

FIXED BASE OPERATOR
LEASE AGREEMENT

CITY OF OCALA

AND

SHELTAIR OCALA, LLC



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FIXED BASE OPERATOR LEASE AGREEMENT

THIS FIXED BASE OPERATOR LEASE AGREEMENT (this "Lease") is made and entered into as of May 19, 2015 ("Effective Date"), by and between City of Ocala, a municipal corporation ("Landlord"), and Sheltair Ocala, LLC, a Florida limited liability company having its office and principal place of business at 4860 NE 12th Avenue, Fort Lauderdale, Florida 33334 ("Tenant").

WHEREAS:

- A. Landlord owns and operates the Ocala International Airport ("Airport"), which is located in Marion County, Florida.
- B. Landlord deems it advantageous to itself, and to its operation of the Airport, to lease to Tenant certain privileges, rights, uses and interests therein, as hereinafter set forth.
- C. Tenant has indicated a willingness and demonstrated the ability to properly finance, operate, maintain, improve and manage a fixed base operation in accordance with the terms of this Lease.
- D. Tenant has committed to the planning, designing, financing, construction and management of certain improvements and to provide certain funds for the construction of a new terminal as set forth herein.
- E. Tenant represents that it is an experienced fixed base operator and aviation real estate developer, and is knowledgeable, qualified and financially sound.
- F. Landlord and Tenant desire to enter into this Lease to document their agreements concerning the above matters and as otherwise set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

Article 1. RECITALS

- 1.1. The foregoing recitals are true and correct and are hereby incorporated herein by reference.

Article 2. DEFINITIONS

- 2.1. In addition to all other terms defined herein, the following terms set forth below, when used in this Lease, shall be defined as follows:
 - 2.1.1. "Adjustment Date" has the meaning set forth in the CPI Rider attached hereto as Exhibit E.
 - 2.1.2. "Advance Amount" means the amount to be paid by Tenant pursuant to paragraph 8.1.1.1.a).

- 2.1.3. **"Airport"** means the Ocala International Airport located Marion County, Florida.
- 2.1.4. **"Airport Entry"** shall mean all vehicular and pedestrian points of entry to the Airport.
- 2.1.5. **"Airport Rules and Regulations"** means the Rules and Regulations adopted by the City of Ocala in 2011 governing the Airport, as now or hereafter amended, and any successor ordinance or resolution regulating activities or operations on the Airport.
- 2.1.6. **"Annual Report"** means the documentation to be provided by Tenant pursuant to paragraph 6.3.
- 2.1.7. **"Assignee"** has the meaning set forth in paragraph 17.1.1.
- 2.1.8. **"Assignment"** has the meaning set forth in paragraph 17.1.2.
- 2.1.9. **"Base Rent"** means the Rent charged by Landlord to Tenant pursuant to paragraph 5.2.1, as such Base Rent may be increased pursuant to paragraph 5.2.2 and adjusted pursuant to paragraph 5.4.
- 2.1.10. **"Bond"** has the meaning set forth in paragraph 5.5.
- 2.1.11. **"Business Day"** means any day other than a Saturday, Sunday or a holiday upon which City offices are closed. Use of the word **"day"**, as opposed to Business Day, means calendar day of twenty four (24) hours measured from midnight to the next midnight.
- 2.1.12. **"CAM Fees"** has the meaning set forth in paragraph 8.1.4.
- 2.1.13. **"CAO"** means a "Commercial Aeronautical Operation," as defined in the Minimum Standards.
- 2.1.14. **"City"** means the City of Ocala, Florida.
- 2.1.15. **"City Council"** means the City Council of the City of Ocala, Florida.
- 2.1.16. **"Commencement Date"** has the meaning set forth in paragraph 3.1.1.
- 2.1.17. **"Contamination"** means the presence of Hazardous Materials in soils or groundwater above levels permitted by any applicable Environmental Law or in such quantities as to require remediation or clean-up under any applicable Environmental Law.
- 2.1.18. **"Core Services"** has the same meaning herein as in the Minimum Standards.
- 2.1.19. **"CPI Adjustment"** means the adjustment of Base Rent (excluding any CAM Fees paid by Tenant as part of New Terminal Rent) pursuant to paragraph 5.4.
- 2.1.20. **"Development Plans"** means the future development plans for the Airport, including, without limitation, the Airport Master Plan and Airport Layout Plan.

- 2.1.21. **"DHS"** means the United States Department of Homeland Security or any successor thereto.
- 2.1.22. **"Director"** means the Director or Acting Director of the Airport.
- 2.1.23. **"Disabled Aircraft"** means an aircraft that requires assistance to move from any of the Airport's public airfield facilities, including, without limitation, runways, taxiways and safety areas.
- 2.1.24. **"Effective Date"** means the date a fully executed copy of this Lease has been provided to all parties.
- 2.1.25. **"Environmental Condition"** has the meaning set forth in paragraph 3.4.2.
- 2.1.26. **"Environmental Laws"** means all applicable federal, state or local laws, statutes, ordinances, rules, regulations or restrictions relating to the protection of the environment, or to the emission, discharge, seepage or release of Hazardous Materials into the environment, or otherwise relating to Hazardous Materials including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; all corresponding and related State of Florida and local Statutes, ordinances and regulations, including without limitation any dealing with underground storage tanks.
- 2.1.27. **"FAA"** means the Federal Aviation Administration or any successor agency.
- 2.1.28. **"Fuel Farm"** means one or more of the following:
- 2.1.28.1. **"Fuel Farm Location"** means the footprint of the ground underlying the New Fuel Farm as depicted on **Exhibit A**.
- 2.1.28.2. **"New Fuel Farm"** means any fueling systems constructed, installed or located upon the Premises, including, without limitation, all fuel and oil storage tanks and components thereto, all fuel and oil lines and associated distribution systems, pumps, nozzles and outlets, all fuel monitoring and alarm systems, and remediation improvements, whether above or below ground located as set forth on **Exhibit A**.
- 2.1.28.3. **"Prior Fuel Farm"** means the aviation fuel farm as depicted on **Exhibit A** previously located adjacent to the Premises and not subject to this Lease, including, without limitation, all fuel and oil storage tanks and components thereto, all fuel and oil lines and associated distribution systems, pumps, nozzles and outlets, all fuel monitoring and alarm systems, and remediation improvements, whether above or below ground.
- 2.1.29. **"Fuel Flowage Fees"** has the meaning set forth in paragraph 5.6.
- 2.1.30. **"Gross Non-Fuel Revenues"** has the meaning set forth in paragraph 5.3.2.

- 2.1.31. **“Hazardous Materials”** shall mean any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive or corrosive, including, without limitation, petroleum, PCBs, asbestos, materials known to cause cancer or reproductive problems and those materials, substances and/or wastes, including infectious waste, medical waste, and potentially infectious biomedical waste, which are or later become regulated by any local governmental authority, the State of Florida or the United States Government, including, but not limited to, substances defined as “hazardous substances,” “hazardous materials,” “toxic substances” or “hazardous wastes” in any Environmental Law.
- 2.1.32. **“Lease Year”** means a twelve (12) month period, with the first Lease Year commencing on the Commencement Date, and subsequent Lease Years commencing on each anniversary of the Commencement Date.
- 2.1.33. **“Maintenance”** or **“Repairs and Maintenance”** (or similar terms, and regardless of the tense of such phrase or whether the phrase is capitalized) when used in connection with maintenance, or repairs and maintenance, of the Premises, a portion thereof, or any improvements, fixtures or equipment thereon, means the maintenance, repair or replacement of the specified item in good condition and working order, including, without limitation, ordinary or routine maintenance, repairs or replacement, extraordinary maintenance, repairs or replacement, and repair, maintenance or replacement of capital or structural items; the phrase also includes any rebuilding of the item being repaired, maintained or replaced as necessary to accomplish the foregoing except as such rebuilding is expressly governed by Article 14.
- 2.1.34. **“Maintenance Records”** has the meaning set forth in paragraph 10.3.6.
- 2.1.35. **“Minimum Standards”** means the Minimum Standards for Commercial Aeronautical Activities at Ocala International Airport as revised July 2012, as now or hereafter amended and any successor general aviation minimum standards adopted for the Airport, which is hereby incorporated herein by this reference. When any provision of this Lease refers to a specific provision (e.g., a Section) of the current Minimum Standards, and, by virtue of a subsequent amendment to the Minimum Standards, such reference is no longer accurate, the reference shall be deemed to refer to the provision in the amended Minimum Standards that deals with the subject of the current Minimum Standards. Notwithstanding the foregoing, however, no modification of the Minimum Standards shall serve to amend the Term, Base Rent, Percentage Rent or the categories of Permitted Uses.
- 2.1.36. **“Monthly Report”** means the documentation to be provided by Tenant pursuant to paragraph 6.2.
- 2.1.37. **“New Terminal”** means the terminal to be constructed at the Airport pursuant to paragraph 8.1.
- 2.1.38. **“New Terminal Rent”** means additional Base Rent to be paid by Tenant to Landlord for rental of the New Terminal Space.

- 2.1.39. **"New Terminal Space"** shall mean the portion of the New Terminal that will be included within the Premises pursuant to paragraph 8.1.2.2.a) (excluding common areas within the New Terminal).
- 2.1.40. **"Percentage Rent"** means the Rent charged by Landlord to Tenant pursuant to paragraph 5.3.
- 2.1.41. **"Permitted Uses"** the Required Services and other uses of, and services provided on, the Premises as required or permitted by paragraph 4.2.
- 2.1.42. **"Person"** includes any individual, partnership, joint venture, association, corporation, limited liability company, trust or other entity.
- 2.1.43. **"Premises"** means:
- 2.1.43.1. The real property, together with all buildings and improvements constructed thereon, subject to easements, rights-of-way and any other encumbrances of record, as more particularly described in the survey attached hereto as **Exhibit A**. The legal descriptions so identified and incorporated in **Exhibit A** are hereby accepted by the Parties as the true and accurate descriptions of the Premises. The Premises are subject to expansion if this Lease is amended to include the RFR Parcel or the New Terminal Space, or to reduction pursuant to paragraph 8.1.1.2.b); and
- 2.1.43.2. All of Landlord's equipment and fixtures currently located on the real property referred to in paragraph 2.1.43.1.
- 2.1.44. **"Prior Environmental Assessments"** means those certain the Phase I and Limited Phase II Environmental assessments dated November 19, 2014, and January 14, 2015 respectively.
- 2.1.45. **"Public Airport Facilities"** means the interior access roadways, paved vehicular parking areas, pedestrian access areas including sidewalks, airfield facilities (including, without limitation, taxiways, taxi lanes and runways) and other facilities appurtenant to the Airport currently existing or hereafter constructed that are not exclusively leased to, licensed to or otherwise under the exclusive contractual control of Tenant or third parties.
- 2.1.46. **"Rent"** means Base Rent or Percentage Rent.
- 2.1.47. **"Required Services"** has the meaning set forth in paragraph 4.2.1.
- 2.1.48. **"RFR Notice"** has the meaning set forth in paragraph 4.10.3.
- 2.1.49. **"RFR Parcel"** has the meaning set forth in paragraph 4.10.1.
- 2.1.50. **"RFR Period"** has the meaning set forth in paragraph 4.10.1.
- 2.1.51. **"Right of First Refusal"** has the meaning set forth in paragraph 4.10.1.

- 2.1.52. **"Security Deposit"** has the meaning set forth in paragraph 5.5.
- 2.1.53. **"Tenant Customer Charges"** means any amounts, rentals, fees or other charges imposed by Tenant for the lease, license, use or occupancy of the Premises, or any portion thereof, including, without limitation, for the use of aircraft tie-downs, use of transient apron areas, and the lease of buildings, improvements or ground areas as set forth herein.
- 2.1.54. **"Tenant Improvements"** means all buildings, structures, pavements, facilities, and other improvements, above and below ground, constructed by Tenant upon the Premises during the Term.
- 2.1.55. **"Tenant Parties"** means Tenant or its subtenants, contractors, employees, officers, licensees, agents or invitees.
- 2.1.56. **"Term"** means the term of this Lease as provided in paragraph 3.1.
- 2.1.57. **"TSA"** means the Transportation Security Administration or any successor agency responsible for Airport security.
- 2.2. **Additional Definitions and Rules of Construction.** The definitions in this Lease shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine and neuter forms. The term **"person"** includes individuals, partnerships, corporations, limited liability companies, trusts, and other entities and associations. The words **"include," "includes,"** and **"including"** shall be deemed to be followed by the phrase **"without limitation."** The words **"herein," "hereof," "hereunder,"** and similar terms shall refer to this Lease, unless the context otherwise requires. The use of verb to describe the act of performing a defined noun shall be interpreted in light of the definition of the noun; for example, to **"maintain"** a building means to perform maintenance on the building as **"maintenance"** is described in paragraph 2.1.33 and the **"maintaining"** of a building means the performing of such **"maintenance."**

Article 3. TERM AND INSPECTION RIGHTS

- 3.1. **Term.**
- 3.1.1. The term (**"Term"**) of this Lease shall commence at 12:01 am on June 1, 2015 (the **"Commencement Date"**).
- 3.1.2. The Term of this Lease shall expire at 5:00 pm EST on May 31, 2045.
- 3.2. **Title Insurance.** Tenant shall have the right to obtain a title insurance commitment for the issuance of a leasehold title policy, agreeing to issue to Tenant a title insurance policy in such amount as deemed appropriate by Tenant. The cost of the title insurance commitment and title insurance policy and any premium shall be borne by Tenant. Landlord may, but shall have no obligation, to cure any existing title defects, or to execute any instruments in connection with such title insurance.
- 3.3. **Survey.** Tenant has obtained a current survey of the Premises which is attached hereto as **Exhibit A.** The survey has been accepted by Landlord and was prepared in accordance

with the minimum technical standards for surveys within the State of Florida. The legal descriptions attached and incorporated as part of **Exhibit A** are hereby accepted as the legal description(s) of the Premises for all purposes related to this Lease.

3.4. **Inspections.**

3.4.1. Tenant has conducted the Prior Environmental Site Assessments of the Premises, and has had an adequate opportunity as determined by Tenant in its sole discretion to fully inspect the Premises (collectively the “Inspection”) prior to execution of this Lease. All Inspections performed hereunder have been conducted at Tenant’s sole cost and expense and performed by licensed persons or firms dealing in the respective areas or matters. Tenant has provided Landlord with one (1) complete copy of all Inspection reports and materials obtained by Tenant, including without limitation the Prior Environmental Assessments.

3.4.2. The Parties acknowledge and agree that the Prior Environmental Assessments have revealed the presence of Hazardous Materials on the Premises as set forth in the Prior Environmental Site Assessments (“Environmental Condition”) and specifically, and without limitation, as related to the Prior Fuel Farm. Tenant accepts the Premises notwithstanding such Environmental Condition but is specifically disclaiming however any and all liability and/or responsibility of any kind or nature for any Environmental Condition which pre-dates the Commencement Date.

Article 4. PREMISES AND PRIVILEGES

4.1. **Description of Premises.** Landlord hereby demises and leases to Tenant, and Tenant leases from Landlord, the Premises subject to the terms, conditions and covenants as set forth herein.

4.2. **Permitted Uses and Required Services.** The rights granted hereunder are expressly limited to the improvement, construction, maintenance and operation of the Premises pursuant to the terms of this Lease.

4.2.1. **Required Services.**

4.2.1.1. Tenant shall meet all standards required of an “FBO” under the Minimum Standards, shall provide the Core Services as set forth in Section 5.2.A of the Minimum Standards, and shall comply with the “Other Service Requirements” of Section 5.2.B of the Minimum Standards.

4.2.1.2. **Third Party Providers.**

a). Tenant, in Tenant’s sole discretion, may provide certain of the Required Services by third parties, subject to the following:

(1). Each third party shall comply with all standards for, and requirements to be, an “Operator,” as defined in the Minimum Standards including, without limitation, those set forth in Sections 3 and 4 of the Minimum Standards.

(2). As set forth in the Minimum Standards, Tenant shall be required to provide the Core Services, and therefore they may not be provided by third parties (with the only exception of aircraft recovery); Landlord is in the process of amending its Minimum Standards to permit aircraft recovery to be provided by third parties.

(3). To the extent that Required Services are provided, through a third party, Tenant shall be given a commercially reasonable time allowance, not to exceed forty-five (45) days, in the event that any such third party provider is replaced or substituted by Tenant unexpectedly. Any gaps in the providing of such services occasioned by such situations shall not constitute a default under this Lease so long as Tenant immediately notifies Landlord in writing of the situation and is using commercially reasonable efforts to rectify same. Tenant shall be provided with no further notice or opportunity to cure a failure to provide Required Services by a third party provider in the event of gap as set forth herein, and thus any provisions of paragraph 16.2 requiring such notice and opportunity to cure shall not apply in such event.

b). In the event that Tenant desires to sublease a portion of the Premises to a third party provider, the provisions of paragraph 17.2 shall apply.

4.2.2. Optional Services. Tenant shall have the right to provide the following services ("Optional Services") and products in addition to the Required Services:

4.2.2.1. The CAOs listed in the table set forth under Section 5.2.B.b of the Minimum Standards.

4.2.2.2. Any other aeronautical activity which Landlord deems to be consistent with rights, privileges and responsibilities granted to Tenant, which Tenant desires to perform, including without limitation load planning, water and lavatory services, aircraft marshalling, pushback, ground power provision, cabin cleaning, de-icing, aircraft heating and air conditioning services, maintenance of ground support equipment and transportation services for crews to and from the Airport and between terminals.

4.3. Prohibited Uses, Products and Services. Tenant agrees that the Premises shall be utilized solely for the uses permitted herein, or as otherwise approved by Landlord in writing, and for no other purpose whatsoever. Without limiting the foregoing:

4.3.1. Tenant may not utilize the Premises for, or engage in, the uses prohibited under the Minimum Standards including pursuant to Section 5.2.C thereof.

- 4.3.2. Tenant shall not provide any products or services that are not specifically authorized by this Lease or otherwise approved by Landlord in writing.
- 4.4. **Description of General Privileges, Uses and Rights.** In addition to the specific privileges, uses and rights granted in paragraph 4.2 above, Landlord hereby grants to Tenant the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions, and covenants set forth herein and all of which shall be non-exclusive on the Airport:
- 4.4.1. The general use, in common with others, of all Public Airport Facilities to be used by Tenant, its agents and employees, patrons and invitees, suppliers of service, furnishers of material, and its authorized subtenants, if any, in connection with its operations hereunder.
- 4.4.2. The right of ingress to and egress from the Premises over and across public roadways serving the Airport for Tenant, its agents and employees, patrons and invitees, suppliers of service and furnishers of material, and its authorized subtenants, if any. The right of ingress to and egress from shall be subject to such laws, rules, regulations and orders as now or may hereafter have application at the Airport.
- 4.4.3. Except as expressly set forth in this paragraph 4.4, nothing in this Lease shall be construed to grant to Tenant the right to use or occupy any space or area improved or unimproved on the Airport other than the Premises.
- 4.5. **Airport Entry.** To the extent Tenant is required to purchase in advance and/or otherwise act as an intermediary between subtenants, Airport invitees and/or other third parties and Landlord as related to any access cards, keys or other security measures related to the use of the Airport Entry, then in that event, Tenant shall be permitted to charge reasonable fees for the issuance and replacement of any access cards, keys or other security measures related to use of the Airport Entry.
- 4.6. **Compliance with Minimum Standards.** Tenant agrees to comply with the requirements set forth in the Minimum Standards applicable to Tenant's operations at the Airport. In the event of a conflict between this Lease and the Minimum Standards, Tenant acknowledges and agrees that the more stringent requirement shall apply to Tenant's operations hereunder, as determined by Landlord.
- 4.7. **Condition and Use of the Premises.** Except as expressly set forth in this Lease, Landlord is not making and specifically disclaims any warranties or representations of any kind or character, express or implied, with respect to the Premises, including, but not limited to, zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, operating history or projections, valuation, governmental approvals, governmental regulations, or any other matter or thing relating to or affecting the Premises including, without limitation, the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Premises. Tenant agrees that with respect to the Premises, Tenant has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Landlord or any agent of Landlord. Tenant represents that it is relying solely on its own expertise and that of Tenant's consultants, and that Tenant has conducted such inspections (including the Inspection referred to in paragraph 3.4.1) and investigations of

the Premises, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same, and, shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, which may not have been revealed by Tenant's inspections and investigations. TENANT ACKNOWLEDGES AND AGREES THAT TENANT HAS ACCEPTED THE PREMISES "AS IS, WHERE IS," WITH ALL FAULTS, AND WITH NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS (EXCEPT AS SPECIFICALLY PROVIDED HEREIN) COLLATERAL TO OR AFFECTING THE PREMISES BY LANDLORD, ANY AGENT OF LANDLORD OR ANY THIRD PARTY ACTING FOR OR ON BEHALF OF LANDLORD. Landlord is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Premises furnished by any real estate broker, agent, employee, servant, or other person, unless the same are specifically set forth or referred to in this Lease. Moreover, Tenant's execution of this Lease shall be deemed to constitute an express waiver by Tenant or its successors and assigns of any right to sue Landlord and of Tenant's right to cause Landlord to be joined in an action brought under any Environmental Law. Notwithstanding the foregoing, however, nothing herein shall serve to limit, expand or modify the respective responsibilities of the Parties as to the Environmental Conditions and/or Environmental Laws as otherwise set forth in this Lease.

- 4.8. **Transition.** The parties shall coordinate the transition of the Premises from the current fixed base operator under the prior leasehold to Tenant in an effort to minimize disruption to the operations of current tenants of the Airport. Tenant acknowledges that the buildings and improvements located upon the Premises are currently occupied in some instances by subtenants, and that the subtenants have been offered an opportunity to continue to lease the buildings and improvements that they currently occupy.

4.9. **Tenant Customer Charges.**

- 4.9.1. Tenant shall establish, maintain and charge fair, reasonable and non-discriminatory Tenant Customer Charges for the lease, license, use or occupancy of the Premises, or any portion thereof, consistent with the requirements of this paragraph 4.9.

4.9.2. Upon request by Landlord:

- 4.9.2.1. Tenant shall provide to Landlord a statement that the current schedule of the Tenant Customer Charges complies with the requirements of this Lease; and
- 4.9.2.2. Tenant shall establish, to Landlord's reasonable satisfaction, that the Tenant Customer Charges comply with the provisions of paragraph 4.9.1 and the other requirements of this Lease by, without limitation, providing Landlord with reasonable access to review, on the Premises, Tenant's books and records concerning the Tenant Customer Charges.

4.10. **Right of First Refusal.**

- 4.10.1. Landlord hereby grants to Tenant the right ("Right of First Refusal") to lease the real property identified in the attached Exhibit B (the "RFR Parcel") during the time period (the "RFR Period") commencing upon the Commencement Date, and ending upon the earlier of the following: (a) the termination of this Lease; or (b) five (5) years from the Commencement Date.
- 4.10.2. Before entering into any lease (a "Third Party Lease") with a third party for the RFR Parcel, or any portion thereof, Landlord shall deliver to Tenant a copy of such Third Party Lease. Notwithstanding the foregoing, Landlord shall not be required to deliver to Tenant a copy of such Third Party Lease, and the provisions of this paragraph 4.10 shall not apply, if, Tenant is in default under this Lease (and for which Landlord has provided written notice of same to Tenant as required under the Lease) on the first date that Landlord would otherwise deliver to Tenant a copy of the Third Party Lease under this paragraph 4.10.2.
- 4.10.3. Within thirty (30) days after Landlord provides the Third Party Lease to Tenant, Tenant shall provide notice (the "RFR Notice") to Landlord as to whether Tenant desires to lease the RFR Parcel for the amount of rent set forth in the Third Party Lease. Nothing provided for herein shall preclude the Landlord and Tenant from modifying such provisions of the Third Party Lease by mutual agreement.
- 4.10.4. If Tenant elects to lease the RFR Parcel pursuant to the Third Party Lease, Landlord and Tenant shall enter into an amendment (the "RFR Amendment") to this Lease:
- 4.10.4.1. Adding the RFR Parcel to the Premises;
- 4.10.4.2. Providing the Base Rent shall include the rent to be paid under the Third Party Lease or as may have been modified by Landlord and Tenant pursuant to paragraph 4.10.3.
- 4.10.4.3. Containing such other terms and conditions as are acceptable to Landlord and Tenant in their sole discretion.
- 4.10.5. If Tenant does not provide the RFR Notice as and when required by paragraph, 4.10.3, Landlord shall be free to enter into the Third Party Lease within ninety (90) days after the expiration of the time period set forth in paragraph 4.10.4. If Landlord does not do so, Landlord may not lease the RFR Parcel, or portion thereof subject to the Third Party Lease, without again providing Tenant with the opportunity to exercise its Right of First Refusal pursuant to this paragraph 4.10. If Landlord enters into the Third Party Lease within the foregoing time period, Tenant shall nonetheless have the Right of First Refusal as to any portion of the RFR Parcel not leased pursuant to the Third Party Lease.
- 4.10.6. To the extent that any portion of the RFR Parcel is leased to a third party in accordance with this paragraph 4.10, Tenant's Right of First Refusal shall terminate as to such portion (and shall not apply as to any subsequent Third Party Lease of such portion).
- 4.10.7. In the event that Landlord enters into a RFR Amendment with Tenant, Landlord shall reserve the right for the benefit of Landlord, its successors and assigns, a

fifty (50') feet wide by three hundred ninety two (392') feet long taxi lane easement on the RFR Parcel (hereinafter referred to as "Easement") in the area labeled and identified as such in Exhibit B.

Article 5. RENTAL, FEES, CHARGES AND SECURITY DEPOSIT

- 5.1. **Rent.** Tenant shall pay the following Rent to Landlord:
 - 5.1.1. Base Rent pursuant to paragraph 5.2.
 - 5.1.2. Percentage Rent pursuant to paragraph 5.3.
- 5.2. **Base Rent.** Tenant shall pay to Landlord Base Rent (including, if applicable, New Terminal Rent), as follows.
 - 5.2.1. Base Rent shall be charged at the following annual rates for the Premises, during the following Lease Years.
 - 5.2.1.1. During the first and second Lease Years - \$97,000.00.
 - 5.2.1.2. During the third Lease Year - \$122,000.00.
 - 5.2.1.3. During the fourth Lease Year - \$147,000.00.
 - 5.2.1.4. During the fifth Lease year - \$174,400.00.
 - 5.2.1.5. During the sixth Lease Year, and each Lease Year thereafter - \$174,400, subject to the adjustment set forth in paragraph 5.4.
 - 5.2.2. In the event that:
 - 5.2.2.1. RFR Parcel is added to the Premises pursuant to paragraph 4.10.4.1, the amount of Base Rent set forth in paragraph 5.2.1 shall increase by the amount of the Base Rent for the RFR Parcel as set forth in the RFR Amendment.
 - 5.2.2.2. The New Terminal Space is added to the Premises pursuant to paragraph 8.1.2.2.a), the amount of Base Rent set forth in paragraph 5.2.1 shall increase by the amount of the New Terminal Rent.
 - 5.2.3. The Base Rent (excluding the CAM Fees included in the New Terminal Rent), shall be adjusted pursuant to paragraph 5.4.
 - 5.2.4. Base Rent shall be paid in monthly installments, each (except for the CAM Fees included in the New Terminal Rent (which shall be paid in monthly installments pursuant to paragraph 8.1.4.3)) in one-twelfth (1/12) of the amount of the then-applicable Base Rent. The first Base Rent payment shall be made on the Commencement Date (pro-rated for a partial month based on the total number of days in the applicable month), and subsequent payments shall be paid on the first (1st) day of each and every month thereafter without demand, deduction, holdback or setoff.

5.3. **Percentage Rent.** Tenant shall pay to Landlord Percentage Rent as follows:

- 5.3.1. Percentage Rent shall be the amount of five percent (5.00%) multiplied by the amount by which Gross Non-Fuel Revenues received by Tenant from its operations at the Airport exceed the amount of \$950,000.00 during a particular Lease Year.
- 5.3.2. As set forth in this Lease, "Gross Non-Fuel Revenues" means all revenues, amounts, rentals, fees and charges paid to Tenant, regardless of where, how (cash, credit, barter or otherwise) or by whom payment is made from any revenue source, including, without limitation, amounts paid to Tenant for the lease, license, use or occupancy of office, hangar or maintenance facilities, or fees for use of aircraft tie-downs located within the Premises. If any of the foregoing are received in any form other than cash or its equivalent, the fair market value thereof shall be included in Gross Non-Fuel Revenue.
 - 5.3.2.1. Unless expressly and specifically excluded from Gross Non-Fuel Revenues, all revenues derived from, arising out of the lease, license, use or occupancy of the Airport (including outside of the Premises), or any portion thereof, whether directly or indirectly, shall be included in Gross Non-Fuel Revenues.
 - 5.3.2.2. Gross Non-Fuel Revenues shall not include the amount of any sales taxes or other similar taxes, Fuel Flowage Fees, airport fees or any fee or tax now or hereafter levied or imposed, which are separately stated and collected from customers, licensees or subtenants and directly paid out by Tenant to the applicable governmental entity.
 - 5.3.2.3. Gross Non-Fuel Revenue shall exclude any revenue derived from aviation fuel sales.
 - 5.3.2.4. Gross Non-Fuel Revenues shall only include funds actually received by Tenant and shall not include any amounts which are owed, but not yet collected, nor for any dishonored checks or other reversed payments.
- 5.3.3. Percentage Rent shall be paid in estimated monthly payments each of which shall be paid by the fifteen (15) day of each month, commencing with the second month after the Commencement Date, and continuing for one (1) month after the expiration of the Term. For purposes of calculating each estimated monthly payment, the Percentage Rent shall be the amount of five percent (5.00%) multiplied by the Gross Non-Fuel Revenues (calculated based on the preceding month's Monthly Report) received by Tenant from its operations at the Airport that exceed the sum of \$79,167.00 (one-twelfth of \$950,000.00).
- 5.3.4. No later than February 1 of the subsequent Lease Year, the Percentage Rent shall be adjusted between Landlord and Tenant based upon the Annual Report for such Lease Year. Within thirty (30) days, Tenant shall pay to Landlord any amount by which the Percentage Rent paid in monthly installments was less than the Percentage Rent due when calculated on an annual basis for such Lease Year, and Landlord shall, in Landlord's discretion, either pay to Tenant, or provide to

Tenant against future Rent due from Tenant, any amount by which the monthly payments of Percentage Rent exceeded the amount due for such Lease Year.

- 5.4. **CPI Adjustment.** The Base Rent (including any applicable New Terminal Rent, but excluding any CAM Fees paid by Tenant as part of the New Terminal Rent) shall be adjusted as set forth on the CPI Rider, a copy being attached as **Exhibit E**; for purposes of this paragraph 5.4 and the attached CPI Rider only, "Base Rent" shall exclude any such CAM Fees.
- 5.5. **Security Deposit.** Prior to the Effective Date of this lease, Tenant shall post a security deposit with Landlord equal to fifty percent (50%) of the Base Rent as set forth in paragraph 5.2.1.4 (the "**Security Deposit**"). On each anniversary of the Commencement Date, Tenant shall increase the Security Deposit so that, at all times, it is equal to fifty percent (50%) of the Base Rent in effect as of such anniversary (including as Base Rent may be increased pursuant to paragraph 5.2.2 and adjusted pursuant to paragraph 5.4), except that in no event, shall the Security Deposit be less than fifty percent (50%) of the Base Rent set forth in paragraph 5.2.1.4. The Security Deposit shall serve as security for the payment of all sums due to Landlord and shall also secure the performance of all other obligations of Tenant to Landlord. The Security Deposit shall be either in the form of cash, and/or a clean, Irrevocable Letter of Credit ("**Letter of Credit**") or a Surety Bond ("**Bond**") in form and substance satisfactory to Landlord. In the event of any failure by Tenant to pay any Rent or other charges when due, or upon any other failure to perform any of its obligations or other default under this Lease, then in addition to any other rights and remedies available to Landlord at law or in equity, Landlord shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, Tenant shall immediately replace and/or replenish the Security Deposit in the full amount of the Security Deposit required hereunder. The Security Deposit shall be kept in full force and effect throughout the Term of this Lease and for a period of six (6) months after the expiration or earlier termination of this Lease. Not less than forty-five (45) days prior to any expiration date of a Letter of Credit or Bond, Tenant shall submit evidence in form satisfactory to Landlord that such security instrument has been renewed. Failure to renew a Letter of Credit or Bond or to increase the amount of the Security Deposit as required by this paragraph within twenty (20) days after written notice from Landlord, shall: (a) entitle Landlord to draw down the full amount of such Security Deposit (and Landlord shall not be required to provide prior notice or opportunity to cure pursuant to paragraph 16.2.3 before pursuing such remedy), and (b) constitute immediate default of this Lease entitling Landlord to all available remedies. The Security Deposit shall not be returned to Tenant until all obligations under this Lease are performed and satisfied. Prior to consent from Landlord to any assignment of this Lease by Tenant, Tenant's assignee shall be required to provide a Security Deposit to Landlord in accordance with the terms and conditions of this paragraph.
- 5.6. **Fuel Flowage Fees.** In addition to any other rental, fees or charges payable hereunder, including, without limitation, the Base Rent, and Percentage Rent, Tenant, on behalf of Landlord, shall also collect Fuel Flowage Fees, at the then current rate established by Landlord, for each gallon of aviation fuel sold or disbursed by or through Tenant at the Airport (hereinafter collectively referred to as the "**Fuel Flowage Fees**"), except that, unless otherwise advised in writing in advance by Landlord, Fuel Flowage Fees shall not be collected for United States government military aircraft, local, state or federal law enforcement, or State of Florida aviation departments (such as Florida Division of Forestry). Fuel Flowage Fees shall also be paid by Tenant to Landlord for aircraft owned

or operated by Tenant. Fuel Flowage Fees shall be paid to Landlord on a monthly basis on or before the fifteenth (15th) day of each and every month for the preceding month with the Monthly Report, without demand, deduction, holdback or setoff. Tenant acknowledges and agrees that Landlord may adjust Fuel Flowage Fees from time to time, which adjustments may include, but shall not be limited to, adjustments to the rates, method of collection or basis for calculation. Tenant shall collect adjusted Fuel Flowage Fees in accordance with the requirements established by Landlord. The parties acknowledge that at the time of execution of the Lease, Fuel Flowage Fees are \$0.065 per gallon.

- 5.7. **Fees and Charges.** Nothing contained in this Lease shall preclude Landlord from establishing other reasonable and non-discriminatory fees and charges applicable to aircraft operating at the Airport, including aircraft owned or operated by Tenant, chargeable to all users of the Airport. Tenant expressly agrees to collect such fees and charges as if they were specifically included in this Lease.
- 5.8. **Place of Payment.** Any payment due hereunder for any other fractional month shall be calculated and paid on a per diem basis. All sums due hereunder shall be delivered to City of Ocala, Attn: Accounts Payable, 110 SE Watula Ave, Ocala, Florida 34471, or at such other address as may be directed by Landlord from time to time.
- 5.9. **Late Payments - Interest.** Tenant shall pay to Landlord interest at the rate of one and one-half percent (1.5%) per month, on any late payments commencing ten (10) days after the amounts are due.
- 5.10. **Sales and Use Tax.** Tenant hereby covenants and agrees to pay monthly to Landlord, any sales, use or other tax, or any imposition in lieu thereof (excluding State and/or Federal Income Tax) now or hereinafter imposed upon the rents, use or occupancy of the Premises imposed by the United States of America, the State of Florida or Landlord, notwithstanding the fact that the statute, ordinance or enactment imposing the same may endeavor to impose the tax upon Landlord as Landlord, to the extent as applicable.
- 5.11. **Licenses, Fees, and Taxes.** On or before their respective due dates, Tenant shall pay all applicable federal, state and local taxes, fees and special assessments levied upon Tenant, the Premises, the estate hereby granted, the business conducted on the Premises, any property used in connection with Tenant's business, and any rentals or other sums payable hereunder. Tenant shall have the right but not the obligation to lawfully contest the amount or imposition of any or all such payments, including without limitation any ad valorem taxes, by placing the original amount due in escrow prior to contesting the tax. Landlord shall fully co-operate with any and all such valuation or liability appeals conducted by Tenant.
- 5.12. **Accord and Satisfaction.** In the event Tenant pays any amount that is less than the amount stipulated to be paid under this Lease, such payment shall be considered to be made only on account of the stipulated amount. No endorsement or statement on any check or letter shall be deemed an accord and satisfaction. Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance due or to pursue any other remedy available to Landlord pursuant to this Lease or under the law.
- 5.13. **Additional Rent Payments.** In addition to the Base Rent and Percentage Rent, all other payments that Tenant is obligated to make under this Lease including, without limitation,

under all provisions of this Article 5 (other than paragraphs 5.1 through 5.3) are considered additional Rent ("Additional Rent"), and unless explicitly stated otherwise, regardless of whether the payments are so designated. All additional payments are due and payable fifteen (15) days after the time Landlord demands payment or at the time the next succeeding Base Rent installment is due, whichever occurs later. Landlord shall have the same remedies for Tenant's failure to pay Additional Rent as it does for Tenant's failure to pay Rent. All further references to "Rent" shall include both Rent and Additional Rent. The provisions of this paragraph shall apply only concerning remedies, and not concerning Rent upon which sales and use taxes are to be calculated or paid.

5.14. **Ad Valorem Taxes and Assessments.**

5.14.1. If assessed, Tenant shall pay all ad valorem and real property taxes levied or assessed by any lawful authority against the Premises. In the event any governmental authority having jurisdiction shall levy any general or special assessment against the Premises, Tenant shall also pay to Landlord such assessment. Landlord shall have the option to take the benefit of any statute or ordinance permitting any such assessment for public betterments or improvements to be paid over a period of time in which case Tenant shall be obligated to pay only the such fraction of the installments of any such assessments which shall become due and payable during the term of this lease.

5.14.2. Landlord may, at its sole discretion, estimate the taxes and assessments referred to in this paragraph 5.14 and require Tenant to pay one-twelfth (1/12) thereof monthly in advance, together with the payment of fixed minimum annual rent. After the end of each Lease year, Landlord shall furnish Tenant a statement of the actual taxes and assessments, and there shall be an adjustment between Landlord and Tenant with payment to or repayment by Landlord, as the case may require, to the end that Landlord shall receive the entire amount of Tenant's proportionate share for such annual period.

5.14.3. The taxes and assessments for the first Lease Year shall not be prorated but the taxes and assessments for the final Lease Year shall be prorated. Tenant shall pay, with its final installment of Base Rent, the estimated amount of prorated taxes and assessments for the final Lease Year, subject to adjustment when the taxes and assessments for such Lease Year are actually known.

5.15. **Amounts Advanced by Landlord.** Any amount advanced by Landlord pursuant to the terms and provisions of this Lease shall be repaid to Landlord by Tenant by the first of the calendar month following the date of such advance unless otherwise specifically provided in this Lease.

5.16. **Triple Net Lease.** Except as expressly set forth in this Lease (e.g., in paragraphs 8.1.2.2.c)(1), 10.2.3 and 10.3.9 as to Landlord's responsibilities for maintenance), this is a triple net lease, and Tenant shall pay all real estate taxes, building insurance, and maintenance on the Premises as set forth in greater detail herein.

Article 6. COLLECTION OF FEES/REPORTING

6.1. **Collection of Fees.** Tenant shall log the arrival and departure of transient aircraft using the FBO Premises; direct such aircraft to parking or service areas; and collect, on behalf

of Landlord, any landing fees and charges applicable to the operation of transient aircraft at the Airport, which arrive at the FBO and remit the amount that was collected, or should have been collected, less any percent retainage, if any, as may be authorized and approved by Landlord. The fees and charges set forth in this paragraph shall not be collected from United States government military aircraft, unless Tenant is otherwise advised in writing by Landlord.

6.2. Monthly Report.

6.2.1. On or before the fifteenth (15th) day of each month, Tenant shall deliver to Landlord an accurate written accounting statement (the “Monthly Report”) to Landlord, in a form and detail satisfactory to Landlord, which includes the following information or documentation for the preceding calendar month:

6.2.1.1. A schedule detailing the Gross Non-Fuel Revenues which shall also detail any exclusions from Gross Non-Fuel Revenues by, without limitation, providing the basis for the exclusion.

6.2.1.2. A schedule detailing the payments to Landlord during the preceding month, and the category of each payment.

6.2.1.3. A schedule detailing: the total number of gallons of fuel sold by fuel type; the total number of gallons of fuel disbursed; and the total number of gallons of exempt fuel disbursed, together with a description of each exemption and allocation of gallons of exempt fuel allocated to each exemption.

6.2.1.4. Bills of lading and invoices for fuel delivered to the Airport at the request of Tenant.

6.2.1.5. A schedule of contracts with third party providers of Required Services or Optional Services entered into during the preceding month.

6.2.1.6. Copies of any subleases with subtenants enter into during the preceding month.

6.2.1.7. Such other information as Landlord may reasonably require to confirm Tenant’s payment of all amounts owed to Landlord and compliance with all other obligations under this Lease.

6.2.2. The Monthly Report shall be certified by an authorized representative of Tenant. Landlord may require the Monthly Report to be delivered electronically.

6.3. Annual Report.

6.3.1. Within ninety (90) days after the end of each Lease Year, Tenant shall provide Landlord with an annual report covering the preceding Lease Year (the “Annual Report”). The Annual Report shall be in a form reasonably satisfactory to Landlord and shall be certified by a Certified Public Accountant, which certification shall be satisfactory to Landlord in its reasonable discretion.

- 6.3.2. The Annual Report shall include the following information and documentation:
- 6.3.2.1. All information and documentation required to be set forth in each Monthly Report pursuant to paragraph 6.2.1, except based upon information for the preceding Lease Year, with such information broken down for each calendar month during such Lease Year.
 - 6.3.2.2. If the information or documentation in the Annual Report differs from the corresponding information in the monthly Report (e.g., if the total Gross Non-Fuel Revenues for the preceding Lease Year are more or less than the total of the Gross Non-Fuel Revenues based upon the Monthly Reports for the preceding Lease Year), an explanation of such discrepancy.
- 6.3.3. If the Annual Report indicates that the amount (together with any sales taxes thereon) due and owing for the Lease Year is greater than the amount paid by Tenant to Landlord during such Lease Year, Tenant shall pay the difference to Landlord with the Annual Report. If the amount paid by Tenant to Landlord during the Lease Year exceeds the amount due and owing for such Lease Year, Landlord shall credit the overpayment in the following order: (a) against any past due amounts owed to Landlord by Tenant, including interest and late fees; (b) against currently outstanding, but not yet due, rental payments owed to Landlord by Tenant; and (c) against any other sums payable by Tenant to Landlord. Notwithstanding the foregoing, in the event of an overpayment by Tenant during the final Lease Year, Landlord shall credit the overpayment against any remaining amounts owed to Landlord, including interest and late fees, and refund to Tenant any overpayment amount in excess of the credit less the anticipated amount owed by Tenant under paragraph 5.14.3. The obligations arising under this paragraph shall survive the expiration or earlier termination of this Lease until satisfied.
- 6.4. **Accounting Records.** Tenant shall keep all books of accounts and records customarily used in this type of operation, and as from time to time may be required by Landlord. Such books shall contain sufficient information to permit Landlord to confirm: (a) the matters set forth in Monthly Reports and Annual Reports provided by Tenant hereunder and shall, to the extent necessary to accomplish the foregoing, separately segregate Tenant's operations, income and expenses for the Premises from Tenant's other operations located other than on the Premises; and (b) Tenant's compliance with its other obligations under this Lease. Such books of accounts and records shall be retained and be available for three (3) years from the end of each Lease Year, including three (3) years following the expiration or earlier termination of this Lease. Landlord shall have the right to audit and examine during normal business hours all such books of accounts and records relating to Tenant's operations hereunder. If the books of accounts and records are kept at locations other than the Airport, Tenant shall, at its sole cost and expense, arrange for them to be brought to a location convenient to the auditors for Landlord in order for Landlord to conduct the audits and inspections as set forth in this paragraph. The obligations arising under this paragraph shall survive the expiration or termination of this Lease until satisfied.
- 6.5. **Audit by Landlord.** Landlord or its representative(s) may at any time perform audits of all or selected operations performed by Tenant under the terms of this Lease including

those set forth in Monthly Reports and Annual Reports. In order to facilitate the audit performed by Landlord, Tenant agrees to make suitable arrangements within ten (10) business days with the Certified Public Accountant, who is responsible for preparing the Annual Report on behalf of Tenant pursuant to paragraph 6.3, to make available to Landlord's representative(s) any and all working papers relevant to the report prepared by the Certified Public Accountant. Landlord or its representative(s) shall make available to Tenant a copy of the audit prepared by or on behalf of Landlord. Tenant shall have thirty (30) days from receipt of the audit report from Landlord or its representative(s) to provide a written response to Landlord regarding the audit report. Tenant agrees that failure of Tenant to submit a written response to the audit report in accordance with the requirements of this paragraph shall constitute acceptance of the audit report as issued. In the event that, as a result of the audit report, Tenant is obligated to pay to Landlord an amount in excess of three percent (3%) of the amount actually paid by Tenant during the time period covered by the audit report, Tenant shall reimburse Landlord for all costs and expenses associated with the audit.

- 6.6. **No Confidentiality.** Tenant acknowledges that Landlord is subject to the Florida Public Records Act (Chapter 119, Florida Statutes) and that, in such capacity, may not be able to retain any information it obtains from or concerning Tenant's operation in confidence, and may, in fact, be required to disclose such information.

Article 7. SERVICE STANDARDS

- 7.1. **Conduct of Activities.** Tenant shall conduct its activities and operations on and from the Premises in a safe, efficient and first class, professional manner consistent with the degree of care and skill exercised by fixed base operators providing comparable services at similar airports. Tenant shall furnish good, prompt and efficient service and sales adequate to meet all reasonable demands of Airport users and provide its services and sales on a fair, equal and non-discriminatory basis to the general public and charge fair, reasonable and non-discriminatory prices for sales and services. Tenant shall furnish all labor, equipment and materials necessary to the performance of its duties hereunder. Tenant shall maintain sufficient supplies and personnel to meet the reasonable demands of the customers consistent with the Minimum Standards for the Airport.
- 7.2. **Airport Hours of Operation.** Tenant shall comply with the provisions of Section 5.2.F. of the Minimum Standards concerning the times that Tenant must be open for business.
- 7.3. **Manager.** Tenant shall designate one or more managers pursuant to the Minimum Standards who shall at all times be authorized representatives of Tenant, and provide to Landlord, in writing, the name and home address and telephone number(s) of the manager(s). Tenant shall provide ten (10) days prior written notice to Landlord of any change to address or telephone number(s) of the manager(s).
- 7.4. **Marketing/Development of the Airport.**
- 7.4.1. Within ninety (90) days of the Commencement Date, Tenant shall provide Landlord with a marketing plan that sets forth the goals and objectives for the FBO at the Airport and shall develop and implement a marketing plan for the Premises, which shall include, but shall not be limited to, website development, public relations, advertising, marketing campaigns, special event marketing, trade shows, social media, signage, data mining, software management, and intranet

marketing. The marketing plan shall also include strategies to provide non-aviation attraction to the New FBO Terminal and its amenities, and customer and tenant attraction, retention and expansion. The actual content and design of such marketing plan shall be under Tenant's sole and exclusive artistic and marketing discretion. At all times practical, the Landlord expects co-branding on marketing productions to use the one or more of the City's official brand, tag lines and vision statement. Adherence to the City's associated brand reproduction guidelines is required. Tenant shall provide Landlord with an advance courtesy review of all co-branded promotional materials to distribution. Furthermore, Tenant shall work co-operatively with Landlord for the future development of the Airport by: (a) making representatives of Tenant available upon reasonable advance notice for meetings with Landlord and/or service providers; (b) supporting fly-ins; (c) providing incentives in Tenant's sole discretion for existing customers of Tenant at its affiliated entities locations to utilize the Airport and its flight school(s); and (d) using good faith efforts to assist Landlord in securing a higher level of military activity/use at the Airport

- 7.4.2. Tenant will develop a continuing relationship with the Ocala-Marion County Chamber of Commerce, Inc. (CEP) or its equivalent, as well as any brokerage entity working in partnership with Landlord on any new potential development of aviation and non-aviation related development at the Airport. Tenant shall, in its sole discretion as to content, market Ocala and its Airport as a development opportunity to the entire network of Tenant customers, both nationally and internationally.

Article 8. CONSTRUCTION OF IMPROVEMENTS

- 8.1. **New Terminal.** Subject to the terms and conditions of this paragraph 8.1, the New Terminal shall be constructed, and the New Terminal Space leased to Tenant, as follows:

8.1.1. **Construction.**

- 8.1.1.1. Explicitly and fully conditioned on satisfaction of the condition precedent set forth in the first sentence of paragraph 8.1.1.2, Tenant shall, as set forth in paragraph 8.1.1.5:

- a). Advance an amount (the "Advance Amount") equal to Landlord's estimate (at the time that Tenant deposits the Advance Amount pursuant to paragraph 8.1.1.5) of the total cost of designing, planning, permitting and constructing the New Terminal (the "Total Construction Costs") up to a maximum Advance Amount of Four Million Dollars (\$4,000,000); and
- b). Lease from Landlord the exclusive use of the New Terminal Space within the New Terminal of a size acceptable to Tenant in its sole discretion between 3,500 and 5,000 square feet, and at a location within the New Terminal acceptable to Landlord and Tenant in their reasonable discretion.

- 8.1.1.2. The parties' obligations under this paragraph 8.1 are conditioned upon either: (a) Landlord entering into a prequalified grant with the

Florida Department of Transportation providing the funding and paying for fifty (50%) percent or more of the Total Construction Costs for the New Terminal from grants or other sources; or (b) Landlord advising Tenant in writing that it is prepared to proceed with the construction of the Terminal without any such grants. If this condition does not occur within 36 months of the Effective Date:

- a). This condition will be deemed to not have occurred and all references in this Lease to the New Terminal, New Terminal Space, New Terminal Rent and related concepts shall be deemed deleted; and
- b). This Lease will, upon City's written demand, be deemed amended to delete from the Premises the southern 3.43 acres of Parcel 3 (the area commonly referred to, and herein referred to, as the "City Terminal Ramp") as described in the attached **Exhibit A**. In such event, Landlord shall cause a survey or sketch of description of the City Terminal Ramp to be prepared, subject to the approval of both parties in their reasonable discretion, and Landlord and Tenant shall thereafter enter into an amendment to this Lease acknowledging the deletion of the City Terminal Ramp from the Premises. After the City Terminal Ramp has been deleted from the Premises, all further references to the Premises shall not include the City Terminal Ramp but all other rights and obligations of the parties (including the amount of Base Rent to be paid) shall not be affected, unless agreed to otherwise in the amendment deleting the City Terminal Ramp from the Premises.

8.1.1.3. Landlord shall reimburse Tenant the Advance Amount as follows:

- a). Initial Reimbursement.
 - (1). If Landlord receives a grant as set forth in paragraph 8.1.1.2, Landlord shall reimburse Tenant within thirty (30) days of Landlord's receipt of grant funds, in the amount of the grant funds received.
 - (2). If Landlord provides notice to Tenant under paragraph 8.1.1.2 that it is proceeding with construction without a grant, Landlord shall pay Tenant fifty (50%) of the Advance Amount within thirty (30) days of completion of the New Terminal.
- b). The remaining Advance Amount shall be paid by Landlord, or credited against Rent, pursuant to paragraph 8.1.3.3.
- c). Notwithstanding anything herein to the contrary, in the event the Lease terminates for any reason, the Advance Amount shall be first used as a credit against any amounts otherwise owed by Tenant to Landlord, and thereafter any remaining balance of the

Advance Amount shall be paid to Tenant within thirty (30) days of the Lease's termination.

- 8.1.1.4. Within one hundred eighty (180) days of the Commencement Date, Tenant and Landlord shall cooperate in good faith to locate the site of the New Terminal within the areas identified on Exhibit C (outside of the Premises), and design and plan the New Terminal and New Terminal Space suitable to Tenant's and Landlord's intended uses. Landlord shall advance the cost of the design and planning, subject to reimbursement from the Advance Amount pursuant to paragraph 8.1.1.6.
- 8.1.1.5. Within five (5) business days of Landlord providing Tenant with notice that it has executed a contract for the construction of the New Terminal, Tenant shall deposit the Advance Amount in a financial institution, in Tenant's sole discretion, (with interest held for the benefit of Tenant), into either: (a) a no greater than thirty (30) day maturing Certificate of Deposit; or (b) a money market account an interest bearing segregated account held by and titled to Tenant. These funds will be used to reimburse Landlord for all costs associated with the New Terminal. Tenant shall provide within two business days bank or other financial statements upon written request to Landlord related to this account.
- 8.1.1.6. Any and all payments to Landlord from the account established pursuant to paragraph 8.1.1.4: (a) shall be directly related to the New Terminal; (b) shall be based on standard commercial construction best practices as related to appropriate documentation; (c) shall be released from the account payable only to Landlord; and (d) shall be accompanied by an invoice from Landlord detailing the reimbursement request matching the construction payments made to contractors and vendors by Landlord for the New Terminal. As Landlord submits proofs of payment to the contractors related directly to the New Terminal, and Tenant issues reimbursements for same, Tenant shall be entitled to simultaneously reduce the required balance of the account by the same amount reimbursed to Landlord.
- 8.1.1.7. Landlord shall be solely responsible for the oversight, public procurement, bidding, qualifying and awarding of the bid and contracting with the selected contractor(s) for the new construction of the New Terminal. Concerning the New Terminal Space:
 - a). Landlord shall provide flooring and basic lighting (consistent with the lighting in the remainder of the New Terminal) as part of the construction of the New Terminal.
 - b). Tenant shall be solely responsible for all other "build out" of the New Terminal Space, including counters, furniture, trade fixtures and additional lighting.

8.1.1.8. Landlord shall complete construction of the New Terminal prior to the fourth anniversary of the Commencement Date.

8.1.2. FBO Amendment.

8.1.2.1. No later than thirty (30) days before Landlord completes construction of the New Terminal pursuant to paragraph 8.1.1, but in any event prior to the date that Tenant occupies the New Terminal Space, Landlord and Tenant will enter into an amendment (the "FBO Amendment") to this Lease.

8.1.2.2. The FBO Amendment shall:

- a). Provide that the Premises includes the New Terminal Space (except as set forth in paragraph 8.1.2.2.c)).
- b). Provide that the Base Rent shall be increased by the amount of the New Terminal Rent including the CAM Fees.
- c). Provide that:
 - (1). Landlord shall be solely responsible for all maintenance, repair and costs of building operations within the New Terminal, including without limitation insurance, taxes, gas, electric, water, sewer, storm water, fire suppression, HVAC, landscaping and janitorial services, unless the foregoing are separately metered; Landlord's responsibility shall be subject to partial reimbursement by Tenant for CAM Fees.
 - (2). Tenant as to the New Terminal only, shall be responsible only for communication services including phone and internet.

8.1.3. New Terminal Rent. New Terminal Rent shall be calculated and paid as follows:

8.1.3.1. The New Terminal Rent shall be based upon the fair rental value of the New Terminal Space calculated as set forth in paragraph 8.1.3.2 based upon the terms and conditions of the provisions of this Lease pursuant to the New Terminal Space (including paragraph 8.1.2.2.c)(1)). The New Terminal Rent shall include CAM Fees calculated as set forth in paragraph 8.1.4.

8.1.3.2. The New Terminal Rent (excluding CAM Fees) shall be determined as follows:

- a). At least one hundred twenty (120) days prior to the date that Landlord reasonable estimates Tenant will have occupancy of the New Terminal Space, Landlord shall provide Tenant with an appraisal (the "Landlord Appraisal") of the fair rental value of the New Terminal Space.

- b). If Tenant does not accept Landlord's Appraisal as representing fair rental value of the New Terminal Space, Tenant shall, within forty-five (45) days of receipt of Landlord's Appraisal, provide Landlord with an appraisal ("Tenant's Appraisal") of the fair market rent of the New Terminal Space. If Tenant fails to do so, Tenant shall be deemed to have accepted Landlord's Appraisal as the fair rental value of the New Terminal Rent.
- c). If Landlord does not accept Tenant's Appraisal, Landlord's appraiser and Tenant's appraiser shall select a third appraiser, who shall provide a third report indicating which of the two appraisals of fair rental value is closest to the fair rental value for the New Terminal Space, and such amount shall be the New Terminal Rent (excluding CAM Fees). Each party shall pay the appraiser performing its appraisal and the cost of the third appraiser will be divided equally between Landlord and Tenant.
- d). All appraisers referenced above shall be a M.A.I. Appraiser or a State of Florida Certified General Appraiser (or a member of a professional group of similar stature that has been approved by Landlord), having an office in the State of Florida, and having at least five (5) years of experience in general aviation appraisals. The fair rental value shall be based in part on comparable assessments of "arm's length" transactions at similarly situated general aviation leasehold properties at similarly sized airports with similar traffic and business patterns in similar geographic areas, taking into account that no commissions or other brokerage fees would be due or owing for the Premises.

8.1.3.3. The New Terminal Rent as calculated herein shall thereafter be due and payable in accordance with the terms and conditions applicable to other Base Rent, except however, any amount of Tenant's Advance Amount not reimbursed by Landlord pursuant to paragraph 8.1.1.3.a) shall be applied as a rent abatement credit against the New Terminal Rent until the entire amount of Tenant's unreimbursed Advance Amount has been credited; this shall not preclude Landlord from paying the Advance Amount earlier than would be the case if all of it was paid pursuant to credits against New Terminal Rent.

8.1.4. CAM Fees. New Terminal Rent shall include common area maintenance fees ("CAM Fees") which shall be calculated and paid as follows:

8.1.4.1. CAM Fees shall be calculated by multiplying the Building Percentage (as defined below) by Landlord's CAM Costs (as defined below).

- a). "Building Percentage" means the ratio of the gross square feet of the New Terminal Space to the total square feet of "rentable area" (the "Rentable Area"), as determined by the Standard Method for Measuring Floor Area in Office Buildings, BOMA/ANSI Z65.1-1996, in the New Terminal (regardless of whether such Rentable Area is utilized by Landlord, Tenant or

other lessees). The Building Percentage shall be set forth in the New Terminal Amendment to be entered into pursuant to paragraph 8.1.2. The Building Percentage shall be revised based upon alterations or other changes to the New Terminal that increase or reduce the Rentable Area, whereupon Landlord and Tenant shall execute an amendment to this Lease documenting the change in Building Percentage.

- b). "Landlord's CAM Costs" means the total annual costs and expenses of operating and maintaining the Common Areas for the New Terminal and other shared costs associated with the New Terminal including, without limitation:
- (1). Costs of maintaining, repairing, and replacing the Common Areas.
 - (2). Charges for electricity, gas, water, sewer and all other utilities provided to the New Terminal except to the extent that they are separately metered.
 - (3). Costs of cleaning services for the New Terminal and the parking lot for the New Terminal.
 - (4). Amounts paid by Landlord for ad valorem taxes and assessments on the New Terminal, if any.
 - (5). Costs of landscaping and irrigating the New Terminal and the parking lot for the New Terminal.
 - (6). Costs of public liability, property damage, fire and extended coverage insurance and other insurances Landlord deems appropriate, for the New Terminal. If such insurance is included in larger insurance packages maintained by Landlord, Landlord shall reasonably estimate the amount to be allocated to the New Terminal.
- c). "Common Areas" means all portions of the New Terminal (including the exterior areas set forth below) made available by Landlord for the common use and benefit of occupants of the New Terminal (including Landlord, Tenant and other lessees or occupants) and their customers, employees and invitees. Common Areas shall include the following areas:
- (1). The parking lot for the New Terminal.
 - (2). The exterior of the New Terminal.
 - (3). Landscaping and irrigation for the New Terminal.

- (4). Such other areas designated by Landlord as Common Areas in its reasonable discretion.

- 8.1.4.2. Landlord shall estimate the amount of CAM Fees on an annual basis and provide Tenant with written notice of the amount to be paid by Tenant therefor. The first estimate shall be provided at least two months after the Commencement Date, and subsequent estimates shall be provided at least two months before each anniversary of the Commencement Date. If Landlord fails to provide Tenant with such notice, Tenant shall continue to pay CAM Fees in the amount due from Tenant in the immediately preceding Lease Year until Landlord has provided Tenant with notice that a different amount should be paid.
- 8.1.4.3. Tenant shall pay CAM Fees in monthly installments of 1/12 of the estimated CAM Fees at the same time as payments of Base Rent are due hereunder. The first payment of CAM Fees shall include any prior CAM Fees due, the amounts of which were not determined based upon the date the first estimate of CAM Fees was provided.
- 8.1.4.4. At the end of each Lease Year, Landlord shall provide Tenant with an accounting of the actual Landlord's CAM Costs together with documentation reasonably sufficient to establish the amount thereof.
- 8.1.4.5. Notwithstanding any provision of this Lease to the contrary, CAM Fees are not subject to adjustment pursuant to paragraph 5.4.

8.2. **New Hangar.**

- 8.2.1. Within five (5) years from the Commencement Date of the Lease, Tenant shall remove the existing "Hangar 14," as depicted on **Exhibit A**, with one or two new hangars (the "New Hangar"¹) with construction costs ("New Hangar Construction Costs") of no less than One Million (\$1,000,000.00) Dollars.
- 8.2.1.1. For purposes of this paragraph, "New Hangar Construction Costs" shall include all costs paid for work performed, services rendered and materials furnished for the completion of the Improvements on the Premises, subject to the following terms, conditions and limitations:
- a). The cost of design (subject to the limitations set forth herein), bonds, construction insurance, and building, impact and concurrency fees shall be included in New Hangar Construction Costs.
- b). Costs for access roads, associated permit fees, ramp areas, and other supporting infrastructure for the New Hangar.

¹ Although singular, "New Hangar" shall also refer to two hangars if Tenant constructs two, instead of one, hangars.

- c). Payments made by Tenant to independent contractors for engineering and architectural design work shall be limited to ten percent (10%) of the total New Hangar Construction Costs.
- d). Only true third party costs and payments made by Tenant shall be included in New Hangar Construction Costs.
- e). Costs for legal and independent accounting (other than engineering and design consultants, as provided above) shall not be included in New Hangar Construction Costs.
- f). Finance and interest expenses shall not be included in New Hangar Construction Costs.
- g). Administrative, supervisory and overhead or internal costs of Tenant shall not be included in New Hangar Construction Costs.
- h). Costs associated with acquisition or installation of personalty, such as furnishings, trade fixtures and equipment, that is not permanently affixed to the Premises, or any other personalty whatsoever, shall not be included in New Hangar Construction Costs unless Tenant has obtained written approval from Landlord prior to incurring New Hangar Construction Costs.
- i). Costs of construction photographs and signage shall not be included in New Hangar Construction Costs unless Tenant has obtained written approval from Landlord prior to incurring New Hangar Construction Costs.
- j). Costs of removing or demolishing the existing Hangar 14, less any amounts received by Tenant for the sale of such hangar (or portions thereof e.g., scrap), shall be included in New Hangar Construction Costs.

8.2.2. Within sixty (60) days of completing New Hangar, Tenant shall also submit a detailed statement attested to and certified by a Certified Public Accountant acceptable to Landlord, detailing the total costs incurred by Tenant for the construction of New Hangar. If the New Hangar Construction Costs are less than the amount set forth in paragraph 8.2.1, the amount of Tenant's Advance Amount for the New Terminal to be reimbursed by Landlord shall be reduced by the deficit in the New Hangar Construction Costs.

8.3. **Additional Improvements.** Except as set forth in paragraph 8.2, Tenant shall make no improvements to the Premises, or alter improvements currently existing thereon, without first obtaining Landlord's written consent which may be withheld or conditioned by Landlord in its reasonable discretion.

8.4. **Additional Construction Requirements.**

- 8.4.1. Except for Tenant's obligation to advance the Advanced Costs, Landlord shall be responsible for all costs, planning, permitting and construction of the New Terminal.
- 8.4.2. With regard to Tenant's improvements described in paragraphs 8.2 and 8.3 (the "Tenant Improvements"), Tenant, without cost to Landlord, shall prepare detailed preliminary construction plans and specifications for the Tenant Improvements (hereinafter collectively referred to as the "Plans") in accordance with standards established by Landlord and deliver the preliminary Plans to Landlord for review, comment and adjustment. Landlord shall review the preliminary Plans and provide a written response to Tenant after receipt of the preliminary Plans. In the event Landlord does not approve the preliminary Plans, Tenant will be notified of the reasons for the disapproval and the necessary modifications and/or alterations to the Plans. Tenant shall resubmit modified Plans to Landlord within thirty (30) days of the date of Landlord's written notice of disapproval. Within one hundred twenty (120) days following approval of the preliminary Plans by Landlord, Tenant shall prepare or cause to be prepared final working Plans in substantial conformity to the approved preliminary Plans and shall submit the final working Plans to Landlord for approval, which approval shall not be unreasonably withheld. Upon approval of the final working Plans by Landlord, Tenant shall obtain all applicable permits and other government approvals required for the commencement of construction. Prior to commencement of construction, Tenant shall deliver to Landlord one complete set of the final working Plans as approved by the governmental agencies exercising jurisdiction thereover. Minor changes from the final working Plans shall be permitted if such changes may be reasonably inferred from the final working Plans, or if they are made to comply with requirements of any governmental agency exercising jurisdiction thereover.
- 8.4.3. Within sixty (60) days of Tenant's receipt of a certificate of occupancy or certificate of completion, as appropriate, for the Tenant Improvements, Tenant, at its sole cost and expense, shall have prepared and deliver to Landlord one (1) complete set of as-built drawings.
- 8.4.4. Tenant Improvements shall be completed at Tenant's sole cost and expense and shall be completed in accordance with the standards established by Landlord.
- 8.4.5. Tenant shall ensure that all Tenant Improvements are constructed to completion in accordance with the approved Plans and that all persons or entities performing work or providing materials relating to such improvements including, without limitation, all contractors, subcontractors, laborers, materialmen, suppliers and professionals, are paid in full for such services and materials.
- 8.5. **No Liens.** Tenant agrees that nothing contained in this Lease shall be construed as consent by Landlord to subject the estate of Landlord to liability under the Construction Lien Law of the State of Florida, and Tenant understands that Landlord's estate shall not be subject to such liability. Tenant shall notify any and all parties or entities performing work or providing materials relating to any improvements made by Tenant of this provision of this Lease. If so requested by Landlord, Tenant shall file a notice satisfactory to Landlord in the Public Records of Marion County, Florida, stating that Landlord's estate shall not be subject to liens for improvements made by Tenant. In the event that a construction lien is filed against the Premises or other Landlord property in connection

with any work performed by or on behalf of Tenant, Tenant shall satisfy such claim, or transfer same to security, within thirty (30) days from the date of filing. In the event that Tenant fails to transfer or satisfy such claim within the thirty (30) day period, Landlord may do so and thereafter charge Tenant all costs incurred by Landlord in connection with the satisfaction or transfer of such claim, including attorneys' fees, and Tenant shall promptly pay to Landlord all such costs upon demand.

Article 9. OBLIGATIONS OF TENANT

- 9.1. **Compliance with Rules and Regulations.** Tenant covenants and agrees to observe and obey, and to require its subtenants, officers, employees, contractors, guests and invitees and any others doing business on the Premises to observe and obey, all applicable federal, state and local governmental rules and regulations regulating the conduct and operations of Tenant and others on the Airport, as now or hereafter amended or promulgated, including, without limitation, the Airport Rules and Regulations.
- 9.2. **Conduct.** Tenant shall conduct its operations hereunder in an orderly and commercially reasonable manner, considering the nature of such operations so as not to unreasonably annoy, disturb, endanger or be offensive to others on the Airport. Tenant shall control the conduct, demeanor and appearance of its employees, subtenants, invitees and others doing business at the Premises and, upon objection from Landlord concerning the conduct, demeanor and appearance of any such person, shall promptly take all reasonable steps necessary to remove the cause of such objection.
- 9.3. **Noise and Vibrations.** Tenant shall take all reasonable measures to:
- 9.3.1. Reduce to a minimum, vibrations tending to damage any equipment, structure, building or portion of a building that is on the Premises or is a part thereof, or is located elsewhere on the Airport; and
- 9.3.2. Keep the sound level of its operations as reasonably low as possible.
- 9.4. **Garbage.** Tenant shall remove from the Premises or otherwise dispose of in a manner approved by Landlord all garbage, debris and other waste materials (whether solid or liquid) arising out of the use or occupancy of the Premises or out of any operations conducted thereon. Garbage, debris and other non-hazardous waste materials may be temporarily stored on the Premises in suitable garbage and waste receptacles.
- 9.5. **Nuisance.** Tenant shall not commit any nuisance, waste or injury on the Premises and shall not do, or permit to be done, anything which results in the creation, commission or maintenance of such nuisance, waste or injury on the Premises.
- 9.6. **Odors/Dust.** Tenant shall not create, nor permit to be caused or created upon the Premises, any obnoxious odors, smoke, noxious gases or vapors; provided, however, that fumes resulting from the normal operations on the Premises of the Permitted Uses shall not be considered a violation of this provision. Tenant shall ensure that emissions generated by any such trucks, and other vehicles shall comply with all provisions of applicable environmental emissions laws and regulations. Tenant shall make no use of any portion of the Premises in a manner that causes or results in excessive dust, debris or waste to be blown about or raised so as to be potentially dangerous to the operation of aircraft.

- 9.7. **Utility Systems.** Tenant shall not do, or permit to be done, anything that may interfere with the effectiveness or accessibility of the utilities systems installed or located on or about the Premises that are also used by other occupants, customers or users of the Airport.
- 9.8. **Overloading.** Tenant shall not overload any floor or paved area on the Premises and shall repair at its sole cost and expense, any floor, including supporting members, and any paved area damaged by overloading.
- 9.9. **Hazardous Operations.** Tenant shall not do, or permit to be done, any act or thing upon the Premises that: (a) will invalidate or conflict with any commercially reasonable insurance policies covering the Premises or the Airport; or (b) may constitute a hazardous condition that would increase the risk normally attendant upon the operations permitted by this Lease. Tenant shall not perform, or allow its employees, subtenants, contractors or others to perform, the following activities upon the Hangar Premises unless such activity is in accordance with applicable fire codes.
- 9.10. **Flammable Liquids.** All flammable liquids that are kept or stored at the Premises must at all times be handled, stored, used and disposed of in accordance with all applicable federal, state and local laws, including, without limitation, applicable fire codes and Environmental Laws.
- 9.11. **Derelict Aircraft.**
- 9.11.1. Tenant shall not permit the temporary or permanent storage (without an open work order being actively pursued) of any Derelict Aircraft on the Premises. Derelict Aircraft shall be removed from the Airport within a period of ninety (90) days after written notice from Landlord.
- 9.11.2. For purposes of the foregoing, "**Derelict Aircrafts**" means an aircraft, stored in the open that:
- 9.11.2.1. Does not hold a current and valid airworthiness certificate issued by the FAA, or other appropriate aircraft certificating authority, together with necessary aircraft registration and maintenance records with a current endorsement by an appropriately rated certificate holder that the aircraft is in an airworthy condition;
- 9.11.2.2. Has been issued a condition notice by the FAA that specifies that the aircraft has one or more conditions which render it not airworthy; or
- 9.11.2.3. Has had major components, accessories, flight controls, portions of the airframe or engines removed so as to render the aircraft not airworthy.
- 9.11.3. Notwithstanding the foregoing, Landlord may request Tenant to demonstrate that repairs to a Derelict Aircraft are actively being pursued. If Tenant fails to provide Landlord with satisfactory evidence that repairs are actively being pursued within five (5) Business Days of the date requested, then such Derelict Aircraft shall be removed from the Premises within ninety (90) days from the date that Landlord makes its request for proof that repairs are actively being pursued.

9.12. **Derelict Vehicles.**

9.12.1. Tenant shall not permit the temporary or permanent storage of any Derelict Vehicles on the Premises. Tenant shall cause Derelict Vehicles to be removed from the Premises within twenty-four (24) hours after written notice from Landlord.

9.12.2. For purposes of the foregoing, a “Derelict Vehicle” means a vehicle that is in a wrecked, dismantled or partially dismantled condition, or which is discarded and in an inoperable condition.

9.13. **Emergency Plans.** Within thirty (30) days after the Commencement Date, Tenant shall provide Landlord with emergency evacuation and hurricane plans consistent with Landlord’s plans for the Airport. These plans shall be detailed procedures of actions to be taken by Tenant and its subtenants, if an evacuation need or hurricane alert warning is present. Hurricane plans are to be annually updated or as otherwise requested by Landlord in writing.

9.14. **Records.** Tenant shall maintain a current list of all subtenants at the Airport, including emergency contact persons and phone numbers and shall maintain a current listing of all aircraft parked and located on tie downs on the aircraft parking aprons at the Airport. Tenant shall make the aforementioned records available to Landlord upon request.

9.15. **Vending Machines.** Tenant may provide vending machines stocked with snacks and beverages for Tenant’s customers, sub-tenants, or the public utilizing the Airport.

9.16. **Grant Funded Development.** Tenant agrees to contribute matching funds (local share) for grant-funded hangar, office and/or commercial space projects on the Premises, and for which a commercially reasonable and adequate business justification has been agreed to in writing, by Landlord and Tenant in their respective sole discretion.

Article 10. MAINTENANCE AND REPAIR

10.1. **Tenant’s Obligations.**

10.1.1. Except as set forth in paragraphs 8.1.2.2.c)(1), 10.2.3, and 10.3.9, Tenant shall be responsible for all repairs and maintenance of the Premises including keeping the buildings and other improvements, fixtures and equipment located on the Premises in good order and repair.

10.1.2. All such maintenance and repairs shall be at Tenant’s sole cost and expense. Without limiting the generality thereof, Tenant shall be responsible for:

10.1.2.1. Painting the exterior and interior of buildings located on the Premises on a routine basis or as often as necessary to maintain the Premises in good condition and repair.

10.1.2.2. Repairing and maintaining all doors (including hangar doors and weather stripping thereof), windows (including seals and weather-stripping) , equipment, lighting, furnishings and fixtures located on the Premises.

- 10.1.2.3. Replacing or repairing damaged or worn out flooring surfaces such as tile and carpeting in buildings located on the Premises.
- 10.1.2.4. Repairing and maintaining plumbing fixtures, electrical and lighting facilities and equipment within the Premises.
- 10.1.2.5. Repairing and maintaining heating and air conditioning equipment, including routine replacement of air filters, on the Premises.
- 10.1.2.6. Repairing and maintaining the equipment and fixtures referred to in paragraph 2.1.43.2.
- 10.1.2.7. Keeping the Premises and all fixtures, equipment and personal property located on the Premises in a clean and orderly condition and appearance.
- 10.1.2.8. Providing, repairing and maintaining all obstruction lights on hangars or buildings and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by any applicable law, rule, order, ordinance, resolution or regulation of any applicable governmental authority on or within buildings located on the Premises.
- 10.1.2.9. Repairing any damage to the aircraft apron areas, paving or other surface of the Premises caused by any oil, gasoline, grease, lubricants or other liquids or substances having a material corrosive or detrimental effect thereon, caused as a direct result of the services being provided by Tenant.
- 10.1.2.10. Taking reasonable anti-erosion measures, including, without limitation, the planting and replanting of grasses with respect to all portions of the Premises not paved or built upon.
- 10.1.2.11. Repairing and maintaining all utilities within the Premises including, without limitation, service lines for the supply of water, gas service lines, electrical power, telephone and telecommunications conduits and lines, lift stations, sanitary sewers and storm sewers primarily serving the Premises.
- 10.1.2.12. Repairing and maintaining the sprinkler, fire suppression and alarm systems serving the Premises. Landlord and its representatives shall have the right to periodically test the sprinkler, fire suppression and alarm systems during Tenant's regular business hours upon reasonable prior notice.
- 10.1.2.13. Repairing and maintaining all access gates and security fencing serving the Premises, including, without limitation, card readers, loop sensors and gate operators installed (if any) by Tenant, and excluding any security systems installed by Landlord pursuant to paragraph 12.4. Tenant shall promptly notify Landlord of any repairs or problems with access gates and security fencing on the Premises.

10.1.2.14. Repairing and maintaining all irrigation systems located within the Premises.

10.1.2.15. Maintaining all landscaping within the Premises. In connection therewith, Tenant shall repair and maintain the irrigation system, if any. Tenant's landscaping responsibilities shall include, without limitation, irrigation of grass, shrubs and trees; mowing the grass on a regular basis; trimming the trees and fertilizing grass, shrubs and trees; replacing damaged or dead landscaping; and aquatic control and vegetation management.

10.1.3. Tenant shall maintain the Premises in a neat, orderly, sanitary, clean and presentable condition and shall cause routine janitorial services to be provided for the Premises at Tenant's sole cost and expense.

10.1.4. Tenant shall be responsible for the provision of trash removal services at Tenant's sole cost and expense and agrees to deposit trash, garbage and debris in appropriate containers for collection. Tenant shall keep the buildings located on the Premises free of insects, vermin and other pests.

10.2. **Landlord's Obligations.**

10.2.1. Landlord shall maintain and repair all Public Airport Facilities, other than the Premises (but including the New Terminal as set forth in paragraph 8.1.2.2.c)(1)) in good and adequate condition for their intended uses to the extent required by law. Tenant shall not prevent Landlord from constructing, operating and/or maintaining such Public Airport Facilities and shall provide Landlord and its employees, representatives and contractors with reasonable access over and across the Premises for such purposes; provided, however, Landlord agrees to endeavor to minimize disruption to Tenant's operations to the maximum extent feasible under the circumstances. Landlord is further responsible for all costs of maintenance and repair of the New Terminal and all aircraft ramps and automobile parking lots contained within the Premises.

10.2.2. Maintenance and repairs to aircraft parking lots and aircraft parking aprons and taxi lanes are the responsibility of Landlord. Landlord shall timely notify Tenant of any and all grants for the paved areas of the Airport, so that Tenant can determine whether to request that similar work within the Premises be included in the grant, whereupon the provisions of paragraph 9.16 shall apply.

10.2.3. Notwithstanding paragraph 10.2.1, Landlord shall be responsible for up to \$50,000.00 (calculated on a cumulative basis as set forth below) of the cost of the replacement, during the first three (3) Lease Years, of the existing roof and air conditioners on the portion of the Premises referred to herein as the "FBO Building" pursuant to the provisions of this paragraph 10.2.3.

10.2.3.1. For purposes of this paragraph 10.2.3, the "FBO Building" refers to the building labeled "FBO Fixed-Base Operator One-Story Masonry Building" on the attached **Exhibit A**. The FBO Building does not include Hangar #15 located contiguous thereto.

10.2.3.2. Upon Tenant determining, in its reasonable discretion, that the roof or any air conditioner needs to be replaced, as opposed to repaired, Tenant shall provide written notice of such determination to Landlord, together with an estimate of the cost of replacing the roof or air conditioner; Tenant shall provide reasonable justification of its determination to Landlord at the time it provides notice under this paragraph. In making such determination, Tenant shall consider whether the roof or air conditioner is beyond its expected life, the reliability and consequences of failure of the roof or air conditioner, whether the repair or maintenance cost exceed the lifecycle cost of replacement, whether the performance of the roof or air conditioner has been unacceptable and whether corrective maintenance measures will not lead to acceptable performance, whether spare parts for the air conditioner are expensive or hard to get, and whether existing roof leaks pose an unacceptable risk to life or property. In making such determination, Tenant shall not consider the fact that, because Landlord is bearing the cost of replacement (up to \$50,000.00), and Tenant bears the cost of repair, it would be better for Tenant economically to replace the roof or air conditioner.

10.2.3.3. Within ten (10) days of Tenant's receipt of the notice set forth in paragraph 10.2.3.2 above (except in the case of an emergency in which case as soon as possible), thereafter, Landlord shall either advise Tenant in writing that:

a). Landlord disagrees with such determination, whereupon Tenant may, at its risk, replace the roof or air conditioner. If it is later determined that the replacement was appropriate, Tenant shall receive a rent credit as set forth in paragraph 10.2.3.3.b); or

b). Landlord agrees with such determination and desires for Tenant to replace the roof or air conditioner, whereupon Tenant may replace the roof or air conditioner. Tenant shall be entitled to receive a credit, against the next installment(s) of Base Rent due, equal to the total of the actual and reasonable expenses incurred by Tenant in replacing the roof or air conditioner as established by reasonable documentation provided by Tenant to Landlord under this paragraph 10.2.3, but in no event shall such expenses to be reimbursed via Rent credits cumulatively exceed \$50,000.00 within the three Lease Years.

(1). Example: Tenant, with Landlord's approval, replaces three air conditioners at a cost of \$30,000.00; Tenant shall be entitled to a Base Rent credit of \$30,000.00. Thereafter, Tenant, with Landlord's approval, replaces three more air conditioners at a cost of \$30,000.00; Tenant is entitled to a Base Rent credit of \$20,000.00 of the \$30,000 total. The additional \$10,000 and any further replacements of air conditioners or roofing is at

Tenant's expense, and Tenant is entitled to no further Base Rent credits under paragraph 10.2.3.3.b).

10.2.3.4. The provisions of this paragraph shall apply until the roof and all of the air conditioners currently located on the FBO Building have been replaced. For example, if Tenant determines that two air conditioners need to be replaced, it shall follow the procedures set forth above concerning the replacement of such two air conditioners, but may later follow the above procedures in connection with the replacement of other air conditioners or the roof within the time frame provided above.

10.2.3.5. Following the replacement of the roof or any air conditioners pursuant to this paragraph 10.2.3, or the expiration of the third Lease Year, Tenant shall be responsible for the maintenance and repair (including any future replacement) of the items replaced. Upon the replacement of the existing roofs and all the existing air conditioners, or the expiration of the third Lease Year, the provisions of this paragraph 10.2.3 shall no longer apply.

10.3. **Operation and Maintenance of Fuel Farm.**

10.3.1. Tenant shall have the sole and exclusive right to utilize the Fuel Farm located on the Premises and identified in **Exhibit A** for its fueling operations hereunder subject to compliance with the terms and conditions of this paragraph 10.2.3.

10.3.2. Tenant shall contract with a company approved by Landlord for the maintenance, repair and inspection of the Fuel Farm ("Maintenance Contractor") and/or Tenant may certify that Tenant shall retain qualified staff, equipment, and procedures to provide the maintenance, repair and inspection prior to the Commencement Date.

10.3.3. Tenant shall be responsible for ensuring that the Fuel Farm is maintained in good and safe condition consistent with good business practice, industry standards and in accordance with all federal, state and local laws, rules and regulations and requirements, as now or hereafter amended or promulgated, including, without limitation, FAA advisory circulars and the Florida Fire Prevention Code.

10.3.4. Tenant shall include in any agreement with a Maintenance Contractor, a provision requiring the Maintenance Contractor to protect, defend, reimburse, indemnify and hold Landlord and its agents, employees and elected officers harmless from and against any and all claims, liability, expenses, losses, costs, fines and damages (including reasonable attorneys' fees at trial and all appellate levels) arising from, resulting out of or in any way caused or connected to the Maintenance Contractor's maintenance, repair or inspection of the Fuel Farms. Tenant shall deliver a copy of its agreement with the Maintenance Contractor to Landlord on or before Commencement Date, unless otherwise approved in writing by Landlord. Tenant shall provide Landlord with legible copies of all inspection reports within ten (10) days of receipt of such reports.

10.3.5. Tenant shall cause the Maintenance Contractor to promptly commence and diligently pursue to completion the repair of any defects and/or perform any

maintenance identified in the inspection reports upon receipt of prior written approval by Landlord, except in the event of emergencies (whereupon prior written approval by Landlord shall not be necessary but Tenant shall attempt to notify the Airport Director by telephone). In the event Tenant's agreement with the Maintenance Contractor is terminated, Tenant shall notify Landlord in writing within ten (10) days of the date of termination and shall contract with a new Maintenance Contractor approved by Landlord within thirty (30) days of the date of termination of the prior agreement.

- 10.3.6. Tenant shall maintain full and complete records of all inspections, maintenance and repairs performed on the Fuel Farm throughout the term ("Maintenance Records"). Tenant shall make Maintenance Records immediately available to Landlord for inspection upon request. Upon the expiration or termination of this Lease, Tenant shall provide Landlord with legible copies of all maintenance records.
- 10.3.7. Landlord shall have the right to conduct inspections of the Fuel Farm from time to time during Tenants normal business hours. Landlord shall identify any items in need of maintenance and or repair in writing to Tenant. Tenant shall, or Tenant shall cause the Maintenance Contractor to, promptly commence and diligently pursue to completion repair of any defects and or perform any maintenance identified in Landlord's written notice.
- 10.3.8. Tenant shall be responsible for all routine inspection and preventative maintenance costs associated with the Fuel Farm. Preventative maintenance shall include, without limitation, replacement of filters, hoses and valves, rust removal, weed control and painting. Tenant shall cause the Fuel Farm to be inspected on a semi-annual basis on or before June 30th and December 31st of each year.
- 10.3.9. Landlord shall be responsible for any necessary repair costs for the Fuel Farm in excess of Three Thousand Five Hundred Dollars (\$3,500) per event, unless the repairs are the result of error or negligence in the operation of the Fuel Farm or deferred preventative maintenance. For those repairs that Landlord is responsible for under this paragraph 10.3.9, Landlord may, at its option, elect to: (a) cause the repairs to be performed by Tenant and reimburse Tenant for the necessary repair costs, which reimbursement may be in the form of a rental credit against amounts payable hereunder by Tenant; or (b) perform or cause to be performed the necessary repairs to the Fuel Farm. Tenant shall be solely responsible for, and Landlord shall not reimburse Tenant for, any repair costs resulting from damage cause by error or negligence in the operation of the Fuel Farm or deferred preventative maintenance. The Maintenance Contractor shall provide Tenant and Landlord with a written report detailing the nature of repair and likely cause of the damage prior to reimbursement by Landlord; such report shall be used by the parties in determining whether or not error or negligence in the operation of the Fuel Farm or deferred preventative maintenance caused the damage. Requests for reimbursement pursuant to this paragraph 10.3.9 shall be accompanied by original invoices or receipts issued by the contractor, vendor or supplier and shall be signed by an authorized officer of Tenant, who shall certify that all expenses claimed have been paid by Tenant.

- 10.3.10. Tenant shall obtain and maintain emergency generators to ensure the Fuel Farm is capable of functioning properly during an electrical power outage and/or agree with the Landlord on a power outage plan to provide power to the Fuel Farm within twenty-four (24) hours of a sustained power outage. Tenant shall ensure that generator(s) function properly and are capable of supplying enough power to fuel pumps to enable an adequate number of gallons per minute to be pumped to meet daily fuel demand.
- 10.3.11. Tenant shall provide a current copy of its Spill Prevention Contingency and Control Plan ("SPCC Plan") to Landlord no later than ten (10) days after the Commencement Date. Tenant shall also provide Landlord with any updated or revised SPCC Plans, and shall monitor fuel inventories in accordance with current EPA and DEP standards. Inventory details shall be provided to Landlord within ten (10) days of written request, including total gallons delivered by type and date via load/delivery sheets delivered by fuel transport companies.
- 10.3.12. Tenant shall develop and maintain standard operating procedures ("SOP") for fueling and ground handling services and shall ensure compliance with the standards set forth in FAA Advisory Circular 00-34A, "Aircraft Ground Handling and Servicing". The SOP shall be delivered to Landlord for review and approval, which approval will not be unreasonably withheld, not more than ten (10) days after written request from Landlord. The SOP shall include, without limitation, procedures for the operation, inspection, safety and security of the Fuel Farm, and information regarding the records to be maintained by Tenant related to the Fuel Farm.

10.4. **Tenant's Failure to Maintain or Repair.**

- 10.4.1. Landlord shall have the right to enter the Premises during Tenant's regular business hours for the purpose of determining Tenant's compliance with the requirements of this Article.
- 10.4.2. Within thirty (30) days of receipt of written notice from Landlord to Tenant of Tenant's failure to comply with the requirements of this Article, Tenant shall commence to cure such failure and diligently pursue the same to completion. In the event Tenant has not made a good faith effort to commence to cure such failure, or fails to continue such cure with reasonable diligence, either as reasonably determined by Landlord, Landlord and its employees, contractors and representatives shall have the right to enter the Premises and perform the work on behalf and for the account of Tenant. Tenant shall be fully liable for the payment of the costs incurred by Landlord, plus a twenty-five percent (25%) administrative overhead. Any amounts payable to Landlord pursuant to this paragraph 10.4.2 shall be due and payable within thirty (30) days of the date of Landlord's invoice.

Article 11. UTILITIES

- 11.1. **Utility Costs.** Tenant shall pay for all electric, garbage, water, telephone and other utilities charges (including stormwater fees and emergency fire fees) for the Premises. Notwithstanding the foregoing, and in accordance with paragraph 8.1.2.2.c)(2), Landlord shall provide and be solely responsible for all costs related to the lighting for and

electrical service for all Airport taxiways and runways, and Tenant shall only be responsible for communication services, including phone and internet, for the New Terminal Space.

- 11.2. **Interruption of Service.** No failure, delay or interruption in supplying any services for any reason whatsoever (whether or not a separate charge is made therefore) shall be construed to be an eviction of Tenant or grounds for any diminution or abatement of rental or shall be grounds for any claim by Tenant under this Lease for damages, consequential or otherwise, unless caused by the gross negligence of Landlord.
- 11.3. **Industrial Waste.** Tenant shall provide, operate and maintain adequate facilities for separating, neutralizing and treating industrial waste and foreign materials generated within the Premises and the proper disposal thereof as required by all applicable federal, state and local laws, regulation and rules, as now or hereafter amended or promulgated.

Article 12. AIRPORT SECURITY PROGRAM

- 12.1. **Compliance with Security Requirements.** Tenant agrees to observe all security laws, rules, regulations and requirements of the DHS, FAA, TSA, and Landlord applicable to Tenant's operations, as now or hereafter amended or promulgated, including, without limitation, Title 49, Parts 1500 et al., of the Code of Federal Regulations, to the extent applicable to Tenant and Tenant's activities hereunder.
- 12.2. **Criminal History Background Checks.** Tenant acknowledges that Tenant and its employees, contractors, subtenants and agents may be subject to federal and state criminal history record check requirements under federal, state and/or local laws, as now or hereafter amended or promulgated which laws may require Tenant to remove or restrict access of individuals who are not in compliance with the requirements of such laws. Tenant agrees to comply with and to require its employees, contractors and agents to comply with all federal, state and local criminal history record check requirements, and any access restrictions imposed thereunder.
- 12.3. **Security Deficiency.** Tenant shall rectify any security deficiency related specifically to premises under Tenant's sole control, as may be determined as such by Landlord, DHS, FAA or TSA. In the event Tenant fails to remedy any such deficiency, Landlord may do so on behalf and on the account of Tenant. Tenant shall pay to Landlord any costs or expenses incurred by Landlord within thirty (30) days of the date of Landlord's invoice. Tenant acknowledges and agrees that Landlord shall have the right to take whatever action is necessary to rectify any security deficiency or other deficiency as may be determined by Landlord, DHS, FAA or TSA.
- 12.4. **Security Systems.** Landlord shall have the right to install, operate and maintain security cameras and other similar security devices or systems at the Airport, including locations within Premises, for the purpose of ensuring the safety and security of the Public Airport Facilities. Landlord agrees to coordinate the installation and location of security cameras and other security systems or devices to be located within the Premises with Tenant in an effort to avoid disruption of Tenant's activities and operations. Landlord shall be responsible for all costs associated with the maintenance and repair to any such Security Systems constructed hereunder. Nothing herein shall limit nor require Tenant's right to install its own security systems/cameras within the Premises at Tenant's sole cost and expense in addition to any installed by Landlord hereunder.

Article 13. INSURANCE REQUIREMENTS

- 13.1. **General Liability Insurance.** Tenant shall maintain during the entire Lease term and all periods in which Tenant is in possession of the Premises, such general liability insurance as will provide coverage for claims for damages for personal injury, including accidental death, as well as for claims for property damage, which may arise directly or indirectly from the Premises or Tenant's possession of the Premises, with combined single limits of not less than \$10,000,000.00 per occurrence and with a \$10,000,000.00 aggregate. The "City of Ocala" shall be named as an Additional Insured.
 - 13.1.1. If the Commercial General Liability form is used:
 - 13.1.1.1. Coverage A shall include premises, operations, products and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverages.
 - 13.1.1.2. Coverage B shall include personal injury.
 - 13.1.1.3. Coverage C, medical payments, is not required.
 - 13.1.2. If the Comprehensive General Liability form is used, it shall include, at least Bodily Injury and Property damage liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.
 - 13.1.3. Tenant shall arrange for its liability insurances to include, or be endorsed to include, a severability of interest/cross liability provision, so that Landlord (as Additional Insured) will be treated as if a separate policy were in existence, but without increasing the policy limits.
- 13.2. **Property Insurance.**
 - 13.2.1. During the Term of this Agreement, Tenant shall keep each building located on the Premises insured against fire or other casualty in an amount not less than 100% of the replacement cost of the buildings, plus cost of demolition and removal of debris, as reasonably established by the Landlord. In the event Tenant objects to the amount of coverage established by Landlord in the preceding sentence, Tenant may, at Tenant's sole expense, retain a M.I.A. appraiser, with at least ten (10) years commercial property experience and with at least some portion of same in the valuation of airport property, to instead estimate the required level of coverage, and shall provide such estimate to Landlord; Landlord and Tenant shall thereafter negotiate in good faith concerning the amount of coverage but, in any event, Landlord's determination shall be binding. Tenant shall maintain "Guaranteed Replacement Cost" or similar for the Premises.
 - 13.2.2. The insurance shall be maintained for the mutual benefit of Landlord and Tenant. The insurance policy or policies shall name both Landlord and Tenant as insureds as their interests may appear.
- 13.3. **Construction Insurance.** Tenant shall, at its sole expense, procure and maintain during the course of the construction of any improvement or alterations on the Premises

constructed during the term of this Lease, "builder's risk," owner's contingent or protective liability insurance naming Landlord as an additional insured covering claims not covered by or under the terms of the above mentioned comprehensive public liability insurance, and Tenant shall also carry during such period of construction Worker's Compensation Insurance covering all persons employed by Tenant on or in connection with such construction.

- 13.4. **Hangarkeeper's Legal Liability.** In the event that Tenant stores any aircraft within the improvements constructed on the Premises, Tenant shall maintain Hangarkeeper's Legal Liability Insurance providing coverage for property damage to aircraft that are the property of others while in the care, custody, or control of Tenant (when such aircraft are not in flight), in an amount not less than Ten Million Dollars (\$10,000,000) per occurrence/aggregate.
- 13.5. **Aircraft Liability.** Only to the extent required by the Minimum Standards for Tenant's operations on the Airport, and only if Tenant shall utilize aircraft on the Premises, Tenant shall provide, or cause to be provided, in addition to any other liability insurance policy required herein, a separate aircraft liability policy with limits of no less than One Million Dollars (\$1,000,000) combined Single Limit for each and every occurrence for Personal Injury including Bodily Injury/Death and Property Damage covering all aircraft used in such operations, if any are used by Tenant.
- 13.6. **Environmental Liability.** Tenant shall maintain Pollution Liability or other similar Environmental Impairment Liability, at a minimum limit of not less than Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars annual aggregate (\$5,000,000) providing coverage for damages including, without limitation, third-party liability, clean up, corrective action, including assessment, remediation and defense costs. When a self-insured retention or deductible amount exceeds Ten Thousand Dollars (\$10,000), Landlord reserves the right, but not the obligation, to review and request a copy of Tenant's most recent annual report or audited financial statements in evaluating the acceptability of a higher self-insured retention or deductible in relationship to Tenant's financial condition.
- 13.7. **Deductibles.** Tenant's deductibles or self-insured retentions shall be disclosed to Landlord and may be disapproved upon commercially reasonable grounds by the latter if inconsistent with industry standards. The deductibles once accepted by Landlord may be reduced or eliminated at the option of Landlord upon recommendation of Landlord's Risk Management Department so long as the resulting premiums do not then become commercially unreasonable and so long as any such recommendations are consistent with industry standards. The Tenant is responsible for the amount of any deductible or self-insured retention.
- 13.8. **Insurance Requirements.** These insurance requirements shall not relieve or limit the liability of Tenant. Landlord does not in any way represent that these types or amounts of insurance are sufficient or adequate to protect Tenant's interests or liabilities, but are merely the minimums. No insurance is provided by Landlord under this Lease to cover Tenant or its contractors or sub-contractors.
- 13.9. **Duplicate Insurance.** Insurance required of Tenant or any other insurance of Tenant which covers Landlord shall be considered primary, and insurance or self-insurance of

Landlord shall be considered excess, as may be applicable to claims against Landlord which arise out of this Lease.

- 13.10. **Certificates.** Tenant shall provide a Certificate of Insurance for each policy of insurance required by this Article 13 issued by a company authorized to do business in the State of Florida and with an A.M. Best rating of at least A. Each certificate shall provide for at least 30 days' notice of cancellation to be given to Landlord. Such Certificate shall be delivered to: City of Ocala Risk Management Department, 1805 NE 30th Avenue, Gate 4 - Building 700, Ocala, Florida 34470, or such other address as hereafter provided by Landlord pursuant to paragraph 28.13.
- 13.11. **Landlord May Change Limits.** Landlord reserves the right to increase or decrease, or expand or narrow, the minimum limits or amounts of insurance requirements set forth above whenever the liability of Landlord under Florida law (including the Florida Tort Claims Act) increases or Landlord's defined areas of liability or risk are expanded. Landlord shall give the Tenant a minimum of sixty (60) days advance written notice for any modification or change in the insurance limits as set forth herein.
- 13.12. **Failure to Provide Insurance.** In the event that Tenant shall fail to obtain or maintain in full force and effect any insurance coverage required to be obtained by Tenant under this Lease, Landlord may procure same from such insurance carriers as Landlord may deem proper, irrespective that a lesser premium for such insurance coverage may have been obtained from another insurance carrier, and Tenant shall pay as additional rent, upon demand of Landlord, any and all premiums, costs, charges and expenses incurred or expended by Landlord in obtaining such insurance. Notwithstanding the foregoing sentence, in the event Landlord shall procure insurance coverage required of Tenant hereunder, Landlord shall in no manner be liable to Tenant for any insufficiency or failure of coverage with regard to such insurance or any loss to Tenant occasioned thereby, and additionally, the procurement of such insurance by Landlord shall not relieve Tenant of its obligations under this Lease to maintain insurance coverage in the types and amounts herein specified, and Tenant shall nevertheless hold Landlord harmless from any loss or damage incurred or suffered by Landlord from Tenant's failure to maintain such insurance.
- 13.13. **Safety/Environmental.**
- 13.13.1. Tenant is responsible at all times for reasonable precautions to achieve the protection of all persons including employees, and property lawfully upon the Premises.
- 13.13.2. Tenant shall make commercially reasonable efforts consistent with industry standards to detect hazardous conditions and shall take prompt commercially reasonable action where necessary to avoid accident, injury or property damage. NFPA, EPA, DEP, and all other applicable safety laws and ordinances shall be followed as well as American National Standards Institute Safety Standards as same exist at the Effective Date. All hazardous material spills, accidents, injuries or claims or potential claims shall be immediately reported promptly to Landlord's Risk Management Department.
- 13.14. **Miscellaneous.**

- 13.14.1. Tenant shall be responsible for carrying such insurance as Tenant may desire to protect Tenant's own equipment, contents, personal property and other property on the Premises, and business loss insurance
- 13.14.2. Tenant may not perform or fail to do any act with respect to the Premises, may not use or occupy the Premises, and may not conduct or operate the Tenant's business, in any manner that is objectionable to the insurance companies, it causes them to void or suspend any insurance, or that causes them to increase the premiums above the amounts that would usually have been in effect for the occupancy under this Lease. Tenant may not permit or suffer another person to do so with respect to the Premises.
- 13.14.3. Tenant acknowledges the limits, coverages and endorsements required by this Article 13 are intended to minimize liability for Landlord. Tenant agrees that it will not rely upon the requirements of this Article when assessing the extent or determining appropriate types or limits of insurance coverage to protect Tenant against any loss exposures, whether as a result of this Lease or otherwise

Article 14. DAMAGE TO OR DESTRUCTION OF PREMISES; EMINENT DOMAIN

14.1. Removal of Debris.

- 14.1.1. If the Premises, or any portion thereof, is damaged by fire, or other casualty, Tenant shall be responsible for removing all debris resulting from such damage from the Premises as soon as reasonably practicable under the circumstances and shall take such actions reasonably necessary to place the Premises in a neat and orderly condition to ensure the safety of persons entering upon the Premises.
- 14.1.2. If Tenant fails to comply with the provisions of paragraph 14.1.1, Landlord may take such measures as it deems necessary to render the Premises in a neat, orderly, and safe condition. Tenant agrees that Tenant shall fully assume and be liable to Landlord for payment of any costs incurred by Landlord, plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee, shall be due and payable to Landlord within thirty (30) days from the date of Landlord's invoice in the event Landlord acts in accordance with the provisions of this paragraph 14.1.2.

14.2. Responsibility for Conduct of Tenant Parties.

- 14.2.1. On the Commencement Date and during the Term of this Lease, Tenant hereby assumes responsibility for the character, acts and conduct of all persons admitted to the Premises by or with the explicit consent of Tenant or by or with the consent of any person authorized to act for or on behalf of Tenant ("Tenant Parties").
- 14.2.2. If the Premises, improvements, or any part thereof, are damaged as a proximate result of the act, default or negligence of Tenant Parties, Tenant shall, at its sole cost and expense restore the Premises to the condition existing prior to such damage. Tenant shall commence such restoration within thirty (30) days and shall diligently pursue such restoration to completion. All repairs, replacement and/or rebuilding shall be made by Tenant in accordance with the construction

requirements established by Landlord. Notwithstanding paragraph 14.5, there shall be no abatement in Rent as a result of such damage.

14.2.3. If Tenant fails to restore the Premises as required above, Landlord shall have the right to enter the Premises and perform the necessary restoration, and Tenant hereby expressly agrees that it shall fully assume and be liable to Landlord for payment of the costs incurred by Landlord, plus twenty-five percent (25%) administrative overhead. Such restoration cost, plus the administrative cost, shall be due and payable within thirty (30) days from date of Landlord's written notice.

14.3. **Partial Destruction.** If the Premises shall be damaged or destroyed in part by fire or other casualty, Tenant shall repair and restore of the Premises to substantially the same condition it was in prior to such casualty. Any partial destruction which renders more than fifty percent (50%) of the square footage of the buildings located on the Premises untenable shall be considered a total casualty for purposes of this Lease. Tenant shall commence the repair and restoration within ninety (90) days of the casualty and pursue such repair and restoration with due diligence.

14.4. **Total Casualty.** In the event of a total casualty to the Premises, which renders the Premises wholly unable to be occupied, Tenant shall have the right to terminate this Lease within ninety (90) days of the date of the casualty by delivering a written notice of termination to the other party in accordance with the notice provisions in this Lease; provided; however, Tenant shall not have the right to terminate in the event the casualty was the result of the act, default or negligence of any Tenant Parties (in which event, Tenant shall be obligated to restore the Premises in accordance with paragraph 14.2 with no abatement in rental notwithstanding the provisions of paragraph 14.5). In the event Tenant does not elect to terminate this Lease, Tenant shall repair and restore of the Premises to substantially the same condition it was in prior to such casualty. Tenant shall commence the repair and restoration within ninety (90) days of the casualty and pursue such repair and restoration with due diligence.

14.5. **Rent Abatement.** Except as otherwise provided for herein, if the Premises is damaged as a result of fire or other casualty, the Base Rent shall be abated proportionately on a square footage basis as to the portion of the Premises rendered untenable. Such abatement shall continue until the earlier of: (a) the date that the Premises has been substantially repaired or restored; or (b) the date on which Tenant's operations are substantially restored in the entire Premises or in any part of the Premises not so damaged during such period.

14.6. **Insurance Proceeds.**

14.6.1. Upon receipt by Tenant of the proceeds of any applicable insurance policy or policies required under paragraph 13.2, the proceeds shall be deposited in an escrow account approved by Landlord so as to be available to pay for the cost of such repair, replacement or rebuilding.

14.6.2. Any insurance proceeds shall be disbursed during construction to pay the costs of such work.

14.6.3. If the amount of the insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements,

Tenant shall pay any additional sums required into such escrow account. If the amount of the insurance proceeds is in excess of the costs of repair, replacement or rebuilding, the amount of such excess shall be disbursed as follows:

14.6.3.1. Such proceeds shall be applied first toward any amounts owed to Landlord under this Lease.

14.6.3.2. The balance of the proceeds, if any, shall be paid to Tenant.

14.7. **Destruction Caused by Landlord.** Notwithstanding anything set forth above, in the event any damage is directly caused by the negligence or willful action of Landlord hereafter, Landlord shall be obligated, at Landlord's sole cost and expense, to repair and restore of the Premises to substantially the same condition it was in prior to such casualty.

14.8. **Eminent Domain.**

14.8.1. In the event that more than twenty percent (20%) of the Premises shall at any time after the execution of this Lease be taken by public or quasi-public use or condemned under eminent domain, then at the option of Tenant upon the giving of thirty (30) days written notice (after such notice of condemnation), this Lease shall terminate and expire as of the date of such taking and any prepaid rental shall be prorated as of the effective date of such termination.

14.8.2. In the event only a portion of the Premises, not exceeding twenty percent (20%) of the same, shall be so taken or condemned, and the remaining portion of the Premises can be repaired so as to be commercially fit for the operation of Tenant's business within ninety (90) days after the condemning authority takes possession, then Landlord at its own expense (but limited to the amount of damages received by Landlord for repairs in the eminent domain proceeding) shall so repair the remaining portion of the Premises and there shall be an equitable adjustment of rent for the remainder of the term. If the remaining portion of the Premises cannot be repaired within that ninety (90) day period so as to be commercially fit for the operation of Tenant's business, then, at the option of Tenant to be provided to Landlord by written notice within thirty (30) days of the date that the title to the portion of the Premises is acquired by the condemning authority, this Lease shall terminate and become null and void from the date the authority takes possession, and after that date the parties hereto shall be released from all obligations hereunder except as herein stated.

14.8.3. Except as provided in this paragraph 14.8, no other taking, appropriation or condemnation shall cause this Lease to be terminated. No such appropriation or condemnation proceeding shall operate as or be deemed an eviction of Tenant or a breach of Landlord's covenant of quiet enjoyment.

14.8.4. Unless Landlord is the condemning authority, all damages awarded and any good faith deposit made by the condemning authority for such taking under the power of eminent domain whether for the whole or a part of the Premises shall belong to and be the sole property of Landlord whether such damages shall be awarded as compensation for the taking of the fee or diminution in value to the leasehold or to the fee of the Premises; provided, however, that Tenant shall be entitled to any part of a damage award or separate award for Tenant's business damages or

moving expenses. Therefore, any award (excluding business damages or moving expenses) will be paid by Landlord. Notwithstanding the foregoing, if Landlord is the condemning authority, the damages shall be awarded and distributed in accordance with applicable law.

Article 15. TITLE TO IMPROVEMENTS

15.1. Title to Improvements.

15.1.1. Tenant acknowledges and agrees that Landlord holds and shall hold sole and absolute title to the buildings and other improvements located on the Premises as of the Commencement Date.

15.1.2. Tenant shall be deemed to be the owner of all Tenant Improvements constructed by Tenant during the Term. Upon expiration of or earlier termination of this Lease, all Tenant Improvements, title to which has not previously vested in Landlord hereunder, shall become the absolute property of Landlord, and Landlord shall have every right, title, and interest therein, free and clear of any liens, mortgages, and other encumbrances. Upon the request of Landlord, Tenant shall provide Landlord with a bill of sale or other evidence of the transfer of ownership of the improvements together with evidence satisfactory to Landlord that the improvements are free from liens, mortgages and other encumbrances.

15.2. Removal of Improvements.

15.2.1. Notwithstanding any provision of this Lease to the contrary, Landlord shall be entitled, at its option, upon the expiration or earlier termination of this Lease, to have the Premises returned to Landlord free and clear of some or all Tenant Improvements at Tenant's sole cost and expense. Notwithstanding the above, this provision shall not include buildings constructed by Tenant pursuant to the provisions of this Lease.

15.2.2. If Landlord elects to have Tenant remove some or all of the Tenant Improvements pursuant to paragraph 15.2.1, Landlord shall so notify Tenant at least sixty (60) days prior to the expiration or termination of this Lease (unless Landlord is terminating this Lease based upon a default by Tenant in which case the notice under this paragraph may be provided by Landlord within sixty (60) days after Landlord's termination of this Lease). If Tenant fails to remove the Tenant Improvements, Landlord may remove the Tenant Improvements on behalf and for the account of Tenant. Tenant fully assumes and shall be liable to Landlord for payment of all costs of removal of the Tenant Improvements (whether direct or indirect) incurred by Landlord, plus a twenty five percent (25%) administrative overhead fee, which costs and administrative overhead fee shall be due and payable Landlord within thirty (30) days from the date of the written notice provided by Landlord.

15.3. **Survival.** The provisions of this Article shall survive expiration or termination of this Lease.

Article 16. EXPIRATION, DEFAULT, REMEDIES AND TERMINATION

- 16.1. **Expiration.** This Lease shall automatically expire at the end of the Term.
- 16.2. **Default.** The occurrence of any one or more of the following events shall constitute a default of this Lease by Tenant:
- 16.2.1. Vacating or abandoning of the Premises by Tenant without the advance written consent of Landlord. The Premises shall be deemed vacated or abandoned upon: the Premises no longer being open for business, or Tenant not providing the Required Services during the hours of operation required by paragraph 7.2 for more than twenty-four (24) consecutive hours or during any time period on three or more days in a 60-day period; utility service being discontinued to the Premises; or such other facts as Landlord determines, in its reasonable discretion, established that Tenant has vacated or abandoned the Premises.
- 16.2.2. The failure by Tenant to make payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) Business Days after such payment is due and payable.
- 16.2.3. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant where such failure continues for a period of thirty (30) days after written notice thereof from Landlord to Tenant, notwithstanding the foregoing:
- 16.2.3.1. If the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within such thirty (30) day period and thereafter diligently pursues such cure to completion.
- 16.2.3.2. Nothing contained in this paragraph 16.2.3 shall be deemed to alter or affect the cure period for performance of any covenant, condition or provision for which a specific time period is provided elsewhere in this Lease, or to require notice and an opportunity to cure where any provision of this Lease provides that such notice or opportunity are not necessary.
- 16.2.3.3. If Tenant has twice previously violated a term, condition or covenant of this Lease and is provided with notice of and an opportunity to cure such violation, any subsequent violation of the same term, condition, or covenant within twelve (12) months of the prior violation shall constitute a default without further notice or opportunity to cure; or
- 16.2.3.4. Only five (5) Business Days' notice and an opportunity to cure need be provided for the failure to provide insurance, or proof thereof, under this Lease.
- 16.2.4. To the extent permitted by law, (a) the making by Tenant or any guarantor, receiver, or trustee thereof of any general assignment, or general arrangement for the benefit of creditors; (b) the filing by or against Tenant of a petition to have Tenant adjudged bankrupt or a petition for reorganization or arrangement under

any law relating to bankruptcy unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; (c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (d) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

16.2.5. The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of all or substantially all of the personal property or fixtures of FBO used in or incident to the operation of the Property.

16.2.6. Tenant makes an assignment of this Lease for the benefit of creditors.

16.2.7. Any sale, transfer, assignment, subleasing, concession, license, or other disposition prohibited under this Lease.

16.2.8. Except as Article 18, Tenant doing or permitting to be done anything that creates a lien upon the Property and shall fail to obtain the release of any such lien or bond off any such lien as required herein.

16.2.9. Notwithstanding any provision of this Lease, Tenant acknowledges and agrees that Landlord may require Tenant to immediately cease any activity, which could result in an Airport hazard or endanger safety of any other Airport user, as reasonably determined by Landlord.

16.3. **Remedies.**

16.3.1. If any Tenant default occurs (and has not been cured during any applicable cure period), Landlord shall have the right, at the option of Landlord, to pursue one or more of the following remedies, in addition to all other remedies available at law or equity:

16.3.1.1. Terminate this Lease and thereupon reenter and take possession of the Premises with or without legal process.

16.3.1.2. Declare all remaining Rent under the Lease immediately due and owing.

16.3.1.3. Without terminating this Lease, reenter and relet the Premises, or any part thereof, with or without legal process, for the account of Tenant upon such terms and conditions as Landlord may deem advisable or satisfactory, in which event the rents received on such reletting shall be applied:

a). First, to the expenses of such reletting and collection including but not limited to, necessary renovation and alterations of the Premises, reasonable attorney's fees, any real estate commissions paid;

- b). Second, toward payment of all Rent or other sums due or to become due Landlord hereunder; and
- c). Third, if a sufficient sum shall not be thus realized or secured to pay such sums and other charges due Landlord, then, Tenant shall pay Landlord any deficiency monthly, and Landlord may bring an action therefor as such monthly deficiency shall arise.
- d). Nothing herein, however, shall be construed to require Landlord to reenter and relet in any event. Landlord shall not, in any event, be required to pay Tenant any surplus of any sums received by Landlord on a reletting of the Premises in excess of the rent provided in this Lease.

16.3.1.4. Remove all or any part of the Tenant's property from the Premises and any property removed may be stored in any public warehouse or elsewhere at the cost of, and for the account of Tenant, and Landlord shall not be responsible for the care or safekeeping thereof whether in transport, storage or otherwise. Tenant hereby waives any claim against Landlord for loss, destruction and/or damage or injury that may be occasioned by any of the previously mentioned acts. In addition to any statutory lien granted to Landlord, this Lease shall be deemed and considered to grant Landlord a security interest in the previously mentioned items and Landlord shall have all the rights of a secured party under the Uniform Commercial Code.

16.3.2. No reentry or taking possession of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. Notwithstanding any such reletting without termination, Landlord may at all times thereafter elect to terminate this Lease for such previous default. Any such reentry shall be allowed by Tenant without hindrance, and Landlord shall not be liable in damages for any such reentry, or guilty of trespass or forcible entry.

16.3.3. For purposes of paragraph 16.3.1.2 or 16.3.1.3, Rent due under this Lease shall be calculated as follows:

16.3.3.1. Base Rent for the remaining Term shall be calculated using the schedule set forth in paragraph 5.2.1 (including any prior adjustments pursuant to paragraph 5.2).

16.3.3.2. Percentage Rent for the remaining Term shall be calculated using the average of the Percentage Rent due from Tenant during the prior 12 months (or less if the acceleration occurs within the first 12 months of the first Leased Year) prior to the acceleration under paragraph 16.3.1.2 or prior to Landlord's reentry under paragraph 16.3.1.3.

16.3.3.3. For purposes of paragraph 16.3.1.2 only:

- a). Base Rent for the remaining Term shall be adjusted pursuant to paragraph 5.4 as if each subsequent adjustment, during the

remaining Term, was the average of the two prior adjustments; if there have been no prior adjustments, or only one prior adjustment, the Base Rent shall be adjusted under the assumption that each subsequent adjustment will be twelve percent (12.00%) of the then-current Base Rent at the time of the acceleration under paragraph 16.3.1.2.

- b). CAM Fees for the remaining Term shall be deemed to be the average of the CAM Fees for the 24 months prior to acceleration or, if less than 24 months have expired during the term of this Lease, as of the date of acceleration, the CAM Fees for the number of months that have expired divided by such number of months.

- 16.4. **Cure of Tenant Default by Landlord.** If Tenant shall default in the performing of any covenant or condition of this Lease and the opportunity to cure if any has expired,, Landlord may, at its sole discretion, perform the same for the account of Tenant and Tenant shall reimburse Landlord for commercially reasonable expenses incurred therefore together with interest thereon at the highest legal rate. This provision imposes no duty on Landlord nor waives any right of Landlord otherwise provided in this Lease.
- 16.5. **Termination by Tenant.** Tenant may terminate this Lease, if Tenant is not in default of this Lease (including, without limitation, its payments to Landlord hereunder), by giving Landlord sixty (60) days advance written notice, upon or after the happening of any one of the following events:
 - 16.5.1. The issuance by any court of competent jurisdiction of an injunction in any way preventing the use of the Airport for Airport purposes or a substantial part of the Premises for the purposes permitted hereunder, which injunction remains in force for a period of at least ninety (90) days.
 - 16.5.2. A default by Landlord under paragraph 16.6.
 - 16.5.3. The lawful assumption by the United States Government or any authorized agency thereof, of the operation, control, or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict the operation of Tenant, for a period of at least ninety (90) days.
- 16.6. **Default by Landlord.** Landlord shall not be in default unless Landlord fails to perform obligations imposed upon Landlord hereunder within a reasonable time, but in no event later than thirty (30) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligations; provided, however, that if the nature of Landlord's obligations is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. Tenant shall have, in the event of default by Landlord, any remedy now or hereafter available to Tenant under the laws of the State of Florida.
- 16.7. **Surrender of Premises.** Tenant expressly agrees that it shall immediately surrender the Premises to Landlord in good condition, upon expiration or earlier termination of this Lease, depreciation and wear from ordinary use for the purpose for which the Premises

were leased being excepted. In the event Tenant shall holdover, refuse, or fail to give up the possession of the Premises at the expiration or earlier termination of this Lease, Tenant shall be liable to Landlord for any and all damages, and in addition thereto, Tenant shall also be strictly liable to pay to Landlord during the entire time period of such holdover, double rental, as provided for in Section 83.06, Florida Statutes. Tenant shall remove all of its personal property from the Premises on or before the expiration of this Lease. Any personal property of Tenant not removed by Tenant shall become the property of Landlord or may be disposed of by Landlord at Tenant's expense.

Article 17. ASSIGNMENT, TRANSFER AND SUBLETTING

17.1. Assignment.

17.1.1. Tenant shall have the right to assign, transfer or otherwise convey an interest in this Lease ("Assignment"), the Premises or any portion thereof to a qualified Assignee, subject to Landlord's approval of the Assignee.

17.1.1.1. Landlord shall have unfettered discretion with regard to this approval.

17.1.1.2. In the event that Tenant proposes an Assignment, in whole or in part, Tenant shall notify Landlord in writing at least 90 days prior to the date on which the Assignment is to be effective and shall furnish with such notice: (a) the name of the entity receiving such Assignment ("Assignee"); (b) a detailed description of the business of the Assignee, including the Assignee's relevant experience as a fixed base operator; (c) certified financial statements of the Assignee; (d) all written agreements governing the Assignment; and (v) any information reasonably requested by Landlord with respect to the Assignment or the Assignee.

17.1.1.3. Any permitted Assignment shall be subject to the same conditions, obligations and terms as set forth herein.

17.1.1.4. Upon a permitted assignment under this paragraph 17.1.1, the Assignee shall assume all rights and obligations of Tenant under this Lease and the Assignee shall deliver to Landlord an assumption agreement in a form reasonably satisfactory to Landlord within ten (10) days after approval by City Council of such assignment.

17.1.2. Landlord may freely assign this Lease at any time without the consent of Tenant, and upon assumption by such assignee of Landlord's obligations hereunder, Landlord shall be released from all liability and obligation arising hereunder upon such assignment. The Security Deposit and any other security given to Landlord to secure Tenant's performance of its obligations under this Lease may be assigned and transferred by Landlord to its successor and Landlord shall thereby be discharged of any further liability or obligation with regard to the security.

17.2. Subleasing.

- 17.2.1. Tenant shall have the right to sublease property within the Premises, subject to the terms and conditions of this paragraph 17.2.
- 17.2.2. Tenant may not sublease the entire Premises.
- 17.2.3. As set forth in the Minimum Standards, Tenant shall be required to provide the Core Services, and therefore no sublease shall be the purposes of permitting the subtenant to provide the Core Services (with the only exception of aircraft recovery); Landlord is in the process of amending its Minimum Standards to permit aircraft recovery to be provided by third parties such as Subtenants.
- 17.2.4. Tenant shall provide Landlord with one or more standard form sublease(s) for the sublease of property within the Premises for review and advance approval. Standard form subleases may be modified from time to time, subject to Landlord's review and approval. Unless otherwise approved in writing by Landlord, Tenant shall use a substantially similar version to the approved standard form sublease(s) for the sublease of property. No sublease shall conflict with Tenant's obligations as set forth herein, and Tenant shall be fully responsible for the observance by its subtenants of the terms and conditions contained in this Lease. All subleases entered by Tenant shall contain a statement acknowledging that the sublease is subject and subordinate to this Lease.
- 17.2.5. Each subtenant shall be subject to Landlord's prior written consent which shall not be unreasonably withheld.
- 17.2.6. Within ten (10) days of Landlord's request, Tenant shall provide Landlord a list of all subtenants, in a form and substance reasonably acceptable to Landlord, which shall identify the location of the building or improvement being subleased by each subtenant and publically available contact information for each subtenant, including, without limitation, the subtenant's name, address, telephone number and e-mail address.

Article 18. ENCUMBRANCES

- 18.1. Tenant shall not obligate the Premises for the costs of any improvements or alterations and shall not permit a lien to be filed upon such Premises without the prior written consent of Landlord.
- 18.2. Notwithstanding the foregoing, the Parties hereby agrees as follows:
 - 18.2.1. Landlord hereby consents to Tenant's interest under this Lease being mortgaged to SunTrust Bank, N.A. in its capacity as administrative agent for the Lenders, as same are defined in that certain Credit Agreement dated August 15, 2013; and further consents in the future to Tenant's interest under this Lease being mortgaged to any Federal or State Savings and Loan Association, Bank or Trust Company, Insurance Company, Pension Fund, Trust, similar lending institution and/or other non-public or public companies authorized to make leasehold mortgage loans or offer leasehold financing in the State of Florida.
 - 18.2.2. If Tenant shall mortgage its leasehold interest and if the holder of the mortgage or pledge shall forward to Landlord, pursuant to paragraph 28.13, a duplicate

original of the mortgage in recordable form, or a copy of the mortgage as recorded in the Public Records of Marion County, Florida, together with a written notice setting forth the name and address of the leasehold mortgagee and, to the extent available, the name, telephone number, facsimile number and email address of a representative of leasehold mortgagee to whom notices may be sent by facsimile or email pursuant to paragraph 28.13. Until the time that the leasehold mortgage shall be satisfied of record, the following provisions of this paragraph 18.2 shall apply.

- 18.2.3. When giving notice to Tenant with respect to any default under the provisions of this Lease, Landlord will also serve a copy of such notice upon the leasehold mortgagee, which copy shall be sent by Landlord by certified mail return receipt requested, to such mortgagee. No such notice to Tenant shall be deemed to have been given, notwithstanding the provision of this Lease, unless a copy of such notice has been so sent to the leasehold mortgagee, which notice must specify the nature of each default.
- 18.2.4. The leasehold mortgagee, upon receiving such notice, shall have, in addition to any time period to cure a default (a "Cure Period") extended to Tenant under the terms of this Lease, a period of an additional forty five (45) days within which to cure the default or cause same to be cured or to commence to cure such default with diligence and continuity; provided, however, that as to any default of Tenant for failure to pay rent or additional rent, the leasehold mortgagee shall have twenty (20) days from the date of notice of default to cure such default. Notwithstanding the foregoing:
 - 18.2.4.1. Where a provision of this Lease (e.g., paragraph 16.2.3.4) provides less than a thirty (30) day Cure Period, the leasehold mortgage shall have an additional Cure Period following the Tenant's Cure Period of the same number of days as Tenant's original Cure Period.
 - 18.2.4.2. Where a provision of this Lease (e.g., paragraph 4.2.1.2 or 16.2.3.3) expressly provides that Tenant has no opportunity to cure, the leasehold mortgagee shall have no additional Cure Period.
- 18.2.5. Upon the happening of any default and receipt of notice of same from Landlord, Tenant will notify the leasehold mortgagee promptly of such occurrence and shall state in the notice what action has been or will be taken by Tenant to cure the default.
- 18.2.6. In case Tenant shall default under any of the provisions of this Lease, the leasehold mortgagee shall have the right to cure such default whether same consists of the failure to pay Rent or Additional Rent, or the failure to perform any other matter or thing which Tenant is required to do or perform and Landlord shall accept such performance on the part of the leasehold mortgagee as though the same had been done or performed by Tenant.
- 18.2.7. Landlord will take no action to effect a termination of the Lease, until such time as the Cure Period provided herein, has expired and the defaults remain uncured. During the Cure Period provided to the leasehold mortgage, the leasehold mortgagee shall be entitled to: 1) obtain possession of the Premises (including

possession by a receiver) and cure such default in the case of a default which is susceptible of being cured when the leasehold mortgagee has obtained possession; or 2) institute foreclosure proceedings and complete such foreclosure or otherwise acquire Tenant's interest under this Lease with diligence and continuity and thereafter proceed to cure such default; provided, however, that the leasehold mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which would have been the reason for Landlord serving such notice of default shall be cured, and provided further, that nothing in this paragraph 18.2 shall preclude Landlord from exercising any rights or remedies under this Lease with respect to any other default.

- 18.2.8. The leasehold mortgagee may become the legal owner and holder of this Lease by foreclosure of its leasehold mortgage or as a result of the assignment of this Lease in lieu of foreclosure, made with Landlord's written consent, whereupon such leasehold mortgagee or assignee shall immediately become and remain liable under this Lease as provided in this paragraph 18.2, except that such leasehold mortgagee may assign this Lease with Landlord's consent which shall not be unreasonably withheld or delayed and effective upon such assignment, the new lessee shall become and remain liable to Landlord under this Lease, and the leasehold mortgagee shall no longer be liable to Landlord in any fashion.
- 18.2.9. In the event that a leasehold mortgagee shall become the owner or holder of Tenant's interest in this Lease by foreclosure of its mortgage or by assignment of this Lease in lieu of foreclosure or otherwise, the term "Tenant" as used in this Lease, means only the owner or holder of Tenant's interest for the time being so that, in the event of a sale, assignment or other disposition of Tenant's interest in this Lease by the leasehold mortgagee, the leasehold mortgagee's purchaser or assignee shall be deemed to assume and agree to carry out any and all covenants and obligations of Tenant from and after the date that the mortgagee became the owner or holder. To wit in such event, the leasehold mortgagee's purchaser or assignee shall retroactively assume all covenants and obligations of Tenant from the date of transfer away from Tenant to the leasehold mortgagee and/or the leasehold mortgagee's purchaser or assignee, whichever first occurs.
- 18.2.10. Within ten (10) days after written request by Tenant or by Tenant's leasehold mortgagee, or in the event that upon any sale, assignment or mortgaging of Tenant's interest in this Lease, by Tenant, Tenant's leasehold mortgagee, the purchaser or assignee, Landlord shall deliver to the requesting party an estoppel certificate pursuant to paragraph 28.8.
- 18.2.11. Reference in this Lease to acquisition of Tenant's interest in this Lease by the leasehold mortgagee shall be deemed to refer, where circumstances require, to acquisition of Tenant's interest in this Lease by any purchaser at a sale on foreclosure of the leasehold mortgage and provisions applicable to the leasehold mortgagee in such instance or instances shall also be applicable to any such purchaser.
- 18.2.12. So long as Tenant's interest in this Lease shall be mortgaged to a leasehold mortgagee, the parties agree, for the benefit of such leasehold mortgagee, that Landlord shall not sell, grant or convey to Tenant all or any portion of Landlord's

fee simple title to the Premises without the prior written consent of such mortgagee. In the event of any such sale, grant or conveyance by Landlord to Tenant, Landlord and Tenant agree that no such sale, grant or conveyance shall create a merger of this Lease into a fee simple title to the Premises. This paragraph shall not be construed to prevent sale, grant or conveyance of Landlord's fee simple title by Landlord to any person, firm or corporation other than Tenant, its successors, legal representatives and assigns.

18.2.13. Reference in this Lease to a leasehold mortgagee shall be deemed to refer where circumstances require, to any assignee (subject to the provisions of this paragraph 18.2 set forth above) of a leasehold mortgagee; provided that such assignee shall forward to Landlord, pursuant to paragraph 28.13 a duplicate original of the assignment of the leasehold mortgagee in a form proper for recording or a copy of such assignment, as recorded in the Public Records of Marion County, Florida, together with a written notice setting forth the name and address of the assignee and, to the extent available, the name, telephone number, facsimile number and email address of a representative of the assignee to whom notices may be sent by facsimile or email pursuant to paragraph 28.13.

18.2.14. Any leasehold mortgage shall be specifically subject and subordinate to Landlord's rights under this Lease. The sentence immediately preceding shall not be deemed or construed (by implication or otherwise) to impose or establish upon Tenant's interest in this Lease or upon the lien of any leasehold mortgage, the superiority of any lien or encumbrance, including, without limitation, the lien of any fee mortgage, judgment, tax created directly or indirectly by, through or against Landlord or Landlord's interest in this Lease. Despite any provision which is or may appear to the contrary in this Lease, under no circumstances whatsoever shall the fee simple title interest of Landlord in the Premises, or any portion of same, be subordinated to the leasehold mortgage or encumbered by the leasehold mortgage.

18.2.15. Notwithstanding any other provision in this paragraph 18.2 or Lease, after a default by Tenant whereby any leasehold mortgagee shall acquire any rights and/or obligations under this Lease, including as a result of bidding or lack thereof at auction after foreclosure, (this also includes any rights/obligations a leasehold mortgagee shall acquire under any other lease of Tenant at the Airport, as a result of cross-default provisions), and thereafter the leasehold mortgagee or referee at sale proposes to assign, sell, rent, or otherwise transfer any interests, rights, and obligations to a special purpose entity and/or third party, or allow use of the property under this Lease (or any other property under any other lease at the Airport that Tenant is a party to as a result of cross-default provisions) by a special purpose entity and/or third party, any such assignment, sale, transfer, or use of the property under this Lease (or any other property under any other lease at the Airport that Tenant is a party to as a result of cross-default provisions) by a special purpose entity and/or third party is contingent upon Landlord confirming to its satisfaction that the special purpose entity and/or third party has the financial and operational capabilities sufficient for the proper conduct of a fixed base operator as those capabilities are defined in this Lease or any other lease that is subject to this provision, and any Minimum Standards applicable to the Airport. Landlord may also submit nominees to the leasehold mortgagee, and the leasehold mortgagee shall negotiate in good faith and act with such nominees in

order to determine whether any such nominee meets the leasehold mortgagee's qualifications.

18.2.16. Notwithstanding anything to the contrary in this paragraph 18.2, the parties acknowledge that at the time of the execution of this Amendment, Tenant is the sole operating FBO at the Airport and therefore the leasehold mortgagee's rights as set forth herein shall be conditioned on the leasehold mortgagee using commercially reasonable efforts to ensure that the operations required to be provided by Tenant hereunder continue subsequent to the leasehold mortgagee acquiring the rights and obligations of Tenant under the Lease in accordance with the provisions of the above paragraphs.

Article 19. INDEMNIFICATION

19.1. Indemnification.

19.1.1. Generally.

19.1.1.1. Tenant shall hold the Landlord harmless from, and indemnify Landlord against, any and all liability, damages, out of pocket costs and reasonable attorneys' fees, injury, actions or causes of action whatsoever:

- a). Directly arising out of the operation, conduct or use of the Premises or Airport by Tenant or any Tenant Parties; or
- b). For any injury to or death of any person or persons, or damage to property, directly caused by the negligence or willful misconduct of Tenant or any Tenant Parties, or by a default by Tenant under this Lease.

19.1.1.2. Tenant's grant of indemnity to Landlord hereby survives expiration or early termination of this Lease.

19.1.1.3. This Article 19 supplements any other indemnification provision in this Lease.

19.1.2. Defense of Landlord. In the event any action or proceeding shall be brought against Landlord by reason of any matter for which Landlord is indemnified hereunder, Tenant shall, upon notice from Landlord, at Tenant's sole cost and expense, resist and defend the same, provided however, that Tenant shall not admit liability in any such matter on behalf of Landlord without the written consent of Landlord and provided further that Landlord shall not admit liability for, nor enter into any compromise or settlement of, any claim for which they are indemnified hereunder, without the prior written consent of Tenant which may not be unreasonably withheld.

19.1.3. Disclaimer of Liability. Landlord shall not be liable for injury or damage occurring to any person or property arising out of this Lease, or as a result of Tenant's possession of the Premises, including, without limitation, harm or personal injury to Tenant or third persons during Tenant's possession of the

Premises or the term of this Lease, except in the event any such injury or damage is caused as the direct result of Landlord's gross negligence or willful misconduct.

19.1.4. Notice, Cooperation, and Expenses.

19.1.4.1. Landlord shall give Tenant prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this paragraph. Nothing herein shall be deemed to prevent Landlord from cooperating with Tenant and participating in the defense of any litigation by Landlord's own counsel. Tenant shall pay all reasonable expenses incurred by Landlord in response to any such action, suits, or proceedings. These expenses shall include all out-of-pocket expenses such as reasonable attorney fees and shall also include the reasonable value of any services rendered by Landlord's attorney, and the actual expenses of Landlord's agents, employees, or expert witnesses, and disbursements and liabilities assumed by Landlord in connection with such suits, actions, or proceedings but shall not include attorney's fees for services that are unnecessarily duplicative of services provided Landlord by Tenant.

19.1.4.2. If Tenant requests Landlord to assist it in such defense then Tenant shall pay all expenses incurred by Landlord in response thereto, including defending itself with regard to any such actions, suits, or proceedings. These expenses shall include all out-of-pocket expenses such as reasonable attorney fees and shall also include the costs of any services rendered by Landlord's attorney, and the actual expenses of Landlord's agents, employees, or expert witnesses, and disbursements and liabilities assumed by Landlord in connection with such suits, actions, or proceedings.

19.1.4.3. Tenant shall give Landlord prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this paragraph.

19.1.5. Exception. The provisions of this Article 19 shall not apply concerning any damages to persons or property that are judicially determined to be attributable to the negligence or willful misconduct of Landlord, its agents, servants, employees or officers.

Article 20. SIGNS

20.1. No signs, posters, or similar devices shall be erected, displayed, or maintained by Tenant on the Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord may impose reasonable conditions upon the size, location and appearance of any signage. All signage shall conform with any standards adopted by Landlord related to signage at the Airport. All signs not approved by Landlord shall be immediately removed at the sole cost and expense of Tenant upon written demand therefore by Landlord.

Article 21. LAWS, REGULATIONS AND PERMITS

- 21.1. **General.** Tenant agrees that throughout the Term and any extension thereof, Tenant shall at all times be and shall remain in full and complete compliance with all applicable federal, state and local laws, statutes, regulations, rules, rulings, orders, ordinances and directives of any kind or nature without limitation, as now or hereafter amended or promulgated, including, without limitation, FAA Advisory Circulars, Orders and Directives; and the Airport Rules and Regulations, Airport Minimum Standards for Commercial Aeronautical Activity, Airport Development and Leasing Guidelines.
- 21.2. **Permits and Licenses Generally.** Tenant agrees that it shall, at its sole cost and expense, obtain, comply with and maintain current any and all permits, licenses and other governmental authorizations required for its operations and activities on the Premises. Upon the written request of Landlord, Tenant shall provide Landlord with certified copies of any and all permits and licenses requested by Landlord pursuant to this paragraph.
- 21.3. **Air and Safety Regulation.** Tenant shall conduct its operations and activities under this Lease in a safe manner and shall comply with all safety regulations and standards imposed by applicable federal, state and local laws and regulations and shall require the observance thereof by all employees, subtenants, contractors, business invitees and all other persons transacting business with or for Tenant resulting from, or in any way related to, the conduct of Tenant's business on the Premises. Tenant shall procure and maintain such fire prevention and extinguishing devices as required by Landlord and by law and shall at all times be familiar and comply with the fire regulations and orders of Landlord. Tenant agrees that neither Tenant, nor its employees or contractors or any person working for or on behalf of Tenant, shall require any personnel engaged in the performance of Tenant's operations to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his or her health or safety, as determined by standards adopted pursuant to the Occupational Safety and Health Act of 1970, as now or hereafter amended, as well as all applicable State and local laws, regulations, and orders relative to occupational safety and health.
- 21.4. **Environmental and Natural Resource Laws, Regulations and Permits.**
- 21.4.1. Notwithstanding any other provision of the Lease to the contrary, Tenant hereby expressly covenants, warrants, guarantees and represents to Landlord, upon which Landlord expressly relies, that Tenant is knowledgeable of any and all Environmental Laws. Tenant agrees that it shall comply with all Environmental Laws.
- 21.4.2. Tenant acknowledges and understands that its operations performed pursuant to this Lease may involve the generation, processing, handling, storing, transporting and disposal of Hazardous Materials.
- 21.4.3. Tenant expressly covenants, warrants, guarantees and represents to Landlord, upon which Landlord expressly relies, that Tenant is knowledgeable of all applicable Environmental Laws. Tenant further expressly covenants, warrants, guarantees and represents that it is fully qualified (or shall contract with qualified third parties) to handle and dispose of any and all such Hazardous Materials, in a manner which is both safe and in full compliance with any and all Environmental Laws.

- 21.4.4. Tenant hereby expressly assumes and accepts full responsibility and liability for compliance with all applicable Environmental Laws in the handling and disposal of any Hazardous Materials, directly resulting from or directly arising out of Tenant's operations conducted on the Premises, and Tenant shall, prior to commencement of any such operations pursuant to this Lease, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter thereof. Tenant further represents, warrants, guarantees and covenants to Landlord, upon which Landlord hereby expressly relies, that Tenant, its employees, agents, contractors, and those persons that are required to be so trained working for, or on behalf of, Tenant have been, or will be prior to commencement of operations on the Premises, fully and properly trained in the handling of all such Hazardous Materials, and that such training, at a minimum, complies with any and all applicable Environmental Laws.
- 21.4.5. Tenant shall provide to Landlord satisfactory documentary evidence of all requisite legal permits and notifications required by paragraph 21.4.4, and as may be further required, upon request, from time to time by Landlord.
- 21.4.6. If Tenant is deemed to be a generator of hazardous waste, as defined by any Environmental Law:
- 21.4.6.1. Tenant shall obtain an EPA identification number and the appropriate generator permit and shall comply with all requirements imposed upon a generator of hazardous waste including, without limitation, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law;
 - 21.4.6.2. Provisions shall be made by Tenant to have an accurate inventory list (including quantities) of all such Hazardous Materials, whether stored, disposed of, or recycled, available at all times for inspection at any time on the Premises by Landlord;
 - 21.4.6.3. Notification of all hazardous waste activities by Tenant shall be made to Landlord, and such other appropriate agencies as Landlord may from time to time designate; and
 - 21.4.6.4. Tenant agrees that an emergency coordinator and phone number shall be furnished to Landlord, and to all appropriate governmental entities having jurisdiction thereof in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, and/or other pollutant/contaminated materials.
- 21.4.7. Limited by the provisions of this paragraph 21.4.7, Tenant shall be strictly liable for, and hereby expressly assumes all responsibility for all citations, fines, environmental controls and monitoring, clean-up and disposal, restoration and corrective measures proximately resulting from improper use, handling, storage, and/or disposal of all Hazardous Materials, but only: (a) as set forth in paragraph 3.4; or (b) as occasioned by Tenant or by any of Tenant's Parties during the Term of this Lease.

- 21.4.8. If at any time after the Commencement Date or during the Term any Contamination of the Premises by Hazardous Materials shall occur where such Contamination is caused by the act or omission of Tenant, by any of Tenants' Parties, then Tenant, at its sole cost and expense, shall promptly and diligently remove such Hazardous Materials from the Premises or the groundwater underlying the Premises to the extent reasonably possible in accordance with the requirements of the applicable Environmental Law and industry standards then prevailing in the Hazardous Materials management and remediation industry in Florida. However, Tenant shall not take any required remedial action in response to any Contamination in or about the Premises or enter into any settlement agreement, consent, decree or other compromise in respect to any claims relating to any Contamination without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to appear, intervene or otherwise appropriately assert and protect Landlord's interest with respect thereto. In addition to all other rights and remedies of the Landlord hereunder, if Tenant does not promptly and diligently take all steps to prepare and obtain all necessary approvals of a remediation plan for any Contamination, and thereafter commence the required remediation of any Hazardous Materials released or discharged in connection with Contamination within thirty (30) days after Landlord has reasonably approved Tenant's remediation plan and all necessary approvals and consents have been obtained and thereafter continue to prosecute said remediation to completion in accordance with the approved remediation plan, then Landlord, at its sole discretion, shall have the right, but not the obligation, to cause said remediation to be accomplished, and Tenant shall reimburse Landlord within fifteen (15) business days of Landlord's demand for reimbursement of all amounts reasonably paid by Landlord (together with interest on said amounts at the highest lawful rate until paid), when said demand is accompanied by proof of payment by Landlord of the amounts demanded. Tenant shall promptly deliver to Landlord copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises as part of Tenant's remediation of any Contamination. Tenant shall not be responsible for any remediation or contamination occurring prior to the Commencement Date of this Lease.
- 21.4.9. Except as discharged into the sanitary sewer or otherwise removed from the Premises in strict accordance and conformity with all applicable Environmental Law, Tenant shall cause any and all Hazardous Materials removed from the Premises as part of the required remediation of Contamination to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes.
- 21.4.10. Each party hereto (for purposes of this party, "Notifying Party") shall immediately notify the other party (the "Notice Recipient") in writing of: (a) any enforcement, clean-up, removal or other governmental or regulatory action instituted, contemplated or threatened concerning the Premises pursuant to any Environmental Law; (b) any claim made or threatened by any person against the Notifying Party or the Premises relating to damage contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Materials on or about the Premises; and (c) any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in or removed from the Premises including any complaints, notices,

warnings or asserted violations in connection therewith, all upon receipt by the Notifying Party of actual knowledge of any of the foregoing matters. Notifying Party shall also supply to Notice Recipient as promptly as possible, and in any event within five (5) business days after Notifying Party first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Tenant's use thereof.

- 21.4.11. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect, and hold Landlord, and each of Landlord's partners (if applicable), employees, agents, attorneys, shareholders, officers, directors, trustees, successors and assigns (collectively, Landlord together with all of such persons and entities are hereinafter referred to as the "Landlord Indemnified Parties"), free and harmless from and against any and all claims, actions, causes of action, liabilities, penalties, forfeitures, damages, losses or expenses (including, without limitation, attorneys' fees and costs through litigation and all appeals) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly by (a) any Contamination, (b) Tenant's failure to comply with any Environmental Law with respect to the Premises, (c) a breach of any covenant, warranty or representation of Tenant under this Article 21. Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, clean-up or detoxification or decontamination of the Premises, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. For purposes of the indemnity provisions hereof, any acts or omissions of Tenant, or by employees, agents, assignees, Tenants, subleases, contractors or subcontractors of Tenant or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Tenant. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

Article 22. AMERICANS WITH DISABILITIES ACT

- 22.1. Tenant shall comply with the applicable requirements of the Americans with Disabilities Act ("ADA") and the State of Florida Accessibility Requirements Manual, and any similar or successor laws, ordinances, rules, and regulations, including cooperation with Landlord, concerning the same subject matter. Notwithstanding the foregoing, Tenant shall not have liability for any mitigation or remediation of any non-compliance with ADA where such condition was present on the Premises and pre-dated the Effective Date.

Article 23. DISCLAIMER OF LIABILITY

- 23.1. LANDLORD HEREBY DISCLAIMS, AND TENANT HEREBY RELEASES LANDLORD, FROM ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE AND NUISANCE), FOR ANY LOSS, DAMAGE, OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANT, ITS EMPLOYEES, AGENTS, OR INVITEES DURING THE TERM OF THIS LEASE OR ANY EXTENSION THEREOF INCLUDING, WITHOUT LIMITATION, LOSS, DAMAGE OR INJURY TO THE IMPROVEMENTS OR PERSONAL PROPERTY OF TENANT OR TENANT'S BUSINESS INVITEES THAT MIGHT BE LOCATED OR STORED ON THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY IS CAUSED BY LANDLORD'S NEGLIGENCE OR

WILLFUL MISCONDUCT OR IS CAUSED BY LANDLORD'S BREACH OF ITS OBLIGATIONS UNDER THIS LEASE. THE PARTIES HERETO EXPRESSLY AGREE THAT UNDER NO CIRCUMSTANCES SHALL Landlord BE LIABLE FOR SPECIAL, OR EXEMPLARY DAMAGES WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY, NEGLIGENCE, AND NUISANCE), SUCH AS, WITHOUT LIMITATION, PUNITIVE DAMAGES. THE FOREGOING DISCLAIMER SHALL NOT BE CONSTRUED TO CONSTITUTE AN AGREEMENT BY TENANT TO INDEMNIFY LANDLORD FOR LANDLORD'S NEGLIGENT, WILLFUL OR INTENTIONAL ACTS.

Article 24. GOVERNMENTAL RESTRICTIONS

- 24.1. **Federal Right to Reclaim.** In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located for public purposes for a period in excess of sixty (60) days, Tenant may terminate this Lease by providing written notice of such termination to Landlord and the parties shall thereupon be released and fully discharged from any and all liability hereunder arising after such termination or as a result thereof. This paragraph shall not act or be construed as a waiver of any rights Tenant may have against the United States as a result of such taking.
- 24.2. **Landlord Tax Assessment Right.** None of the terms, covenants and conditions of this Lease shall in any way be construed as a release or waiver on the part of Landlord, as a political subdivision of the State of Florida, or any of the public officials of Landlord, of the right to assess, levy, and collect any ad valorem, non-ad valorem, license, personal, intangible, occupation, or other tax which shall be lawfully imposed on the Airport.
- 24.3. **Height Restriction.** Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to heights that comply with Title 14, Part 77 of the Code of Federal Regulations, as now or hereafter amended.
- 24.4. **Right of Flight.** Landlord reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises together with the right to cause in such airspace such noise as may be inherent in the operations of aircraft now known or hereafter used, for navigation of, or flight in, such airspace for landing on, taking off from, or operating on the Airport.
- 24.5. **Operation of Airport.** Tenant expressly agrees for itself, its sublessees, successors and assigns, to prevent any use of the Premises which would materially adversely affect the operation and maintenance of the Airport, or otherwise constitute a material Airport hazard.
- 24.6. **Release.** Tenant acknowledges that noise and vibration are inherent to the operation of an Airport and hereby releases Landlord from any and all liability relating to the same.
- 24.7. **Exclusive Rights.** Notwithstanding any provision of this Lease to the contrary, Tenant understands and agrees that the rights granted under this Lease are nonexclusive, other than the exclusive right of use of the Premises, and that Landlord may grant similar privileges to another lessee or other lessees on other parts of the Airport.

- 24.8. **Hazardous Wildlife Attractants.** Tenant shall be prohibited from using the Premises in a manner which constitutes a nuisance and is proven to attract hazardous wildlife to the Airport. Tenant acknowledges that water detention and retention areas are considered wildlife attractants and shall co-operate with Landlord prior to constructing a water detention or retention area within the Premises to minimize this attraction in a commercially reasonable fashion. Water detention or retention areas shall be in compliance with the siting, design and construction requirements of Landlord. Tenant further agrees to comply with the provisions of FAA Advisory Circular No. 150/5200-33, as now or hereafter amended, as such circular is interpreted by Landlord.
- 24.9. **Self Service.** No right or privilege granted herein shall prevent any entity operating aircraft at the Airport from performing any services on its own aircraft with its own regular employees; provided, however, such services shall be required to be performed in accordance with all applicable local, state and federal laws, including, without limitation, applicable fire codes and Environmental Laws.

Article 25. NON-DISCRIMINATION

- 25.1. Tenant for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that no person on the grounds of race, creed, color, national origin, sex, sexual orientation, gender identity and expression, familial status, religion, marital status, age, or disability shall be excluded from participation (a) in or denied the use of the Premises; (b) in the construction of any improvements on, over, or under the Premises; or (c) in the furnishing of services. Tenant shall use the Premises in compliance with all requirements imposed by or pursuant to Title 49, Part 21 of Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Non-discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, as now or hereafter amended. In the event of the breach of any of the foregoing non-discrimination covenants which breach is not cured within thirty (30) days after written notice by Landlord, and subject to the leasehold mortgagee's rights as set forth above in Article 18, Landlord shall have the right to terminate this Lease and to reenter and repossess such Premises and the facilities hereon, and hold the same as if this Lease had never been made or issued. This cancellation provision shall not be effective until the procedures of Title 49, Part 21 of the Code of Federal Regulations are followed and completed including exercise or expiration of appeal rights.

Article 26. LANDLORD NOT LIABLE

- 26.1. Landlord shall not be responsible or liable to Tenant for any claims for compensation or any losses, damages or injury whatsoever sustained by Tenant resulting from failure of any water supply, heat, air conditioning, electrical current, or sewerage or drainage facility, or caused by natural physical conditions on the Premises, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, hurricane, act of God or state of war, civilian commotion or riot, or any cause beyond the control of Landlord.
- 26.2. All personal property placed on or moved on to the Premises shall be at the sole risk of Tenant. Landlord shall not be liable for any damage or loss of any personal property placed or moved on to the Premises.

- 26.3. This Article 26 shall not be deemed or construed to alter Landlord's obligations under Article 10. Notwithstanding the foregoing, Landlord shall remain liable to Tenant for any claims (including those set forth in this paragraph) proximately arising from the gross negligence or willful misconduct of Landlord or its agents or invitees occurring hereafter.

Article 27. CONDITION

- 27.1. Notwithstanding the execution of this Lease by Landlord and Tenant, its effectiveness is conditioned upon City and Piedmont Hawthorne Aviation, LLC, a Delaware limited liability company, d/b/a Landmark Aviation, ("Landmark") entering into an agreement (the "Termination Agreement"), acceptable to City in its sole discretion, terminating the Fixed Base Operator Lease between Landlord, as lessor, and Hawthorne Aviation (the predecessor to Landmark), as lessee, effective February 1, 1988, as amended by five amendments, (the "Prior FBO Lease") on or before the Commencement Date.
- 27.2. If such condition does not occur prior to the deadline for its occurrence set forth in paragraph 27.1, Landmark or Tenant may terminate this Lease by written notice, whereupon it shall have no further force or effect, by providing written notice of such termination.
- 27.3. If the condition occurs after the deadline for its occurrence set forth in paragraph 27.1, but before Landlord or Tenant provides written notice of termination under paragraph 27.2, this Lease shall not be terminated but Landlord and Tenant shall enter into an amendment to this Lease revising the Commencement Date (and end of the Term) such that the Commencement Date is the same date as the termination of the Prior FBO Lease in the Termination Agreement between Landlord and Landmark.

Article 28. MISCELLANEOUS

- 28.1. **Subordination to Governmental Agreements.** This Lease shall be subject and subordinate to all the terms and conditions of any instrument or document under which Landlord acquired the land or improvements thereon, of which the Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Tenant understands and agrees that this Lease shall be subordinate to the provisions of any existing or future agreement between Landlord and the United States of America or State of Florida, or any of their agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of state or federal funds for the improvement or development of the Airport.
- 28.2. **Easements.** Nothing in this Lease shall impair any existing utility easements, or impair the right of access to any existing utility lines.
- 28.3. **Relationship.** This Lease creates the relationship of lessor and lessee only. Without limiting the foregoing, this Lease does not create nor shall it be construed as creating an agency relationship, partnership or joint venture between Landlord and Tenant. No party is responsible for the actions of the other party.
- 28.4. **Governmental Authority.** Nothing in this Lease shall be construed to waive or limit Landlord's governmental authority as a Florida municipality to regulate Tenant or its operations. Landlord's obligations under this Lease are made in a proprietary capacity

(rather than in a governmental capacity), and such agreements shall not be construed as: limiting, prohibiting or eliminating the obligation of the parties to comply with all applicable rules, regulations, ordinances, statutes and laws; altering or impairing Landlord's governmental functions, including, without limitation, Landlord's right to lawfully exercise its regulatory authority over the development of the Premises; or enabling, permitting, or creating any cause of action or claim arising out of the lawful exercise of Landlord's governmental authority.

- 28.5. **Rights Reserved to Landlord.** All rights not specifically granted Tenant by this Lease are reserved to Landlord.
- 28.6. **Invalidity of Clauses.** The invalidity of any portion, Article, paragraph, provision, clause or any portion thereof of this Lease shall have no effect upon the validity of any other part or portion hereof.
- 28.7. **Governing Law.** This Lease shall be governed by and in accordance with the laws of the State of Florida.
- 28.8. **Estoppel Certificates.** Landlord or Tenant shall have the right to request the other party to provide an estoppel certificate, as described below, without charge, 15 days after the requesting party sends a written notice. This estoppel certificate shall consist of a written statement certifying the following information to the requesting party or to any person specified by that party:
- 28.8.1. This Lease is unmodified and in full force and effect; or, if there have been any modifications in this Lease, this Lease is in full force and effect as modified, specifying the nature of each modification.
- 28.8.2. The name and address of the owner of the fee simple estate in the Premises.
- 28.8.3. The name and address of the owner of the leasehold estate in the Premises.
- 28.8.4. The Lease is in full force and effect.
- 28.8.5. Whether the terms of this Lease have been assigned, supplemented, modified or otherwise amended and, if so, specifics of the assignment, supplementation, modification or other amendment.
- 28.8.6. Whether, to the best of the knowledge of the party providing the certificate, each of the obligations on its part to be performed to date under the Lease have been performed.
- 28.8.7. Whether, to the best of the knowledge of the party providing the certificate, each of the obligations of the other party to this Lease have been performed to date under the Lease.
- 28.8.8. Whether Tenant has any offsets, counterclaims, defenses, deductions or credits whatsoever with respect to the Lease.
- 28.8.9. Whether there exists any other agreements (including subordination, non-disturbance and attornment agreements) concerning the Premises, whether oral or

written between Landlord and Tenant (or their respective predecessors or successors) under this Lease.

28.8.10. Whether, as of the date of the certificate, any Rent is due from Tenant under the Lease.

28.8.11. The following:

28.8.11.1. Amount of Base Rent currently payable by Tenant under the Lease and the date through which such Base Rent has been paid.

28.8.11.2. Amount of Percentage Rent currently payable by Tenant under the Lease and the date through which such Percentage Rent has been paid.

28.8.12. Whether Landlord or Tenant have assigned the Lease and, if so, the specifics thereof.

28.8.13. As to the certificate to be executed by Landlord, whether Landlord has assigned, conveyed, transferred, sold, encumbered or mortgaged its interest in the Lease or the Premises and, if so, the specifics thereof, and whether any third party has an option or preferential right to purchase all or any of the Premises and, if so, the specifics thereof.

28.8.14. Whether the party providing the certificate has received any written notice of any pending eminent domain proceedings or other governmental actions, or any judicial action of any kind, against such parties' interests in the Premises.

28.8.15. Whether the party providing the certificate has received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Premises and its operation thereon including, without limitation, any Environmental Law or the Americans with Disabilities Act, and whether such party has any reason to believe that there are grounds for any such claim or violation.

28.8.16. Attaching a true and correct copy of the Lease including all amendments thereto.

28.8.17. Any other information with respect to this Lease and the Premises that the requesting party shall reasonably request.

28.9. **Force Majeure.** Whenever a period of time is herein prescribed for action to be taken by Landlord, Landlord will not be liable or responsible for, and there will be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor and materials, theft, fire, public enemy, injunction, court order, requisition of other governmental body or authority, war, governmental laws, regulations or restriction or any other causes of any kind whatsoever which are beyond the reasonable control of Landlord (any or all of the foregoing being referred to as "Force Majeure").

28.10. **Matters of Record.** This Lease is subject to all matters of record affecting the Premises, including the Declarations.

28.11. **Time.**

28.11.1. When any time period specified herein falls or ends upon a Saturday, Sunday or legal holiday, the time period shall automatically extend to 5:00 o'clock p.m. on the next ensuing business day.

28.11.2. Time is of the essence concerning all obligations of the parties under this Lease.

28.12. **Entry By Landlord.**

28.12.1. The Landlord is entitled to enter the Premises during all reasonable hours for the following reasons:

28.12.1.1. To provide services, fulfill other obligations or exercise rights hereunder.

28.12.1.2. To examine the Premises.

28.12.1.3. To make all emergency repairs, additions, or alterations that the Landlord or agent deems necessary for safety, or preservation of the Premises or of the building as otherwise required or allowed under this Lease.

28.12.1.4. To remove signs, fixtures, alterations, or additions that do not conform to this Lease.

28.12.2. Landlord shall have the right to use any means that Landlord may deem proper to open doors in an emergency to obtain entry to the Premises. Tenant waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss in, upon, or arising from Landlord's entry onto the Premises in an emergency.

28.12.3. Any entry to the Premises obtained by Landlord for any of the above stated purposes and by any of such means, or otherwise, shall not be construed or deemed a forcible or unlawful entry onto the Premises, or an eviction of Tenant from the Premises or any part of the Premises.

28.12.4. In the event that any personal property of Tenant shall obstruct the access of the Landlord, its officers, employees, agents or contractors or the utility company furnishing utility service to any of the existing utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, Tenant shall move such property as directed by Landlord or such utility company in order that access may be had to the system or part thereof for inspection, maintenance or repair. If Tenant shall fail to so move such property, after direction from the Landlord or such utility company to do so, the Landlord or the utility company may move it and Tenant hereby agrees to pay the cost of such moving upon demand. The exercising of this right of the Landlord shall not be construed to be an eviction of Tenant, nor be made the grounds for any abatement of rental.

28.13. **Notices.**

28.13.1. All notices, requests, consents and other communications (each a "Communication") required or permitted under this Lease shall be in writing (including faxed or emailed Communications) and shall be (as elected by the person giving such Communication) hand delivered by messenger or courier service, faxed, or mailed by Registered or Certified Mail (postage pre-paid), Return Receipt Requested, addressed to the following or to such other addresses as any party may designate by Communication complying with the terms of this paragraph:

28.13.1.1. Landlord: Attn: Airport Director, Ocala International Airport, 750 SW 60th Avenue, Ocala, FL 34474; Fax: 352-629-8887; Email: airport@ocalaairport.com or mgrow@ocalafl.org.

a). With a copy to: Director of Contracts & Procurement, 110 SE Watula Avenue, 3rd Floor, Ocala, FL 34471; Fax: 352-690-2025; Email: tkimball@ocalafl.org.

28.13.1.2. Tenant: Attn: Sheltair Ocala, LLC, 4860 NE 12th Avenue, Fort Lauderdale, FL 33334; Fax: 954-359-3211; Email: tanderson@sheltairaviation.com.

28.13.2. Each such Communication shall be deemed delivered:

28.13.2.1. On the date delivered if by personal delivery;

28.13.2.2. On the date of facsimile or email transmission if by facsimile or email; and

28.13.2.3. If the Communication is mailed, on the earlier of: (a) the date upon which the Return Receipt is signed; (b) the date upon which delivery is refused; (c) the date upon which Communication is designated by the postal authorities as not having been delivered; or (d) the third business day after mailing.

28.13.2.4. Notwithstanding the foregoing, service by personal delivery, or by facsimile sent, after 5:00 p.m. shall be deemed to have been made on the next day that is not a Saturday, Sunday or legal holiday.

28.13.3. If a Communication is delivered by multiple means, the Communication shall be deemed delivered upon the earliest date determined in accordance with the preceding subparagraph.

28.13.4. If the above provisions require Communication to be delivered to more than one person (including a copy), the Communication shall be deemed delivered to all such persons on the earliest date it is delivered to any of such persons.

28.14. **Headings.** The headings of the various Articles and paragraphs of this Lease and the table of contents are for convenience and ease of reference only, and shall not be

construed to define, limit, augment or describe the scope, context or intent of this Lease or any part or parts of this Lease.

- 28.15. **Recording.** Tenant may in its discretion record a Memorandum of Lease setting forth certain terms and conditions of this Lease in a form substantially similar to the one attached hereto as **Exhibit D.**
- 28.16. **Binding Effect.** The terms, conditions and covenants of this Lease shall inure to the benefit of and be binding upon the parties hereto and their successors, assigns and subtenants, if any. This provision shall not constitute a waiver of any prohibitions against or limitations regarding assignment or subletting.
- 28.17. **Non-Exclusivity of Remedies.** No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or inequity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.
- 28.18. **Construction.** No party shall be considered the author of this Lease since the parties hereto have participated in extensive negotiations and drafting and redrafting of this document to arrive at a final Lease. Thus, the terms of this Lease shall not be strictly construed against one party as opposed to the other party based upon who drafted it. In the event that any section, paragraph, sentence, clause, or provision hereof, shall be held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Lease and the same shall remain in full force and effect.
- 28.19. **No Broker.** Tenant represents and warrants that Tenant has not dealt with any real estate salesperson, agent, finder or broker in connection with this Lease and further agrees to indemnify, defend and hold harmless Landlord from and against any claims or demands of any such salesperson, agent, finder or broker claiming to have dealt with Tenant. The foregoing indemnification shall include all costs, expenses and fees, including reasonable attorney's fees plus cost at trial and all appellate levels, expended or incurred in the defense of any such claim or demand. The obligations set forth in this paragraph shall survive the termination of this Lease.
- 28.20. **Public Entity Crimes.** As provided in Sections 287.132 through 287.133, Florida Statutes, by entering into this Lease or performing any work in furtherance hereof, Tenant certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty six (36) months immediately preceding the effective date hereof. This notice is required by Section 287.133(3)(a), Florida Statutes.
- 28.21. **Scrutinized Companies.** As provided in Section 287.135, Florida Statutes by entering into this Lease or performing any work in furtherance hereof, Tenant certifies that it, its affiliates, suppliers, subcontractors and consultants who perform hereunder, have not been placed on the Scrutinized Companies Activities in Sudan List or Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List created pursuant to Section 215.473, Florida Statutes. If Landlord determines, using credible information available to the public, that a false certification has been submitted by Tenant, this Lease

may be terminated and a civil penalty equal to the greater of Two Million Dollars (\$2,000,000) or twice the amount of this Lease shall be imposed, pursuant to Section 287.135, Florida Statutes.

- 28.22. **No Third Party Beneficiaries.** No provision of this Lease is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Lease, including without limitation any citizen or employees of Landlord and/or Tenant.
- 28.23. **Consents and Approvals.** Whenever this Lease calls for an approval, consent or authorization by Landlord, such approval, consent or authorization shall be evidenced by the written approval of the Airport Director or his or her designee unless this Lease specifically requires City Council approval. In the event this Lease is silent as to the standard for any consent, approval, determination, or similar discretionary action, the standard shall be at the sole, absolute discretion of Landlord, rather than any implied standard of reasonableness.
- 28.24. **Authorized Uses Only.** Notwithstanding anything to the contrary herein, Tenant shall not use or permit the use of the Premises or the Airport for any illegal or improper purpose.
- 28.25. **Incorporation by References.** All exhibits attached hereto and referenced herein shall be deemed to be incorporated in this Lease by reference.
- 28.26. **RADON.** RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM LANDLORD'S PUBLIC HEALTH UNIT.
- 28.27. **Survival.** Notwithstanding any early termination of this Lease, Tenant shall remain obligated hereunder to perform any duty, covenant or obligation imposed upon Tenant hereunder arising prior to the date of such termination or surviving such termination.
- 28.28. **Exclusive Venue.** The parties agree that the exclusive venue for any litigation, suit, action, counterclaim, or proceeding, whether at law or in equity, which arises out of concerns, or relates to this Lease, any and all transactions contemplated hereunder, the performance hereof, or the relationship created hereby, whether sounding in contract, tort, strict liability, or otherwise, shall be in Marion County, Florida.
- 28.29. **JURY WAIVER.** EACH PARTY HEREBY COVENANTS AND AGREES THAT IN ANY LITIGATION, SUIT, ACTION, COUNTERCLAIM, OR PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF CONCERNS, OR RELATES TO THIS AGREEMENT, ANY AND ALL TRANSACTIONS CONTEMPLATED HEREUNDER, THE PERFORMANCE HEREOF, OR THE RELATIONSHIP CREATED HEREBY, WHETHER SOUNDING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, TRIAL SHALL BE TO A COURT OF COMPETENT JURISDICTION AND NOT TO A JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY.

ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT, AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO OF THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. NEITHER PARTY HAS MADE OR RELIED UPON ANY ORAL REPRESENTATIONS TO OR BY THE OTHER PARTY REGARDING THE ENFORCEABILITY OF THIS PROVISION. EACH PARTY HAS READ AND UNDERSTANDS THE EFFECT OF THIS JURY WAIVER PROVISION.

- 28.30. **Governing Laws.** This Lease and all transactions contemplated by this Lease shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to principles of conflicts of laws.
- 28.31. **Attorney's Fees.** If any legal action or other proceeding (including, without limitation, appeals or bankruptcy proceedings) whether at law or in equity, which: arises out of, concerns, or relates to this Lease, any and all transactions contemplated hereunder, the performance hereof, or the relationship created hereby; or is brought for the enforcement of this Lease, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Lease, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses even if not taxable as court costs, incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.
- 28.32. **Language.** Whenever used in this Lease, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall include all genders where the context permits.
- 28.33. **Further Action.** Each of the parties hereto shall execute and deliver any and all additional papers, documents, and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of the obligations hereunder and to carry out the intent of the parties hereto.
- 28.34. **Waiver.**
- 28.34.1. A failure to assert any rights or remedies available to a party under the terms of this Lease, or a waiver of the right to remedies available to a party by a course of dealing or otherwise shall not be deemed to be a waiver of any other right or remedy under this Lease, unless such waiver of such right or remedy is contained in a writing signed by the party alleged to have waived his other rights or remedies.
- 28.34.2. No payment by Tenant or receipt by Landlord or its agents of a lesser amount than the rent and other charges stipulated in this Lease shall be deemed to be other than a payment on account thereof, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord or its agents may accept such check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedy provided in this Lease or by applicable Law.
- 28.35. **Entirety of Agreement.** The parties agree that this Lease and its Exhibits set forth the entire agreement between the parties, and there are no promises or understandings other

than those stated herein. None of the provisions, terms and conditions contained in this Lease may be added to, modified, superseded or otherwise altered except by written instrument executed by the parties hereto.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease effective the date set forth above.

**THIS PART OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURES START ON NEXT PAGE**

**City of Ocala, a Florida municipal
corporation**

Roseann J. Fusco
Witness

Roseann J. Fusco
Print Witness Name

Helen Ruano
Witness

Helen Ruano
Print Witness Name

Jay A. Musleh
Jay A. Musleh
President, Ocala City Council

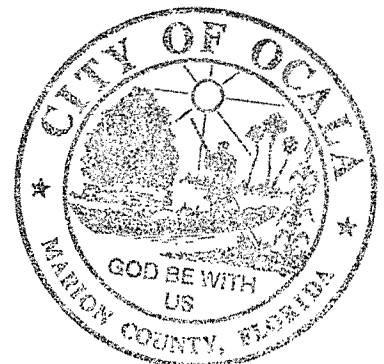
ATTEST:

Angel B. Jacobs
Angel B. Jacobs
City Clerk

Approved as to form and legality

Patrick G. Gilligan
Patrick G. Gilligan
City Attorney

ACCEPTED BY CITY COUNCIL
May 19, 2015
DATE
OFFICE OF THE CITY CLERK



TENANT

**SHELTAIR OCALA, LLC, a Florida
limited liability company**

Francis L. Bohannon
Witness

Francis L. Bohannon
Print Witness Name

Doris M. Nigro
Witness

DORIS M. NIGRO
Print Witness Name

By: Gerald M. Holland, M.M.
Gerald M. Holland as Manager

TABLE OF EXHIBITS

<u>Exhibit A</u>	-	Premises
<u>Exhibit B</u>	-	RFR Parcel
<u>Exhibit C</u>	-	General Area of New Terminal
<u>Exhibit D</u>	-	Memorandum of Lease
<u>Exhibit E</u>	-	CPI Rider

EXHIBIT A
PREMISES

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

A PARCEL OF LAND LYING IN THE N.E. 1/4 OF SECTION 20, TOWNSHIP 15 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE N.E. CORNER OF SAID SECTION 20; THENCE ALONG THE NORTH BOUNDARY OF SAID SECTION 20, N.89°42'06"W., A DISTANCE OF 85.12 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF S.W. 60TH AVENUE (BEING A 100 FOOT RIGHT OF WAY); THENCE CONTINUE ALONG THE NORTH BOUNDARY OF SAID SECTION 20, N.89°42'06"W., A DISTANCE OF 321.45 FEET; THENCE DEPARTING SAID NORTH BOUNDARY, S.00°07'19"E., A DISTANCE OF 78.18 FEET TO THE POINT OF BEGINNING. THENCE CONTINUE S.00°07'19"E., A DISTANCE OF 204.17 FEET; THENCE N.89°33'54"W., A DISTANCE OF 230.40 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 87.50 FEET, A CENTRAL ANGLE OF 41°06'53" AND A CHORD BEARING AND DISTANCE OF N.52°42'21"W., 61.45 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 62.79 FEET TO A POINT OF REVERSE CURVATURE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 72°54'41" AND A CHORD BEARING AND DISTANCE OF N.36°48'27"W., 59.42 FEET; THENCE NORTHWESTERLY, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 63.63 FEET TO THE END OF SAID CURVE; THENCE N.00°21'07"W., A DISTANCE OF 115.36 FEET; THENCE N.89°35'24"E., A DISTANCE OF 315.17 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

A PARCEL OF LAND LYING IN THE N.E. 1/4 OF SECTION 20, TOWNSHIP 15 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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PARCEL 3:

A PARCEL OF LAND LYING IN THE N.E. 1/4 AND THE S.E. 1/4 OF SECTION 20, TOWNSHIP 15 SOUTH, RANGE 21 EAST, MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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THENCE CONTINUE ALONG THE WEST RIGHT OF WAY LINE OF SAID S.W. 60TH AVENUE, S.00°27'55"W., A DISTANCE OF 768.38 FEET; THENCE DEPARTING SAID WEST RIGHT OF WAY LINE, S.89°59'57"W., A DISTANCE OF 329.32 FEET; THENCE S.00°18'38"W., A DISTANCE OF 339.23 FEET; THENCE S.89°47'53"W., A DISTANCE OF 85.73 FEET; THENCE S.00°12'07"E., A DISTANCE OF 34.47 FEET; THENCE S.89°58'14"W., A DISTANCE OF 65.18 FEET; THENCE S.00°41'36"W., A DISTANCE OF 69.31 FEET; THENCE S.89°37'53"E., A DISTANCE OF 26.97 FEET; THENCE S.00°02'30"E., A DISTANCE OF 559.44 FEET; THENCE N.89°58'11"W., A DISTANCE OF 299.19 FEET; THENCE N.00°05'25"E., A DISTANCE OF 1745.02 FEET; THENCE N.89°54'50"E., A DISTANCE OF 186.90 FEET TO A POINT OF CURVATURE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE 90°00'00" AND CHORD BEARING AND DISTANCE OF N.44°54'50"E., 35.36; THENCE NORTHEASTERLY, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 39.27 FEET TO THE END OF SAID CURVE; THENCE N.89°54'50"E., A DISTANCE OF 546.24 FEET TO THE POINT OF BEGINNING.

EXHIBIT B
RFR PARCEL

EXHIBIT C
GENERAL AREA OF NEW TERMINAL LOCATION

EXHIBIT C
GENERAL AREA OF NEW TERMINAL LOCATION

**General Area of New
Terminal Location**



Variation 1.89° West

SCALE IN FEET

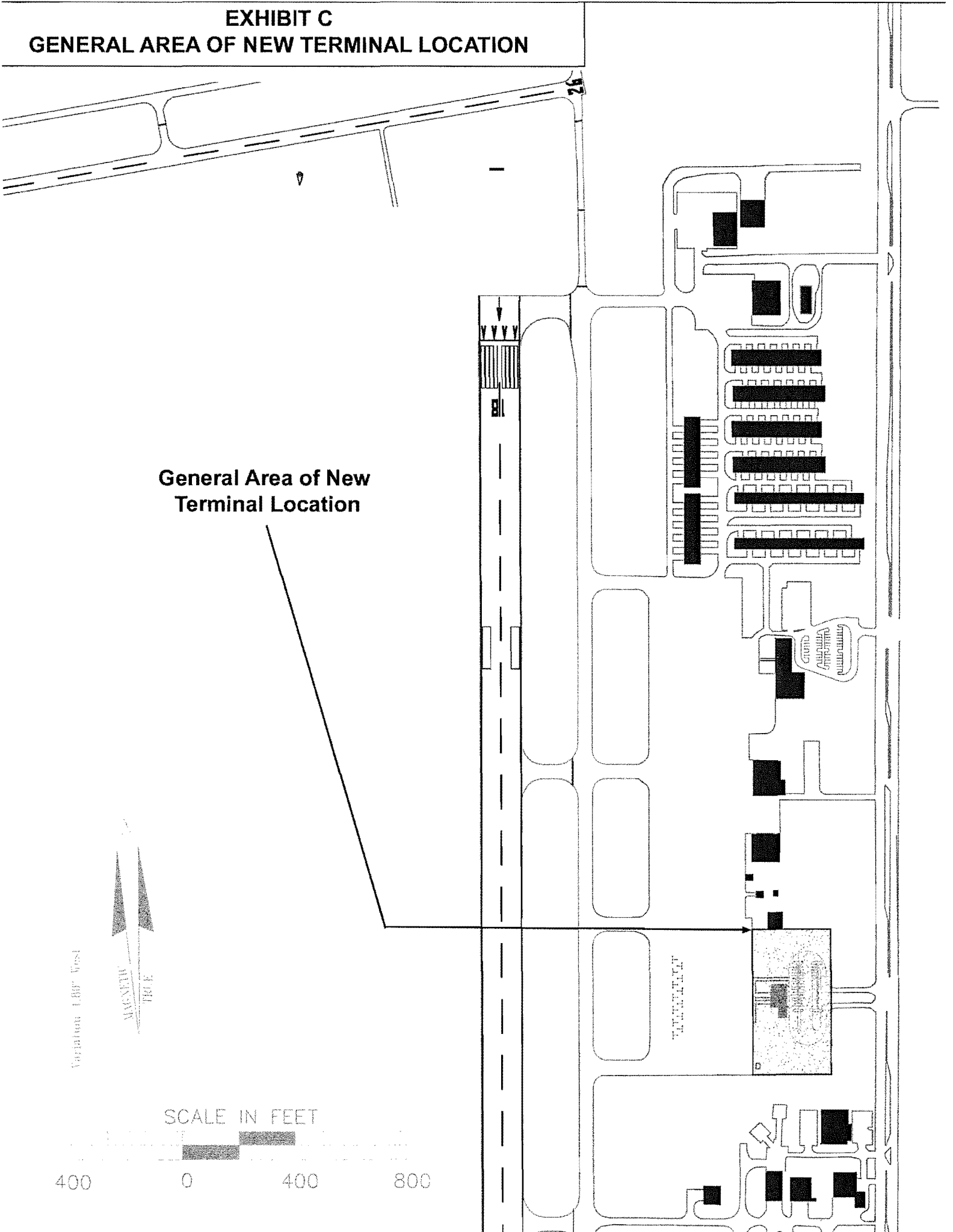


EXHIBIT D
MEMORANDUM OF LEASE

See attached.

MEMORANDUM OF LEASE

By and Between

**the City of Ocala,
a Florida municipal corporation**

“Landlord”

and

Sheltair Ocala, LLC, a Florida limited liability company

“Tenant”

Premises: Certain real property located at Ocala International Airport (“Airport”) in Marion County, Florida and more particularly described on **Exhibit A** attached hereto and made a part hereof

RECORD AND RETURN TO:

Allyson Goodwin, Esq.
Saavedra | Goodwin
312 SE 17th Street, 2nd Floor
Fort Lauderdale, Florida 33316

MEMORANDUM OF LEASE

TAKE A NOTICE THAT:

1. The City of Ocala, a Florida municipal corporation ("Landlord") and Sheltair Ocala, LLC, a Florida limited liability company, ("Tenant") entered into that certain Fix Based Operator Lease Agreement with an effective date of May 19, 2015 relating to certain parcels of land at the Ocala International Airport (the "Lease").
2. Landlord's address is as follows: Attn: Airport Director, Ocala International Airport, 750 SW 60th Avenue, Ocala, FL 34474.
3. Tenant's address is as follows: Attn: Sheltair Ocala, LLC, 4860 NE 12th Avenue, Fort Lauderdale, FL 33334.
4. The Premises are described in the attached **Exhibit A**.
5. Term of Lease: The term of the Lease is for thirty (30) years ("Term"). The Term commenced on _____ and shall run for a period of thirty (30) years thereafter.
6. The Lease also contains other provisions affecting the Premises which are, respectively, more fully described therein. This Memorandum of Lease incorporates by reference and makes a part hereof the Lease and all terms, provisions, conditions, options, rights and agreements, including all Amendments thereto, contained and set forth therein, with the same force and effect as if the same were fully set forth herein, such Lease setting forth in details the terms, provisions, conditions, rental, option, rights and agreements that are made a part of this instrument. This Memorandum of Lease shall not be deemed to alter, modify or amend the Lease.

[THE SIGNATURE PAGE FOLLOWS THIS PAGE]

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first above written.

ATTEST:

LESSOR

**City of Ocala, a Florida municipal
corporation**

Angel B. Jacobs
City Clerk

Jay A. Musleh
President, Ocala City Council

Approved as to form and legality

Patrick G. Gilligan
City Attorney

STATE OF FLORIDA
COUNTY OF MARION

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Jay A. Musleh, as City Council President of the City of Ocala, Florida, a Florida municipal corporation, on behalf of the City of Ocala.

Notary Public, State of Florida

Name: _____
(Please print or type)

Commission Number:

Commission Expires:

Notary: Check one of the following:

_____ Personally known OR

_____ Produced Identification (if this box is checked, fill in blank below).

Type of Identification Produced: _____

LESSEE

**SHELTAIR OCALA, LLC, a Florida
limited liability company**

By: _____
Gerald M. Holland, as Manager

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2015, by Gerald M. Holland, as Manager of Sheltair Ocala, LLC, a Florida limited liability company, on behalf of Company.

Notary Public, State of Florida
Name: _____
(Please print or type)

Commission Number:
Commission Expires:

Notary: Check one of the following:

_____ Personally known OR

_____ Produced Identification (if this box is checked, fill in blank below).

Type of Identification Produced: _____

**MEMORANDUM OF LEASE
EXHIBIT A**

Premises

EXHIBIT "A"
LEGAL DESCRIPTION

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EXHIBIT E
CPI RIDER

1. As used in this Rider, the following terms have the following meanings:
 - 1.1. *Adjusted Base Rent* – The Adjustment Amount plus the Preceding Base Rent.
 - 1.2. *Adjustment* – An adjustment to Base Rent pursuant to this Rider.
 - 1.3. *Adjustment Amount* – The Adjustment Multiplier multiplied by the Preceding Base Rent.
 - 1.4. *Adjustment Date* – As defined in paragraph 2 of this Rider.
 - 1.5. *Adjustment Multiplier* – A number determined pursuant to the following formula: New Comparison Index less Preceding Comparison Index) divided by Preceding Comparison Index.
 - 1.6. *Base Index* – The CPI in effect upon the Commencement Date of this Lease.
 - 1.7. *CPI* – Means the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, 1982-84 = 100 reference base, published by the Bureau of Labor Statistics of the U.S. Department of Labor. If the CPI ceases to use 1982-84 = 100 as a reference base, or if the CPI is altered, modified, converted, or revised in any way, the CPI will be adjusted to the figure that would have resulted had the change not occurred. If the CPI ceases to be published, the remaining Adjustments called for in this Rider shall be made using the statistics of the Bureau of Labor Statistics of the United States Department of Labor that are most nearly comparable to the CPI. If the Bureau of Labor Statistics of the United States Department of Labor ceases to exist or ceases to publish statistics concerning the purchasing power of the consumer dollar during the term of this Lease, the remaining Adjustments called for in this Rider shall be made using the most nearly comparable statistics published by a recognized financial authority selected by Landlord in its sole discretion.
 - 1.8. *New Comparison Index* – The CPI in effect on the second calendar month before the pending Adjustment Date.
 - 1.9. *Preceding Base Rent* – (a) As to the first Adjustment, the Base Rent due prior to any Adjustment; and (b) as to each subsequent Adjustment, the Adjusted Base Rent as adjusted pursuant to the preceding Adjustment.
 - 1.10. *Preceding Comparison Index* – (a) As to the first Adjustment, the Base Index; and (b) as to subsequent Adjustments, the CPI utilized for the preceding Adjustment.
2. Commencing with the sixth Lease Year (i.e., on the fifth anniversary of the Commencement Date), the Base Rent will be subject to Adjustment every fifth Lease Year during the Term, with each Adjustment being effective on the first day of the Lease Year subject to the Adjustment (the “Adjustment Date”) for proportionate increases in the

CPI. Notwithstanding the foregoing, in no event shall the Adjustment Amount exceed a fifteen (15%) percent increase over the Preceding Base Rent.

3. On each Adjustment Date, the Base Rent shall be adjusted by adding the Adjustment Amount to the Preceding Base Rent.
4. In no event shall the Base Rent ever decrease below the Preceding Base Rent.
5. This Lease shall automatically be considered as amended, without formal amendment hereto, upon written notification by Landlord to Tenant of the Adjusted Base Rent established pursuant to this Rider. Any delay or failure of Landlord in computing the adjustment, as hereinabove provided, shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay Adjusted Base Rent from the applicable Adjustment Date.

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