and enforced in accordance with the laws of the State of Tennessee.

**ARTICLE 28**  
**TIME OF ESSENCE**

Time is of the essence to this Lease and the obligations and requirements set forth herein.

**ARTICLE 29**  
**RELATIONSHIP OF PARTIES**

This Lease vests an estate to Tenant for the Term of this Agreement. Nothing herein contained shall cause the parties to be deemed or considered as partners or joint venturers in the operation of Tenant’s business or otherwise, nor shall either party be deemed to be the agent of the other except as may be herein specifically provided, and the sole relationship between the parties shall be that of Landlord as Landlord and Tenant as Tenant.

**ARTICLE 30**  
**MORTGAGE OF LEASEHOLD ESTATE**

- A. With the prior consent of Landlord, and subject to the terms and conditions of this Lease, Tenant may convey, pledge or encumber, by deed of trust, mortgage or similar instrument (the “Approved Leasehold Mortgage”), its leasehold interest in and to the Parcel in favor of a lender (the “Approved Leasehold Mortgage”), and Tenant may assign this Lease as collateral security for such Approved Leasehold Mortgage. Any such Approved Leasehold Mortgage, and all rights under or relating thereto, shall be subject to each of the covenants, conditions and restrictions set forth herein, and to all rights of Landlord hereunder and will always be subordinate to the rights of Landlord under this Lease and the Parcel.
- B. If an Approved Leasehold Mortgagee shall give Landlord notice of such Approved Leasehold Mortgagee’s interest in the Parcel and such notice shall contain the address to which notices to such Approved Leasehold Mortgagee are to be sent, Landlord will thereafter send to such Approved Leasehold Mortgagee, at the address so given, and in the manner set forth in this Lease, a copy of any notice of default which Landlord may thereafter deliver or send to Tenant. Within the time permitted for the curing or commencing the curing of any default under this Lease, such Approved Leasehold Mortgagee, at its option, may pay any amount due or do any other act or thing required of Tenant by the terms of this Lease, and all amounts so paid or other acts so done by such Approved Leasehold Mortgagee shall be as effective to cure such default as the same would have been if paid or done by Tenant.
- C. An Approved Leasehold Mortgagee shall not become liable for Tenant’s obligations under this Lease unless and until such Approved Leasehold Mortgagee becomes the owner of the leasehold estate established hereby by foreclosure, assignment in lieu of foreclosure or otherwise, or if such Approved Leasehold Mortgagee gives notice to Landlord that such Approved Leasehold Mortgagee will assume Tenant’s obligations under this Lease. An Approved Leasehold Mortgagee shall remain liable for the obligations of Tenant under this Lease only for so long as it remains the owner of the leasehold estate established hereby.
- D. If any default or event of default occurs under an Approved Leasehold Mortgage, the Approved Leasehold Mortgagee and Tenant shall immediately notify Landlord of the same in writing.
- E. If a non-monetary default by Tenant under this Lease is susceptible of being cured by an Approved Leasehold Mortgagee only after such Approved Leasehold Mortgagee has obtained possession of the Parcel, then an Approved Leasehold Mortgagee shall have an additional period not to exceed thirty (30) days to cure a non-monetary default after obtaining possession of the Parcel; provided, however, that (i) such Approved Leasehold Mortgagee initiated all necessary

actions to obtain possession of the Parcel, including the initiation of foreclosure proceedings under its Approved Leasehold Mortgage, within thirty (30) days after the earlier of the date on which such Approved Leasehold Mortgagee became aware of such non-monetary default or the date on which such Approved Leasehold Mortgagee received notice from Landlord of such non-monetary default; (ii) such Approved Leasehold Mortgagee shall have pursued such actions with reasonable diligence; (iii) such Approved Leasehold Mortgagee, within any applicable cure period provided in this Lease, shall have paid all Rent and other sums then due to Landlord under this Lease; and (iv) such Approved Leasehold Mortgagee shall have cured any other defaults by Tenant under this Lease that are susceptible of being cured by such Approved Leasehold Mortgagee without obtaining possession of the Parcel. Notwithstanding the foregoing, the rights granted to an Approved Leasehold Mortgagee in this Article shall not impair any right granted to Landlord in this Lease (a) to perform any obligations under this Lease that Tenant is required, but fails, to perform, and (b) to obtain reimbursement from Tenant of Landlord's costs and expenses incurred in so performing and, subject to rights granted to an Approved Leasehold Mortgagee, to declare an Event of Default if Tenant fails so to reimburse within any applicable cure period.

- F. Nothing contained herein shall release Tenant from any of its obligations under this Lease that may not have been discharged or fully performed by an Approved Leasehold Mortgagee.

### **ARTICLE 31**

#### **SIGNAGE**

At any time and from time to time during the Term, upon Landlord's prior consent, which consent may not be unreasonably delayed, conditioned or withheld, Tenant, at its sole cost and expense, may install signage on the Parcel so long as such signage complies with Landlord's published standards and all other Applicable Laws.

### **ARTICLE 32**

#### **NONDISCRIMINATION AND GOVERNMENTAL MATTERS**

- A. During the term of this agreement:
- (1) Tenant agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates Tenant for the period during which Federal assistance is extended to the Airport through the Airport Improvement Program.

In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any

transferee for the longer of the following periods:

- (a) The period during which the property is used by the airport sponsor or any transferee 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 the airport sponsor or any transferee retains ownership or possession of the property.
  - (2) Tenant covenants and agrees that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- B. Nothing herein contained shall be deemed to grant Tenant any exclusive right or privilege within the meaning of Article 308 of the Federal Aviation Act of 1958, as amended (the “Federal Aviation Act”), in the conduct of any activity at the Airport, except that, subject to the terms and provisions hereof, Tenant shall have the rights with respect to the Parcel under the provisions of this Lease.
- C. This Lease is subject and subordinate to the provisions of any agreement heretofore or hereafter made between Landlord and the United States government relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to Landlord for Airport purposes, or the expenditure of federal funds for the improvement or 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.
- D. Tenant will comply with all security regulations established or amended by, but not limited to the Landlord, Department of Homeland Security, Customs and Border Protection, TSA and the FAA. If Landlord incurs any fines and/or penalties imposed by the Federal Aviation Administration and/or the Transportation Security Administration, or any expense in enforcing the regulations of Federal Aviation Regulations Part 1542 and/or the Airport Security Program, as a result of the acts or omissions of Tenant, Tenant agrees to pay and/or reimburse all such costs and expense. Tenant

further agrees to rectify any security deficiency as may be determined as such by Landlord, the Federal Aviation Administration and/or the Transportation Security Administration. Landlord reserves the right to take whatever action necessary to rectify any security deficiency as may be determined as such by Landlord, the Federal Aviation Administration and/or the Transportation Security Administration, in the event Tenant fails to remedy the security deficiency.

- E. Tenant hereby represents that, as of the Commencement Date, neither Tenant nor any officer, employee, representative or agent of Tenant has given or donated, or promised to give or donate, either directly or indirectly, to any official, employee or commissioner of Landlord or to anyone else for its benefit, any sum of money or other thing of value to aid or assist in obtaining this Lease.

**ARTICLE 33**  
**FORCE MAJEURE**

Any prevention, delay or stoppage attributable to strikes, lockouts, terrorism, labor disputes, civil commotion, fire or other casualty not caused directly or indirectly by a party hereto, and acts of God, will excuse the performance of that party for a period equal to the duration of the prevention, delay or stoppage; provided, however, that these provisions will not apply to the obligations imposed with regard to Rent and other charges Tenant must pay in accordance with the terms of this Lease or to the payment by the Landlord of any applicable Residual Value Amount.

**ARTICLE 34**  
**INTEREST AND OTHER CHARGES**

Notwithstanding any provision of this Lease to the contrary relating to the payment of interest, it is the intent of Landlord and Tenant that Landlord shall not be entitled to receive, collect, reserve, or apply, as interest, any amount in excess of the maximum amount of interest permitted to be charged under Applicable Laws. In the event this Lease requires a payment of interest that exceeds the maximum amount of interest permitted to be charged under Applicable Laws, such interest shall not be received, collected, charged, or reserved until such time as that interest, together with all other interest then payable, falls within the maximum amount of interest permitted to be charged under Applicable Laws. In the event Landlord receives any such interest in excess of the maximum amount of interest permitted to be charged under Applicable Laws, Landlord shall refund to Tenant the amount of such excess and, in such event, Landlord shall not be subject to any penalties provided by Applicable Laws for contracting for, charging, reserving, collecting or receiving interest in excess of the maximum amount of interest permitted to be charged under Applicable Laws.

**ARTICLE 35**  
**GOVERNMENTAL REQUIREMENTS**

The parties incorporate herein by reference all provisions lawfully required to be contained herein by any Governmental Landlord. In the event that a Governmental Landlord requires modifications or changes to this Lease as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, Tenant shall make or agree to such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Lease as may be reasonably required and any expenses resulting from such amendments, modifications, revisions, supplements or deletions shall be paid by Landlord.

**ARTICLE 36**  
**EASEMENTS**

Landlord shall cooperate with Tenant in obtaining and providing, as applicable, all necessary easements, rights of way, utility feeds and conduit connections, permits and governmental and quasi-governmental approvals or consents reasonably necessary to develop the Project on the Parcel. In addition, Landlord recognizes that Tenant's access to the runways and taxiways on the Airport are critical for Tenant and subtenant operations, and Landlord will provide access easements via separate document to Tenant for Tenant and subtenant's benefit.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and date first written above.

**LANDLORD:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Approved as to form:**

**Name:**

**Title: City Attorney**

**Date:**

**TENANT:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**PARCEL AND PROJECT DEPICTION**

Can be an attached site plan and also legal description of the land boundaries. Also can include a summary description of the hangar.

**EXHIBIT B**  
**DESCRIPTION OF IMPROVEMENTS**

This is a description of the hangar with specifications and includes pavement or concrete ramp outside of the hangar and sidewalks, any landscaping.

**EXHIBIT C**  
**RENT ANALYSIS**

1. **Rent per Square Foot Annual: \$.30**
2. **Square Feet of Leased Property:**
3. **Annual Rent (1 times 2) :**
4. **Monthly Rent (3 divided by 12 months:**