

AMENDED AND RESTATED LEASE AGREEMENT
FOR COMMERCIAL FIXED BASE OPERATION
AT GAINESVILLE REGIONAL AIRPORT

GULF ATLANTIC AIRWAYS, INC., d.b.a. UNIVERSITY AIR CENTER



GAINESVILLE - ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY

TERM: FROM APRIL 28, 2003 - THROUGH APRIL 27, 2023

Restated lease effective 10/1/12

New Termination Date April 27, 2025

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**LEASE AGREEMENT
FOR COMMERCIAL FIXED BASE OPERATION
GAINESVILLE REGIONAL AIRPORT**

THIS AMENDED AND RESTATED LEASE AGREEMENT, FOR COMMERCIAL FIXED BASE OPERATION AT THE GAINESVILLE REGIONAL AIRPORT, (Agreement), made and entered into this FIRST day of OCTOBER, 2012 by and between the GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY, a public body corporate existing under the laws of the State of Florida, with its office and principal place of business at Gainesville Regional Airport, in Alachua County, Florida, whose address is 3880 NE 39th Avenue, Suite A, Gainesville, Florida 32609 (hereinafter referred to as "Authority") and Gulf Atlantic Airways, Inc., d.b.a. University Air Center, 4701 NE 40th Terrace, Gainesville, FL 32609 (hereinafter referred to as "Company"), a corporation organized and existing under the laws of the State of Florida, individually and collectively referred to as the "Party" or "Parties". This Agreement supersedes the original Lease Agreement dated the 28th of April, 2003 and Amendment No. 1 dated January 13, 2004 and Amendment No. 2, dated September, 1, 2004.

WITNESSETH

WHEREAS, Authority controls, operates and maintains an airport in Alachua County, Florida, known as Gainesville Regional Airport (hereinafter referred to as "Airport"); and

WHEREAS, the availability of quality fixed base operator services, as hereinafter set forth, are necessary to the operation of said airport for public general aviation purposes, and Authority desires to enter into an Agreement - with a qualified, experienced operator to provide necessary high-quality general aviation services and a related Fixed Base Operation at the Airport; and

WHEREAS, Company agrees to construct certain new facilities described in Article 2.3, maintain, and operate a first class, full service Fixed Base Operation (FBO) facility on the Leased Premises described in this Agreement, and as described in the proposal submitted and attached as Exhibit "1"; and

WHEREAS, the Parties desire to improve the leased premises by improving the roof and the HVAC system and certain other improvements to the General Aviation Terminal Building as agreed to by the Parties, a part of the demised premises located at 4701 NE 40th Terrace, hereinafter referred to as the "Project", as further detailed in Exhibit "12". Said Project is desired in order to better support the commercial aeronautical services provided by Company and to improve the comfort and convenience of the travelling public; and

WHEREAS, Company is willing to fund the Project as required herein but requires a two-year extension of the term of the Agreement in order to amortize its investment in the Project; and

WHEREAS, the Authority has determined it is in its best interest and in the best interest of the flying public to support improvement of the General Aviation Terminal Building; and

WHEREAS, the Parties agree that modifications to the language of the original lease require clarification, and the Parties have agreed to remove that portion of the rent based on a percentage of gross receipts, increase the fixed rental rate and eliminate the reporting of company's gross receipts related thereto;

NOW, THEREFORE, in consideration of the premises and mutual covenants and promises contained in the Amended and Restated Lease Agreement for Commercial Fixed Base Operation at the Gainesville Regional Airport, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

For the purpose of this Agreement, the following definitions shall apply:

Agreement – Refers to the Amended and Restated Lease for Commercial Fixed Base Operation at the Gainesville Regional Airport and not the original lease agreement.

Air Freight/Cargo Services – the carriage of any physical items or goods for hire other than passengers (to include transport of documents, blood, and other biological material such as organs and tissue).

Authority's Improvements - the improvements Authority will maintain adjacent to the Leased Premises in accordance with Article 2.2 herein.

Authority's Representative - the Chief Executive Officer or such other person that Authority designates by written notice delivered to Company.

Books and Records - Books and records include the general ledger, revenue journals, leases, subleases, line tickets, fuel tank logs, customer invoices, vendor invoices, sales tax returns, computerized accounting software and records and other documents produced evidencing the financial transactions occurring at the Leased Premises.

Certificate of Occupancy - that document issued by the City of Gainesville Building Department certifying that the Leased Premises comply with provisions of zoning and/or building ordinances, have been constructed substantially in accordance with approved plans and specifications, and may be occupied and used for the intended purpose.

Charter Operations – The carriage of people for hire (to also include air ambulance services and transport of medical personnel engaged in transplant, emergency room or other activities elsewhere).

Charter Passenger – For the purposes of calculating fees due Authority under Article 6 of this Agreement, a Charter Passenger shall mean any person being transported for hire, however, a Charter Passenger shall include air ambulance patients and guests but not their paid, professional medical attendants assigned to care for them on the same flight. A Charter Passenger shall also not include physicians and others charged with accompanying organs for transplant on the same flight. This definition is not meant to be used for reporting of commercial passengers for hire using FAA Form 1800-31 as required under Paragraph 6.4D of the Agreement.

Company's Representative - Company's agent designated to represent Company to Authority, which for contract purposes at this time is Bill Pokorny, General Manager. If there are changes to the Company's representative, written notice must be delivered to Authority.

Company's Improvements - the Leased Premises and related improvements such as terminal building, maintenance and storage hangars, fire protection system and self-service fueling system which are built and/or utilized by Company for general aviation commercial retail sales and service and general activities of a FBO in accordance with Section 2.3 and Exhibit 12 herein.

Fixed Personal Property - personal property installed and/or attached to Company's Improvements.

Flight Training School - Ground and flight instruction for at least a Federal Aviation Regulation (FAR) Part 61 Pilot certification by the FAA, to include aircraft rental and pilot training curriculum and supplies. FAR Part 141 curriculum may also be offered at Company's discretion.

Handling/Ramp Fees - A fee charged to operators of transient aircraft temporarily parking on aircraft parking aprons within the demised premises. Said fees are as agreed upon by Company and Authority as contained in the Agreement and are accepted as full compensation to Company for all labor and overhead costs whatsoever, attributed to marshaling of aircraft, temporary use of aircraft parking spaces (other than overnight tie-down) and any use of the general aviation terminal building and amenities provided by Company to operators of transient, general aviation aircraft and their passengers. Company may charge fair and reasonable handling/ramp fees to transient aircraft parking outside of the demised

premises and assisted by Company during periods of unusually high transient aircraft activity, i.e. major NCAA home football games of the University of Florida, when aircraft parking space within the demised premises is filled.

Landing Fees - Those fees due Authority for each use of the landing areas of the airport by the operator of a given type, category or class of aircraft. Company shall not charge its own landing fee but shall collect landing fees on behalf of the Authority.

Leased Premises - The Real Property, improvements and Company's Improvements shall hereinafter collectively be referred to as "Leased Premises".

Minimum Standards - Those standards, requirements, qualifications, and criteria which must be met in order to engage in aeronautical activities as set forth in the Authority's Minimum Standards and Requirements for Aeronautical Activities at the Gainesville Regional Airport as they may be amended from time to time.

Overnight Tie-down Fees- Those fees due the Authority from an aircraft operator for the overnight parking of a given type, category or class of aircraft on Authority -controlled aprons or parking areas, said fees to be in accordance with the Schedule of Rates and Charges as published by the Authority.

Permits - Any work permits required by the City of Gainesville and/or Alachua County for improvements or alterations to the Leased Premises.

Personal Property - the furnishings supplied by Company including furniture, equipment and supplies, not affixed to the Leased Premises.

Preferential Use Apron - Those areas of public use apron where first priority parking rights have been granted to Company or other signatory for parking of its own aircraft or those of its customers, and second priority parking is made available to others on a first-come, first-served basis, as set forth in Exhibit "11".

Public Use Apron - Those areas owned or contracted by the Authority and designated for common use parking of general aviation aircraft on a first come-first served basis.

Schedule of Rates and Charges – That document approved by the Authority which defines rates and fees to be charged for goods and services provided by the Authority. The Schedule of Rates and Charges may be changed at any time at the sole discretion of the Authority.

Signatory – Any entity having a direct lease with the Authority

State - the State of Florida.

Transient Aircraft – Non-signatory aircraft or aircraft not based at the Gainesville Regional Airport, the presence of which is of a short duration.

ARTICLE 2

LAND, IMPROVEMENTS AND LEASED PREMISES

2.1 LEASED PREMISES

Company hereby agrees to lease from Authority real property and permanent improvements, located thereon, and construct additional improvements, hereinafter referred to as the Leased Premises; consisting of 8.95 acres. The location of the Leased Premises is set forth on Exhibit "2", which is attached hereto and made a part hereof.

2.2 AUTHORITY'S IMPROVEMENTS

As part of the consideration hereof, Authority covenants and agrees that it will maintain the following existing improvements abutting and adjacent to Company's Improvements:

- A. A paved aircraft parking apron, sized to accommodate the parking, tie-down, and maneuvering of aircraft, appropriately drained, marked, lighted and with access to hangars and with adequate taxiway connection to the airfield, in accordance with the Authority's Minimum Standards. Apron thickness and strength varies in certain areas as shown in Exhibit 13. Company shall not park aircraft greater than ninety thousand (90,000) pounds maximum certified landing weight on any portion of the apron without express written approval of the Authority.
- B. Authority shall bring water, sewer, sanitary and electrical utility service to the boundary of Leased Premises.
- C. Company accepts existing improvements to real property, as listed above, in "AS IS" condition.

2.3 COMPANY'S IMPROVEMENTS

As part of the consideration hereof, Company covenants and agrees to provide the following minimum Improvements on the Leased Premises:

- A. An Aircraft Maintenance Hangar of at least 12,000 square feet, construction of which shall be completed no later than December 8, 2004.
- B. Self-service fueling dispenser, of no more than 2,000 gallons in capacity, to dispense, 100LL aviation fuel, construction of which shall be completed no later than June 7, 2004.
- C. Company shall furnish and install all furniture, fixtures, draperies, and necessary equipment to conduct a high level of quality and service to the public. Said furnishing shall include the pilot lounge, lobby area, customer service counter, flight planning room, training area and public and employee break areas.
- D. Company shall submit to Authority, in advance of any work performed, all plans, specifications, shop drawings or suitable sketches on Company's planned Leasehold Improvements for Authority's approval. Final approval and location shall be at the sole discretion of the Authority.
- E. Company shall complete the terminal improvement project as referenced in Exhibit"12".
- F. Provide "As Built" plans to Authority, within sixty (60) days after -receipt of a Certificate of Occupancy.

2.4 REMEDIES FOR FAILURE TO CONSTRUCT COMPANY'S IMPROVEMENTS

- A. Company, at its own expense, shall obtain from a commercial surety or financial institution mutually acceptable to Authority and Company a bond or an irrevocable letter of credit for the due and complete performance of Company's obligations hereunder (Performance Bond/Letter of Credit). The Performance Bond/Letter of Credit shall secure the completion of Company's obligations to construct an Aircraft Maintenance Hangar and a self-service fueling dispenser. The Performance Bond/Letter of Credit shall be for a penal sum equal to one hundred percent (100%) of the cost of Company's Improvements; shall be provided by a surety licensed in Florida and listed in the current US Department of Treasury Circular 570 with an underwriting limitation specified therein consistent with the face amount of the Performance Bond/Letter of Credit; shall be executed on forms satisfactory to both Parties; and shall be delivered to Authority no later than April 28, 2003. Said Performance Bond/Letter of Credit shall secure Company's performance hereunder, through and including thirty (30) days after the receipt of a Certificate of Occupancy, and/or improvement placed in service and acceptance of improvements.

B. LIQUIDATED DAMAGES: Both Parties agree that Company's failure to comply with the Agreement Schedules of the Company's Improvements will result in Authority incurring damages in amounts difficult to ascertain with certainty. It is agreed, therefore, that the liquidated damages specified herein represent reasonable amounts to compensate Authority for Company's failure to perform and are not to be construed as a penalty. Consequently, where liquidated damages are provided for, Authority will not be required to prove that it has incurred actual damages.

Payment of one type of liquidated damage for Company's failure to comply with a specified requirement shall not relieve Company of its liability to pay additional liquidated damages for Company's failure to comply with other specified Agreement requirements, provided in each case, such liquidated damages shall be Authority's sole and exclusive remedy where liquidated damages are provided, except for any express remedies and obligations in this Contract.

In the event that Authority becomes entitled to liquidated damage(s) provided in this Article, Authority will invoice Company, for liquidated damages. As a result, the Parties have agreed to the following liquidated damages to compensate the Authority for its damages:

1. Liquidated damages associated with Aircraft Maintenance Hangar: Company shall pay Authority \$1,500 for the first thirty (30) days, or any part thereof, beyond November 1, 2004 that the Aircraft Maintenance Hangar does not have a Certificate of Occupancy; \$2,000 for the next thirty (30) day period or part thereof; and \$2,500 for the next thirty (30) day period or part thereof. In the event a Certificate of Occupancy is not received by February 1, 2005, (ninety (90) days), Company shall be in default of this Agreement.
2. Liquidated damages associated with a Self-service Fuel Dispenser: Company shall pay Authority \$200 for the first thirty (30) days, or any part thereof, beyond May 1, 2004 and subject to Final Inspection and acceptance by the Authority; \$300 for the next thirty (30) day period or part thereof; and \$400 for the next thirty (30) day period or part thereof. In the event Final Inspection and acceptance by the Authority is not received by August 1, 2004, (ninety (90) days), Company shall be in default of this Agreement.

2.5 COMPANY'S FURNISHINGS, FURNITURE AND FIXTURES

The Company shall, without cost to Authority, furnish all furniture, fixtures, draperies and equipment necessary to conduct its Fixed Base Operation ("FBO") in a first class manner. All such furnishings, furniture and fixtures shall be of high quality, safe, fire resistant and attractive in

appearance, and shall require written approval of Authority prior to installation, which written approval shall not be unreasonably withheld. Company shall have the right to grant purchase money security interest, liens or encumbrances against the said furnishings, furniture and fixtures to facilitate purchase only.

ARTICLE 3

PRIVILEGES, USES, EXCLUSIONS AND SERVICES

Company shall enjoy the following nonexclusive rights on the Airport, subject to the conditions provided in this Agreement, and the adopted Minimum Standards, as may be amended from time to time:

3.1 **PRIVILEGES AND USES**

- A. The use, in common with other duly authorized users, of the common areas (as the same now exist or may hereafter be extended) of the Airport, consisting of roadways, runways, taxiways, all aids to air navigation for the Airport, and all public areas of the Airport.
- B. The preferential use of the apron area referred to in Exhibit "2".
- C. The right to use Leased Premises for the conduct of a general aviation FBO.
- D. The loading and unloading of aircraft engaged in any lawful aviation activities.
- E. The maintenance, storing, and servicing of aircraft shall include overhauling, repairing, rebuilding, inspection and licensing of the same, and the purchasing and sales of parts, equipment, and accessories thereof.
- F. The right to maintain a business of buying and selling new and/or used aircraft, parts, and accessories therefore, and aviation equipment and merchandise which fall under the description of either retail, wholesale or as a dealer.
- G. The sale and into-plane delivery of aircraft fuels, lubricants and propellants at the Leased Premises and at the Airport at such locations as may from time to time be designated by Authority and set forth in writing to Company. The sale of said fuels, lubricants and propellants at those locations designated by Authority shall include the right to use vehicles necessary for the servicing of aircraft.
- H. The sale of aviation products and merchandise incidental to general aviation activities.
- I. The operation of a Flight Training School.
- J. The rental of aircraft.
- K. The operation of air taxi and non-scheduled passenger charter services, including air ambulance services, in accordance with Federal Aviation Regulations Part 135.
- L. The operation and sale of aerial survey, photography, and mapping services.
- M. The operation of specialized aircraft repair service(s) such as radio, propellers, instruments and accessories.

- N. The operation and maintenance of facilities and improvements upon the Leased Premises, for the purpose of carrying out any of the activities provided herein; subject, however, to the conditions of this Agreement as hereinafter described.
- O. Company shall have the right to provide food and beverage vending machines in the public and employee break areas of the FBO Facilities.
- P. Company shall have the right to offer rental cars to its customers through an authorized rental car concessionaire agreement, approved in writing in advance by the Authority, with one or more of the rental car concessionaires under contract with the Authority at the time of rental. All rental car revenue shall be subject to the same concession fee due Authority as under the rental car operators existing contract with Authority. Company's rental car operations shall be conducted in accordance with Section 6.2.A.
- Q. The operation of a computerized FAA Airman written testing center.
- R. The operation of air freight/cargo services utilizing aircraft of less than 20,000 pounds maximum gross take-off weight and in accordance with Federal Aviation Regulations Part 135.
- S. Company shall have the non-exclusive right and privilege to provide high quality food and non-alcoholic beverage services from a restaurant facility located in the General Aviation Terminal. The addition of these services shall require Authority approval. Conditions governing these services shall be addressed in an amendment to this Agreement.
- T. Company shall have the right to provide aircraft detailing services. Said detailing shall not include painting of the aircraft.

No other business activity is authorized herein unless so stated above or approved in writing, in advance, by Authority's Chief Executive Officer.

3.2 MINIMUM GENERAL AVIATION COMMERCIAL SERVICES TO BE PROVIDED BY COMPANY

As part of the consideration hereunder, Company shall provide with its own employees, the following minimum services:

- A. The sale and into-plane dispensing of aviation gasoline, jet fuel, oils and lubricants of kinds customarily sold and of sufficient ratings, grades, quality and quantity to adequately meet the demand of general aviation users. So long as Company is the sole, retail provider of Jet Fuel at the Gainesville Regional Airport, Company's retail price for full-service Jet A and Avgas 100LL, or its accepted replacement fuel, dispensed from Company's mobile refuelers, exclusive of any airport fuel flowage or storage fees but inclusive of state and federal taxes, shall be no more than 5% above the average retail sales price for like fuels charged by the largest FBO (by fuel volume) at the five airports shown in Exhibit "9". The Parties agree that these airports, when evaluated together,

represent a market environment similar to Gainesville Regional Airport. The airports listed in Exhibit "9" shall be evaluated and changed from time to time, as necessary, to reflect any significant changes in the character and operations of listed airports or that of their largest FBO. Any changes shall be by mutual agreement between the Parties.

- B. Provision of self-service 100LL fuel, or accepted replacement fuel, available 24-hours a day and available for credit card payment.
- C. Ancillary ground services and support to include oxygen, nitrogen, and compressed air services, aircraft marshalling and towing, ground power services, baggage handling, ground transportation arrangements and aircraft catering.
- D. Adequate ramp service for general aviation aircraft users, with a qualified attendant available for duty on the ramp twenty-four (24) hours a day, seven (7) days a week.
- E. Aircraft tie-down, hangar and parking service.
- F. Maintenance of adequate inventory of the necessary aircraft parts and accessories to maintain, repair, and service general aviation aircraft.
- G. Maintenance services to aircraft and accessories with qualified airframe and power plant mechanic on duty a minimum of eight (8) hours a day, five (5) days a week.
- H. Provide one or more courtesy 4-door sedan or passenger van for local ground transportation of itinerant general aviation passengers and crews. The vehicle(s) shall be no more than five-years old and shall be kept in a clean, well-maintained condition. Interior and exterior finishes shall not be damaged or unduly worn. Said vehicle(s) shall not be for hire.
- I. Emergency service to disabled general aviation aircraft on the Airport, including towing or transporting disabled aircraft to an Airport site at the request of the owner or operator of the aircraft or by the Authority.
- J. Air Charter services.
- K. Provide a courtesy lounge in accordance with the Minimum Standards and Requirements for Aeronautical Activities at the Gainesville Regional Airport. Said courtesy lounge shall be accessible to general aviation aircraft operators and their passengers, free of charge, 24 hours per day, seven days per week.
- L. Provide sufficient, paved, public automobile parking within the leased premises, available free of charge to operators of general aviation aircraft and their passengers.
- M. Provide parking and tie-down assistance to arriving transient aircraft using radio directions via Unicom frequency. Provide "follow me" vehicle(s) and utilize proper hand signals from ramp personnel for aircraft parking on public access aprons within and adjacent to the demised premises as shown in Exhibit "11"
- N. This Lease Agreement for Commercial Fixed Base Operation at the Gainesville Regional Airport shall in no way be interpreted to offer an exclusive right to Gulf Atlantic Airways,

Inc., d.b.a. University Air Center, to operate a Fixed Base Operation at the Gainesville Regional Airport or to provide exclusive aircraft fueling or refueling services to the general public or commercial carriers.

ARTICLE 4
TERM AND COMMENCEMENT

4.1 **EFFECTIVE DATE**

This Agreement shall become binding and effective upon approval and execution by Authority and Company.

4.2 **TERM**

For the purpose of billing rent and other associated charges and fees, as specified herein, and as may be modified from time to time, the term of this Agreement shall be for a period of twenty (20) years and commence on April 28, 2003.

4.2.A The Authority shall extend the term of this Agreement for up to one, additional two (2) year term, only upon satisfactory completion of Authority sanctioned improvements by Company to the General Aviation Terminal Building portion of the Leased Premises. Satisfactory completion shall be under the terms and conditions and include those construction items specified in Exhibit 12 of this Agreement, which is attached hereto and made a part of herein.

4.2.B In the event that the cost of Company's investment in the above referenced improvements is \$100,000 or less, the two year extension of term proposed herein shall be decreased on a pro-rata basis as per the schedule below. The Authority reserves the right to alter this percentage or waive, this requirement in its entirety.

TOTAL COMPANY INVESTMENT IN APPROVED TERMINAL RENOVATIONS	MONTHS OF LEASE EXTENSION
\$100,000 or greater	24
\$90,000 to \$99,999	20
\$79,000 to \$89,999	18
\$75,000 to \$78,999	16
Less than \$75,000	0

4.2C The Parties desire to maximize the value of improvements to the General Aviation Terminal Building by taking advantage of any matching funds approved for the project which may be made available to the Authority by the Florida Department of Transportation. Company shall coordinate with Authority to design, bid and complete the work in such a way as to conform to the terms and conditions of any FDOT grant accepted by the Authority, and to make prompt reimbursement for its share of any construction or design work completed by the Authority, as required in Exhibit 12 herein.

4.3 REQUIRED PERMITS

Company shall apply for and diligently pursue the building permits for the Aircraft Maintenance Hangar and Fuel System within thirty (30) days of execution of this Agreement. In the event appropriate permits cannot be obtained, the Authority, at its sole discretion, may accept a comparable substitution of aviation improvements or may renegotiate this Agreement with mutually acceptable terms. In the event parties are unable to agree on terms of renegotiation, either party may terminate this Agreement.

ARTICLE 5
OBLIGATIONS OF COMPANY

Company covenants and agrees:

- A. The use and occupancy of the Leased Premises by Company shall be without cost or expense to Authority except as provided herein.
- B. Company shall construct an aircraft maintenance hangar of at least 12,000 square feet, to be completed no later than November 1, 2004.
- C. Company shall install a self-service fueling dispenser no more than 2,000 gallons, to be completed no later than May 1, 2004.
- D. Company shall provide all adequate utility services within the Leased Premises. It is understood and agreed that Company shall be solely responsible for furnishing any utility services, such as electricity, water or gas needed by Company during the period of occupancy. Company agrees to pay all charges for utilization of said utility service and the cost of necessary meters for measuring said utility services.
- E. Company shall hold Authority harmless from any and all costs or charges for utility services furnished to or required by Company, as may be necessary or required in the operation and maintenance of the Leased Premises.
- F. Company agrees, at its own expense, to maintain the Leased Premises and appurtenances thereto, as described herein, in a clean, well maintained condition consistent with good business practices of the trade, normal wear and tear excepted, and that it will procure and

- keep in force during the term of this Agreement all necessary occupational licenses and permits as are required by law for the operation of the Company's business on the Leased Premises. Company agrees to keep the Leased Premises mowed and groomed and will not allow the accumulation of materials, parts, or other materials on the Leased Premises. Company agrees to keep aircraft parking ramp free of debris.
- G. Vehicle Parking Lots. Company shall maintain paved vehicle parking areas to include periodic resurfacing and restriping.
- H. The Company agrees to conduct its business in a proper and first-class manner at all times. Company further agrees to operate in harmony with others on the Airport and will at all times operate with safety and concern for others.
- I. Company agrees as a condition to this Agreement that it will, on a 24-hour basis, seven days per week, furnish courteous, prompt and efficient aviation services adequate to meet the reasonable demands for such services at the Airport and to furnish said services on a fair, equal and non-discriminatory basis to all users thereof, and to charge fair, reasonable, and non-discriminatory rentals and prices for each unit of sale or service. Company has made specific commitments in this Agreement as to levels and quality of service.
- J. To ensure service and performance commitments are being diligently maintained, Authority shall have the right, at Authority's expense, to select a third-party independent consultant to evaluate the service level and performance of Company at Authority's discretion. Fifty percent (50%) of the fee for the Authority-selected third-party evaluation shall be reimbursed by the Company not to exceed \$1,500 per evaluation. In addition to said third-party evaluation, a committee comprised of one (1) Authority, one (1) Company, and one (1) Chamber of Commerce representative, mutually agreed upon by Company and Authority, shall evaluate the service level and performance of Company in year one (1), year three (3), and year five (5) of this Agreement. If Authority determines that Company is not fulfilling the commitments pursuant to this Agreement, then Authority shall notify Company in writing by certified mail of said service or quality deficiencies and Company shall within thirty (30) days from receipt of such notice correct said deficiencies. At the end of the first five (5) years of this Agreement, Authority shall determine at its sole discretion, the need and requirement for any future such evaluation to be paid for at its own expense.
- K. Company will use the Leased Premises only for the purpose herein before described in Article 3, unless it receives the prior written consent of Authority to use the Leased Premises for other specified purposes.
- L. Company will provide or cause to be provided all necessary dumpsters or other types of storage receptacles or devices as may be necessary. The type and location of said storage receptacles shall be approved in writing by the Authority. The piling of boxes, cartons, barrels or similar items in an unsightly manner on or about the Leased Premises shall not be

- permitted. Company shall cause to be removed (at its own expense) from Leased Premises all waste, garbage and rubbish. Further, Company agrees not to deposit said waste on any part of the Airport, except in connection with collection or removal. Said waste shall be placed in a location and container approved by Authority.
- M. Lessee shall comply with all federal, state, regional, and local requirements ensuring that the appropriate transportation and disposal of hazardous waste are conducted in full compliance with the law, and upon request by the Authority, provide such documentation of the proper transportation and disposal of such materials.
 - N. Company shall neither create nor permit to be created upon the Leased Premises, or elsewhere on the Airport, any obnoxious odor, smoke or noxious gases or vapors. The creation of exhaust fumes by the operation of internal-combustion engines or engines of other types, so long as such engines are maintained and are being operated in a proper manner, shall not be a violation of this Agreement.
 - O. The Authority shall maintain paved aircraft parking areas for use by Company in accordance with Article 3 herein. Company hereby agrees that it will use the paved areas as constructed, according to the specifications and planned use for such areas, and Company will prohibit its employees, agents or sublessee's from exceeding the planned use or from placing excessive loads on paved areas on the Leased Premises. Company shall be responsible for the repair of any paved area damaged by non-conforming usage or excessive loading. Authority shall be responsible for routine sweeping of all aircraft parking areas twice monthly. Company shall be responsible for infrequent sweeping on a case-by-case basis to ensure foreign object damage to aircraft is minimized.
 - P. Company shall not keep or store flammable liquids within any covered and enclosed portion of the Leased Premises in excess of the Company's working requirements. Any such liquids having a flash point of less than 110 degrees Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
 - Q. Company shall provide frequency protection within the aviation air/ground VHF frequency band and the UHF frequency band in accordance with restrictions promulgated by the Federal Aviation Administration for the vicinity of the FM Remote Receiver facility, transmitter facility or aids to air navigation.

ARTICLE 6
RENTALS AND FEES

- 6.1 THE COMPANY SHALL PAY TO AUTHORITY THE FOLLOWING LAND RENT, RAMP ACCESS FEES AND PERCENTAGE PAYMENTS:
- A. Land Rent and Ramp Access Fees: Company shall pay rent for Land and improvements, and

Ramp Access Fees, in advance and without demand, on or before the first day of each month upon commencement of the term of this agreement in the amount of \$165,042.06 annually and payable in monthly installments (of \$13,753.51) plus any applicable sales tax. The square footage of the Land may be adjusted and the total annual Land rent recalculated based on surveyed area multiplied by the fair market rent estimate done November 2, 2002. Exhibit "2" will be amended, as necessary, to show the exact square footage without formal amendment to this Agreement. Upon execution of this Amended and Restated Lease there shall be three adjustments to the fixed fee described herein, in addition to the adjustments for inflation described in Section 6.1.B. 1) Upon execution of the Agreement, the current fixed rental shall be increased by twenty seven thousand dollars, (\$27,000), per year adding two thousand two hundred and fifty dollars, (\$2,250.00), per month to the then current fixed rental. 2) On the first anniversary of the execution of this Agreement the fixed rental shall be increased again by five thousand dollars, (\$5,000), per year adding four hundred and sixteen dollars and sixty seven, (\$416.67) per month to the then current fixed rental. 3) On the second anniversary of the execution of this Agreement the fixed rental shall be increased again by five thousand dollars, (\$5,000), adding four hundred and sixteen dollars and sixty seven cents, (416.67), per month to the then current fixed rental.

10/1/12

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B. Adjustment: Said rental shall be increased every three years beginning on the third anniversary of the execution of the Agreement by the lesser of ten percent (10%) or the percentage increase in the Consumer Price Index ("CPI"), as hereafter defined. The computation of the increase in the CPI shall be as follows: The Consumer Price Index shall be the Consumer Price Index for All Urban Consumers ("CPI-U") as promulgated by the United States Department of Labor, using the month of May, 2011 as a base of 100 (the Base Month"). The rent shall be increased by the same ratio that the CPI-U for the Base Month bears to the CPI-U for the like month one-year after the Base Month. Subsequent year adjustments shall be increased based on the previous year rate. In the event that the CPI-U ceases to be published by the Department of Labor or another United States Governmental Agency or a successor or substitute index is not available, a reliable government or other nonpartisan publication, evaluating the information for use in determining the CPI-U, shall be used in lieu of such Consumer Price Index.

10/1/15

C. Hangar Space Rentals: Company agrees that space rented in Company's managed hangars shall be fair and reasonable and reflective of fair market value.

D. Company's Use of Tie-Down Space: To the extent Company's own aircraft are stored at a tie-down space, said storage will be on a space available basis and company shall pay revenues to Authority for aircraft storage at the same rate published in the Authority's then current Rates and Charges document.

6.2 THE COMPANY SHALL PAY TO AUTHORITY THE FOLLOWING FEES

In addition to Land Rent and Ramp Access Fees Company agrees to pay the following fees; consistent with the Schedule of Rates and Charges, Exhibit "5" as may be amended from time to time. Any such increase shall be at the sole discretion of Authority.

- A. Automobile Rental ("Concession Fee"): Company shall only offer Automobile Rental services from those car rental concessionaires under contract with Authority and authorized by Authority to provide rental car services at the airport. Company may make arrangements with one or more authorized rental car providers to act as their agent for the purpose of facilitating rental car transactions, reservations, staging of rental cars for general aviation use upon the demised premises and dispensing and collection of rental car keys. Company may collect reasonable fees directly from the rental car company for providing these services. Company shall furnish Authority with copies of all contracts with rental car operators which clearly show any payments due Company and the rental car operator's requirement to remit all fees due the airport under its existing airport concession contract. Said contracts shall expire on or before the term of the rental car company's existing contract with the Authority. Company shall not charge any customer directly for any rental car services. Company shall not inhibit other authorized airport rental car service companies from picking up customers at the demised premises and transporting them to the commercial terminal, where a rental car transaction may be completed. Company shall inform general aviation customers of their option to use other airport authorized rental car service providers when so requested.
- B. Fuel Flowage Fee: Fees are due to Authority on each gallon of fuel delivered for use or resale by Company. Fuel flowage fees shall be as published in the Authority's Schedule of Rates and Charges. Fuel flowage fees shall be remitted no later than the tenth (10th) day of the month after the month in which the aircraft fuels are received by Company. Company shall provide to Authority along with its payment a report of all deliveries of aviation fuel and oil for the preceding month.
- C. Fuel Storage Facility Fee: A Fee per gallon is due to the Authority on all aircraft fuel delivered each month into the Authority owned and operated fuel storage system. Fuel storage fees shall be as published in the Authority's Schedule of Rates and Charges. Fuel storage facility fees shall be remitted no later than the tenth (10th) day of the month after the month in which the aircraft fuels are received by Company, and Company shall provide to Authority along with its payment a report of all deliveries of aviation and other stored fuels for the preceding month. Said report shall include the amount of gallons delivered into each commercial carrier and any general aviation customer with a credit account.
- D. Landing Fees: Company shall act as collection agent for Authority with regard to any landing fees imposed by Authority on any transient aircraft operator handled by Company or arriving at the demised premises. Said fees shall be equal to those published by the Authority in its

Schedule of Rates and Charges. If required by Authority in its Schedule of Rates and Charges, Company shall credit any fuel flowage fees collected from the aircraft operator on behalf of Authority, up to the amount of the landing fee. Company shall be entitled to deduct a collection fee of 5% from landing fees collected on behalf of the Authority. Landing fees shall be remitted no later than the tenth (10th) day of the month after the month in which the landing fees are incurred. Company shall provide to Authority along with its payment a report of all landings and assessed fees. Said report shall include aircraft registration numbers and landing dates.

- E. Charter Passenger Fee: Company shall pay a Charter Passenger Fee of eighteen dollars (\$18.00) for each charter passenger enplaned at the Gainesville Regional Airport on a Charter operation as defined herein. The Authority reserves the right to increase Charter Passenger Fees as deemed necessary. Said increase shall be the lesser of ten percent (10%) or the percentage increase in the Consumer Price Index ("CPI"), as herein defined. The computation of the increase in the CPI shall be as follows: The Consumer Price Index shall be the Consumer Price Index for All Urban Consumers ("CPI-U") as promulgated by the United States Department of Labor, using the month of May, 2011 as a base of 100 (the Base Month"). The fee shall be increased by the same ratio that the CPI-U for the Base Month bears to the CPI-U for the like month one-year after the Base Month. Subsequent year adjustments shall be increased based on the previous year rate. In the event that the CPI-U ceases to be published by the Department of Labor or another United States Governmental Agency or a successor or substitute index is not available, a reliable government or other nonpartisan publication, evaluating the information for use in determining the CPI-U, shall be used in lieu of such Consumer Price Index. Charter passenger fees shall be remitted no later than the tenth (10th) day of the month after the month in which the fees are incurred. Company shall provide to Authority along with its payment a report of all charter passengers. Said report shall include number of charter passengers carried during the monthly period. The Authority reserves the right to inspect original aircraft manifests, billing invoices and other documents related to Company's charter activities as deemed necessary by the Authority to verify the accuracy of Company's payments to Authority and as provided for in Paragraph 6.5 herein.
- F. Handling/Ramp Fees: Company may collect a fair and reasonable, one-time per visit, handling/ramp fee as defined herein from operators of multi-engine and turbine powered transient aircraft operators visiting the demised premises. So long as Company is the sole, full service Fixed Based Operator selling retail jet fuel at the Gainesville Regional Airport, the handling/ramp fee shall be no more than 5% above the average of similar type fees charged by the largest FBO (by fuel volume) at the five airports shown in Exhibit "9.A". The Parties agree that these airports, when evaluated together, represent a market environment similar to

Gainesville Regional Airport. This fee shall be waived by Company when customers purchase aviation fuel in the amounts shown in Exhibit "9.B" The airports listed in Exhibit "9" shall be evaluated and changed from time to time, as necessary, to reflect any significant changes in the character and operations of the listed airports or that of their largest FBO, and shall be by mutually agreed upon by both Parties.

In addition, Company may charge a nightly handling/ramp fee to operators of single engine, piston aircraft parking overnight on the demised premises. This fee shall be set at a maximum of five dollars (\$5.00) per night for a maximum of seven nights and shall be waived with the purchase of 10 gallons or more of aviation gasoline. The amount of the Handling/Ramp fees described herein may be increased by Company from time to time as needed, but no more often than annually, to reflect increases in the Consumer Price Index (CPI-U) up to a maximum of 10% per year, as described in 6.1.B.

- G. Tie-Down Fees: Company shall act as collection agent for Authority with regard to overnight and weekly tie-down fees incurred by transient aircraft operators. Said fees and any applicable waivers and deductions shall be as published in Authority's approved Schedule of Rates and Charges as changed from time to time at the sole discretion of the Authority. Company shall direct any aircraft operator wishing to tie-down its aircraft for more than a month, or intermittently on a continuing basis in excess of three months, to the airport CEO or his designate and that aircraft operator will be expected to execute a monthly Tie-Down Agreement with the Authority and pay tie-down fees directly to the Authority thereafter.

Company shall be entitled to receive as a collection fee, five percent (5%) of all over-night and weekly tie-down fees collected on behalf of the Authority. All tie-down fees collected on behalf of Authority shall be remitted to Authority no later than the 10th of the month after the month in which tie-down fees are received by Company. Company shall provide along with its payment, a report of all tie-down fees collected for the preceding month, listing aircraft type, registration numbers and dates.

No other tie-down, overnight handling/ramp fees or similar fees shall be collected by Company except as described in 6.2 herein.

6.3 LATE PAYMENTS

Without waiving any other remedy available to Authority in the event of default in Company's payment of fees or rentals hereunder, in the event that Company is delinquent for a period of thirty (30) days or more in paying to Authority any fee or rental payable to Authority pursuant to

this Agreement, Authority reserves the right to charge Company interest thereon, from the date such rents or fees became due to the date of payment, at the maximum interest rate then authorized by law. The assessed rate may be reduced or waived upon approval by the Authority.

6.4 MONTHLY AND ANNUAL STATEMENTS:

- A. Company shall on or before the tenth (10) day of each month submit a report detailing each transaction/invoice number, date, type of service or fee, fee amount, portion due Authority and totals for each service/fee type for each applicable category listed in 6.1 and 6.2 above, along with any monies due Authority from the previous month. The report shall also include any deductions or credits due or taken.
- B. On or before forty-five (45) days following each anniversary date of this Agreement the Chief Financial Officer of Company shall deliver to Authority an annual notarized statement of all fees itemized in Article 6.2 and any other revenues that the Company is required to remit to the Authority.
- C. Company shall, in a timely manner, file FAA form 1800-31, or its equivalent, reporting all charter passenger activity to the United States Department of Transportation.

6.5 BOOKS AND RECORDS:

The Authority reserves the right to inspect, upon reasonable notice, Company's books and records pertaining to the collection of fees and remittance due Authority as specified herein, including the underlying records and documents that provide the basis for the collection of fees and remittances due Authority as specified herein. during normal business hours. Books and records will be retained by the Company on the Leased Premises and be available for audit for at least seven (7) years after the end of each fiscal year of this Agreement.

6.6 AUDIT BY AUTHORITY:

Authority reserves the right to conduct an audit of Company's books and records or receipts at any time for the purpose of verifying the fees hereunder. Absent fraud, audits shall be conducted within seven (7) years of the period subject to review. If, as a result of such audit it is established that Company has understated fees due the Authority by three percent (3%) or more (after the deduction and exclusion provided for herein), the entire expense of said audit shall be borne by Company. Any additional fees due, shall be paid by Company to Authority with interest thereon at eighteen percent (18%) per annum from the date such fees became due. Adjustments of said audit shall be paid by the applicable party within thirty (30) days of the final report.

ARTICLE 7
SECURITY FOR PERFORMANCE

7.1 **SECURITY FOR PERFORMANCE**

- A. Company shall provide Authority on or before the commencement date of this Agreement with a contract bond, irrevocable letter of credit or other similar security acceptable to Authority ("Contract Security") in an amount equal to the estimate of three (3) months' rentals, fees and charges payable by Company pursuant to Article 6, to guarantee the faithful performance by Company of its obligations under this Agreement and the payment of all rentals, fees and charges due hereunder. Such Contract Security shall be in a form and with a company reasonably acceptable to Authority and licensed to do business in the State of Florida. In the event that any such Contract Security shall be for a period less than the full period required hereunder or if Contract Security shall be canceled, Company shall provide a renewal or replacement Contract Security for the remaining required period at least sixty (60) days prior to the date of such expiration or cancellation. In addition to said Contract Security, Mike's Aviation, Inc. and Michael J. Lukowski and Judith A. Lukowski individually and severally hereby agree to guarantee all required payments and performance requirements of Company under this Agreement, subject to the terms, conditions, and requirements, as described in Exhibit "3" and Exhibit "4".
- B. In the event the Authority has drawn down or collected against Company's Contract Security for any reason, Company shall, within ten (10) business days after Authority's written demand, take such action as may be necessary to replenish the Contract Security to its original amount (three months' estimated rentals, fees, and charges) or to provide additional or supplemental Contract Security from another source so that the aggregate of all Contract Security is equal to three months' estimated rentals, fees, and charges payable by Company pursuant to Article 6.
- C. If Company shall fail to obtain and/or keep in force such Contract Security required hereunder, such failure shall be grounds for immediate termination of this Agreement pursuant to Article 12 if not remedied within two (2) business days of receipt of notice from the Authority. Authority's rights under this Section 7.1 shall be in addition to all other rights and remedies the Authority may have.

7.2 **SATISFACTORY PERFORMANCE**

Subject to the provisions above, the surety bond or the irrevocable letter of credit will be returned within ninety (90) days following the expiration of the Term or any renewal term hereof subject to

the satisfactory performance by Company of all terms, conditions, and covenants contained herein throughout the entire Term or any renewal thereof.

ARTICLE 8

MAINTENANCE OBLIGATIONS OF COMPANY

8.1 GENERAL OBLIGATIONS:

Company shall be obligated to maintain the Leased Premises and every part thereof in good appearance, repair and safe condition, consistent with good business practice, whether installed by Authority or Company; such maintenance shall be without cost to Authority. Such maintenance shall include but not be limited to the scheduled maintenance of the Leased Premises listed in Section 8.2. Company shall repair all damages to the Leased Premises caused by its employees, patrons or its operations thereon. All such maintenance, repair and replacements shall be of a quality at least equal to the original in materials and workmanship. All paint colors shall be submitted to and approved in writing by Authority prior to application.

8.2 REQUIRED SCHEDULED AND CONTINUED MAINTENANCE TO LEASED PREMISES:

Pursuant to Company's maintenance obligations in this Agreement, Company agrees to maintain, at a minimum, and at Company's expense, certain components of the Leased Premises according to the following maintenance schedule:

- A. Roof: Commencing with the fifth (5th) year of the initial term, Company shall provide an annual roof inspection by a qualified roof inspector/contractor to determine required maintenance action. Roof cleaned biannually, beginning in year 5, and drains & scuppers cleaned as needed. Inspection report shall be submitted to Authority for approval of maintenance requirements to be performed by Company.
- B. Building Exterior: Hangar and Terminal exteriors are to be inspected annually and cleaned or painted as needed. Any corrosion or unsightly condition shall be properly treated and painted to prevent further damage and maintain the professional appearance of structures. Exterior paint specification and color shall be as approved by Authority. Materials and proper application shall be in accordance with the best practices of the trade.
- C. Hangar Doors: Lubricate and adjust doors at intervals recommended by the manufacturer, inspected and cleaned monthly.
- D. Equipment Inspection: Monthly inspection of all HVAC equipment, replacing air filters as required. HVAC quarterly, semi annual and annual maintenance shall be performed per manufacturer's recommendation. A qualified service vendor shall inspect HVAC systems at least annually. Commencing with the fifth (5th) year of the Initial Term a condition report shall

be submitted to Authority at the completion of each annual inspection. Company shall have recommended work performed as soon as practical after receipt of the report.

- E. Landscaping: The landscaping shall be maintained in a manner consistent with good horticultural practices, and free of unsightly conditions.
- F. Electrical Service: Keep area free of debris, properly accessible and in compliance with National Electrical, and all state, local and applicable requirements.
- G. Keying Scheme: All keys and a key scheme will be provided to Authority upon Company vacating the Leased Premises. Keys and keying scheme will include all doors of any type including elevators, dumbwaiters, roll-up, electrical, security, office, etc. Company's key controls shall be as required by Authority for compliance with TSA regulations and the Authority's TSA approved Airport Security Program, (ASP), as may be amended.
- H. Copies of Reports and Warranties: Records of all performed maintenance shall be forwarded to Authority at the time of completion of each task. Copies of all warranty information shall be forwarded to Authority. Copies shall be forwarded as outlined in the Notices and Communications Article of this Agreement.
- I. Vehicle Parking Lot: Clean sweep, remove oil and debris, repair, overlay/repave, and stripe, on a routine basis.

In addition to the foregoing scheduled maintenance required, Company agrees the Leased Premises shall be maintained continuously in a good state of repair and comply each condition set forth below:

- A. The Roof shall be free of any leaks.
- B. The HVAC system shall heat and cool properly.
- C. All Hangar Doors shall open and close properly.
- D. The exterior paint shall be free of unsightly conditions.
- E. The interior of the Leased Premises finished spaces shall be painted within one year prior to the termination of this Agreement.

8.3 FUEL FACILITIES, HANDLING, STORAGE AND DISPENSING EQUIPMENT

Company shall train its employees on proper fuel dispensing procedures as well as safety, quality control, environmental and FAC Part 139, and NFPA 407 requirements, with an emphasis on safety.

Company shall provide adequate fire extinguishers, fuel spill kits, and shall establish a Fuel Dispensing Operations manual for its employees and submit it to Authority for comment and approval. The manual shall include the following items:

- A. Types of Fuel.
- B. Grounding Techniques, Positioning of Aircraft, and Safety Tips.
- C. Procedures to follow for Fuel Spills.
- D. Location of all Fire Extinguishers and Fuel Shutoff Push Button Stations.
- E. Call-out List.

8.4 FAILURE TO REPAIR AND MAINTAIN LEASED PREMISES

If Company fails to perform Company's maintenance responsibilities, the Authority shall have the right, but not the obligation, to perform such maintenance responsibilities, provided the Authority has first, in any situation not involving safety, security or other emergency situations, by written notice to Company, delivered in accordance with Article 11.2, afforded Company a period within which to correct the failure of thirty (30) days or of such longer duration as may be reasonably required to rectify the failure through the exercise of prompt, diligent and continuous effort said extension must be approved by the Authority. All costs incurred by the Authority in performing the Company's maintenance responsibility, plus a fifteen percent (15%) administrative charge, shall be paid by Company within thirty (30) days of receipt of billing therefore. Failure of Company to pay for more than thirty (30) days after receipt of Authority's notice of delinquency shall be deemed a condition of default. Safety, security and other emergency circumstances shall be remedied immediately and in conjunction and cooperation with the Authority.

Authorized representatives of the Authority and any applicable Federal, State or local agency having jurisdiction shall have the right of access to the premises during daylight hours and upon twenty four (24) hours advance notice to Company, for the purpose of inspection to determine compliance with the provisions of this Agreement or applicable Federal, State or local regulations; or to repair any utilities thereon that serve any areas, Authority shall endeavor to use reasonable efforts to minimize interference or disruption of Company's operations. In the event of an emergency, the Authority will attempt to contact Company but reserves the right to access the premises, without prior notification.

ARTICLE 9

FUTURE IMPROVEMENTS AND ALTERATIONS BY COMPANY

9.1 WRITTEN APPROVAL

Following completion of Company's initial Improvements as described in Article 2.3, and Exhibit "12". Company shall make no further improvements or alterations whatsoever to the Leased Premises without the prior written approval of the Authority, which approval shall not be unreasonably withheld or delayed, provided, however, that improvements do not conflict with the

current use and future development of the Airport and that such alterations or Fixed Leasehold Improvements shall be commenced only after plans and specifications thereof have been submitted to and approved in writing by Authority, and Company has obtained CITY OF GAINESVILLE and ALACHUA COUNTY work permits as required.

9.2 CONDITIONS

If Company's request for approval to make improvements or alterations is granted, the following conditions shall apply:

- A. Company shall obtain all required permits and licenses necessary, and shall comply with applicable zoning laws, building codes and other laws or regulations of all appropriate governing entities, including the State, County, City and Authority, applicable to the construction or installation of approved improvements or alterations.
- B. Company agrees to hire only Florida licensed contractors and subcontractors and to indemnify the Authority in the event of any loss or damage resulting from work performed on the Leased Premises by its contractors and subcontractors.
- C. Company covenants and agrees to accept and pay all costs necessary to complete approved alterations or improvements.
- D. Company agrees to be solely responsible for any damage (other than normal wear and tear) resulting from the removal by Company of its personal property or signs.
- E. Authority is named as additional insured on Company/Contractor/Subcontractor General Liability/Workers Compensation policy.
- F. Contractor and Subcontractor shall present a full Release of Liens to Authority at the completion of Company's Improvements.

ARTICLE 10

TITLE TO IMPROVEMENTS

Authority's Improvements: Title to all Improvements shall remain with Authority.

Company's Personal Property: Title to all Personal Property, as defined in Article 1, on the Leased Premises by the Company shall at all times during the term of said Agreement remain in the name of the Company and shall be removed upon conclusion as provided herein.

Company's Fixed Personal Property: Title of Fixed Personal Property shall be in the name of Authority unless otherwise specified in this Agreement and at the sole option of Authority, Authority may require Company to remove its Fixed Personal Property and restore the Leased Premises to its original condition. Company shall have thirty (30) days to remove said Fixed Personal Property and during such time all terms and conditions of Agreement remain intact.

Company's Improvements: Upon termination, Company's Improvements, as defined in Article 1, shall become the property of Authority.

ARTICLE 11
DEFAULT AND TERMINATIONS RIGHTS

11.1 **EVENTS OF DEFAULT**

The following events shall be deemed events of default by Company:

- A. The conduct of any business or performance of any act(s) at the Airport not specifically authorized in this Agreement and Company's failure to discontinue that business or those acts within thirty (30) days of receipt by Company of Authority's written notice to cease said business or acts.
- B. The failure to construct facilities represented in Articles 2 and 5 or as otherwise agreed to in this Agreement.
- C. The appointment of a Bankruptcy Court appointed Trustee, custodian, or receiver of all or a substantial portion of Company, Mike's Aviation, Inc., and/or Michael J. Lukowski and/or Judith A. Lukowski assets.
- D. The divestiture of Company, Mike's Aviation, Inc., and/or Michael J. Lukowski's and/or Judith A. Lukowski's estate herein by operation of law, by dissolution, or by liquidation.
- E. The sale or merger of Mike's Aviation, Inc., to/with the Company shall not be a default of this Agreement.
- F. The insolvency of Company, Mike's Aviation, Inc., and/or Michael J. Lukowski and/or Judith A. Lukowski or if Company, Mike's Aviation, Inc., and/or Michael J. Lukowski and/or Judith A. Lukowski shall take the benefit of any present or future insolvency statute, shall make a general assignment for the benefit of creditors, or shall seek a reorganization or the readjustment of its indebtedness under any law or statute of the United States or of any state thereof including the filing by Company, Mike's Aviation, Inc., and/or Michael J. Lukowski and/or Judith A. Lukowski of a voluntary petition of bankruptcy or the institution of proceedings against Company, Mike's Aviation, Inc., and/or Michael J. Lukowski and/or Judith A. Lukowski for the adjudication of Company, Mike's Aviation, Inc., and/or Michael J. Lukowski and/or Judith A. Lukowski as bankrupt pursuant thereto.
- G. Company's non-compliance with Florida Statute 287.133 - Concerning Public Entity Crimes on Contracts with Public Entities.
- H. The failure or omission by the Company to timely carry out duties and obligations under this Agreement and/or the breach of any term, condition or covenant herein.

11.2 AUTHORITY'S REMEDIES

In addition to the Liquidated Damages as previously set forth, the Authority is entitled to the following remedies in the event of any of the foregoing events of default enumerated in Article 11.1, and following thirty (30) days' Written Notice by Authority and Company's failure to cure, Authority, at its sole election, may exercise any one or more of the following options or remedies, the exercise of any of which shall not be deemed to preclude the exercise of any others herein listed or otherwise provided by statute or general law:

- A. Terminate Company's rights under this Agreement and, in accordance with law, take possession of the Leased Premises. Authority shall not be deemed to have thereby accepted a surrender of the Leased Premises, and Company shall and Guarantors remain liable for all payments due, or other sums due under this Agreement and for all damages suffered by Authority because of Company's breach of any of the covenants of Agreement; or
- B. Treat Agreement as remaining in existence, curing Company's default by performing or paying the obligation which Company has breached, and all sums paid or expenses incurred by Authority directly or indirectly in curing Company's default shall become immediately due and payable and Authority reserves the right to charge interest at the highest rate permitted by law from the date of disbursement by Authority until paid by Company; or
- C. Declare this Agreement to be terminated, ended, null and void, and reclaim possession of the Leased Premises whereupon all rights and interest of Company in the Leased Premises shall end.

11.3 CONTINUING RESPONSIBILITIES OF COMPANY

Notwithstanding the occurrence of any event of default, Company shall remain liable to Authority for all payments payable hereunder and for all preceding breaches of any covenant of this Agreement.

No retaking of possession of the Leased Premises by Authority shall be construed as an election on its part to terminate this Agreement, unless a written notice of such intention be given to Company, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any payments or other moneys due to Authority hereunder, or of any damages accruing to Authority by reason of the violations of any of the terms, provisions, and covenants herein contained. Authority's acceptance of payments or other moneys following any event of default hereunder shall not be construed as Authority's waiver of such event of default unless the event of default is the delinquency in the payment of the amount accepted. No forbearance by Authority of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance by Authority to enforce one or more of the remedies herein provided

upon an event of default shall not be deemed or construed to constitute a waiver of any such remedy. It is agreed by Parties that losses or damages that Authority may suffer by reason of termination of this Agreement, or the deficiency from any reletting as provided for above, shall include the expense of repossession or reletting, any unpaid amounts for construction of improvements, and any repairs or remodeling undertaken by Authority following repossession.

11.4 COMPANY'S REMEDIES

Company may terminate this Agreement and all of its obligations hereunder, if Company is not in default in the payment of any payments or other charges to Authority, and only upon or after the happening of any of the following events: the inability of Company to use Airport for a period exceeding ninety (90) consecutive days due to war, earthquake, or the issuance of any order, rule or regulation by a competent governmental authority or court having jurisdiction over Authority, preventing Company from operating its business for a period of ninety (90) consecutive days, provided, however that such inability or such order, rule or regulation is not due to any fault of Company, or if Gainesville Regional Airport ceases to serve the region with scheduled air service.

If at any time following April 27, 2023, commercial passenger enplanements at the Gainesville Regional Airport drop by more than 30% in any ninety (90) day period from passenger enplanement levels occurring during any ninety (90) day period in the base calendar year of 2022, the Authority reserves the right, at its sole option, to cancel the FBO agreement and the rights thereto, upon sixty (60) days written notice to Company. Should Authority decide to exercise this option, Authority shall satisfy company's obligations for financing of the approved general aviation terminal improvements (the Project) as provided for in Article 2 and more fully described in Exhibit 12 of this Agreement. Authority's obligation shall be limited to Company's obligations for the balance of the original loan on the Project, the terms of which must be fully satisfied to the lender on or before the termination date of this Agreement. Authority shall also reimburse Company for any direct cash investment made by company in the Project on a "pro-rata" basis. Evidence of this investment must be included in the financing plan for the Project to be approved by Authority prior to construction. Company shall be reimbursed a prorated portion of its non-financed share of the project construction costs for any unused beneficial occupancy beginning from the date of receipt of a Certificate of Occupancy from the City of Gainesville or date of beneficial occupancy of the building, whichever occurs first, until the end of the lease term as specified herein. Company shall have no further claims against the Authority for exercising this option and terminating the Agreement. Said reimbursement shall not include interest, "opportunity costs", lost profits, direct, indirect or consequential damages. Said reimbursement shall not include payment for unrelated purchases or investments in Company's operation, such

as other physical improvements to the lease premises, aircraft, fuel trucks, flight simulators, tools, equipment, furnishings, office equipment and other personal property.

In the event Company's total fuel sales for a period of sixty (60) days are less than fifty percent (50%) of the total fuel sales for the same period of the preceding year, Authority and Company shall have the option of renegotiating this Agreement, the new terms of which shall be subject to Federal Aviation Administration (FAA) approval. Said decrease in total fuel sales must be the direct result of the unavailability of aviation fuel and/or dramatic increase in the cost fuel, and not the result of competition on the airfield.

11.5 TIME OF THE ESSENCE

Time is of the essence of this Agreement.

ARTICLE 12

NO LIENS

Company shall pay for all labor done or materials furnished in the repair, replacement, development, or improvement of the Leased Premises by Company, and shall keep said Leased Premises and Company's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever created by Company's act or omission. Purchase money mortgage liens on Company's Improvements or Company's Personal Property are not subject to this provision. Any and all Purchase money mortgage liens for Company's Improvements shall be subordinate to the Authority's interests.

ARTICLE 13

TAXES AND FEES

Company shall pay all applicable sales, use, intangible and ad valorem taxes of any kind, against Company's Leased Premises, the real property and any improvements thereto or leasehold estate created herein, or which result from Company's occupancy or use of the Leased Premises, whether levied against Company or Authority.

Company shall also pay any other taxes, assessments, and fees against the Leased Premises or leasehold estate created herein, including storm water fees. Company may reserve the right to contest such taxes and withhold payment of such taxes upon written notice to Authority of its intent to do so, so long as the nonpayment of such taxes does not result in a lien against the real property or any improvements thereon or a direct liability on the part of Authority. Authority agrees to immediately forward to Company any notices of such taxes and assessments. Company shall pay the taxes or assessments

reflected in a notice Company receives from the Authority within thirty (30) days after Company's receipt of that notice or within the time period prescribed in tax bill. Authority will attempt to cause taxing authority to send the applicable tax bills directly to Company and Company shall remit payment directly to the taxing authority, in such instance.

ARTICLE 14
INDEMNIFICATION

Company agrees to protect, defend, reimburse, indemnify and hold Authority, its agents, employees, and officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including reasonable attorney fees) and causes of action of every kind and character (this is to the extent allowed by law except to the extent caused by Authority's negligence) by reason of any damage to property or the environment, including any contamination of Airport property such as the soil or storm water by fuel, gas, chemicals or other substances deemed by the Environmental Protection Agency (EPA) to be environmental contaminants at the time this Agreement is executed or as may be redefined by the appropriate regulatory agencies in the future, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, or any other person whomsoever, or any governmental agency, arising out of or incident to or in connection with Company's performance under this Agreement, Company's use or occupancy of the Leased Premises, Company's acts, omissions or operations hereunder or the performance, non- performance or purported performance of Agreement or any breach of the terms of this Agreement. Company recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by Authority in support of this indemnification in accordance with laws of the State of Florida. This clause shall survive the termination of this Agreement. Compliance with the insurance requirements as attached hereto shall not relieve Company of its liability or obligation to indemnify Authority as set forth in this Article.

ARTICLE 15
INSURANCE

15.1 INSURANCE TERMS AND CONDITIONS

Company shall maintain the following coverage in amounts described in the Schedule of Insurance, Exhibit "7", uninterrupted as may be amended through the life of this agreement from time to time and at no cost to the Authority. In the event Company becomes in default of the following requirements Authority reserves the right to take whatever actions deemed necessary to protect its interests. The Airport shall

be named as an Additional Insured by Endorsement for General Liability, Automobile Liability, Pollution (Environmental) Liability, Aviation Liability.

15.2 REQUIRED COVERAGES

Workers' Compensation/Employer's Liability

The minimum limits of insurance (inclusive of any amount provided by an umbrella or excess policy).

Airport Liability

The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this Agreement shall be the amounts as specified in Exhibit "7". Coverage shall be provided for liability resulting out of, or in connection with, ongoing operations performed by, or on behalf of, Company under this Agreement or the use or occupancy of Authority premises by, or on behalf of, Company in connection with this Agreement.

Business Auto Liability

Coverage shall be provided for all owned, hired and non-owned vehicles. The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this Agreement are specified in Exhibit "7".

Environmental Impairment (Pollution) Insurance

This insurance shall cover Company for liability resulting from pollution or other environmental impairment arising out of, or in connection with, work performed under this Agreement, or which arises out of, or in connection with, the use or occupancy of Authority premises in connection with this Agreement. If this policy is on a claims-made basis, the insurance must respond to claims reported within three years after the termination of this Agreement. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) are specified in Exhibit "7".

Aviation Liability Insurance

This insurance shall cover Company for liability, including liability to passengers or resulting from the ownership, operation, maintenance or use of any aircraft on, or in connection with any premises. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) are specified in Exhibit "7".

Flight School

This insurance shall cover the company for Liability resulting from operations usual and customary to a flight school operation, including liability for students, instructors, and aircraft. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) are specified in Exhibit "7".

Property Insurance

Such insurance shall be no more restrictive than that provided by the current editions of the Causes of Loss - Special Form (ISO Form CP 1030) and Florida Changes (ISO Form CP 01 25) filed for use in the State of Florida by the Insurance Services Office. The policy or policies shall be endorsed to include Authority as an additional insured. This insurance shall cover any existing, or hereafter constructed (including while under construction) buildings, structures, or any other improvements to real property located on real property leased, rented or otherwise demised by Authority to Company under this Contract.

15.3 It is expressly understood by Company that the receipt of any required insurance certificate(s) by Authority hereunder does not constitute agreement that the insurance requirements of this Agreement have been fully met or that the insurance policies indicated on the certificate(s) are in compliance with all requirements of this Agreement or the Authority's Minimum Standards. Further, the failure of Authority to obtain certificates or other evidence of insurance from Company shall not be deemed a waiver by Authority. Nonconforming insurance shall not relieve Company of its obligation to provide the insurance specified herein. Non-fulfillment of the insurance conditions by Company hereunder may constitute a material breach of the Agreement and the Authority retains the right to suspend the Agreement until proper evidence of insurance is provided or, in the continued absence of such evidence of insurance, to terminate this Agreement, at the Authority's sole discretion.

ARTICLE 16

DAMAGE OR DESTRUCTION OF LEASED PREMISES

16.1 PARTIAL DAMAGE

In the event all or a portion of the Leased Premises are partially damaged by fire, explosion, the elements, a public enemy, or other casualty, but not rendered untenable, Company will make the repairs immediately, at its own cost and expense.

16.2 EXTENSIVE DAMAGE

In the event damages as referenced in Article 16.1 shall be so extensive as to render all or a

significant portion of the Leased Premises untenable, but capable of being repaired within one hundred twenty (120) days, Company will make the repairs with due diligence, at its own cost and expense.

16.3 COMPLETE DESTRUCTION

In the event the Leased Premises are completely destroyed by fire, explosion, the elements, a public enemy, or other casualty or are so damaged that they are untenable and cannot be replaced within one hundred twenty (120) days, Company shall fully restore the Leased Premises within six (6) months or pay to Authority Company's insurance payment equal to the replacement value of the Leased Premises prior to the destruction.

16.4 UNFORESEEN CIRCUMSTANCES

Sections 16.1 – 16.3 above, shall only be applicable if the casualty or cause of damage is one for which Company could and should have obtained insurance coverage, as described in Article 15, above. If the cause of casualty or of damage was not one for which Company could and should have obtained insurance coverage, then GACRAA may choose to rebuild the premises at its expense, and rent and fees payable by Company shall be abated or prorated until such construction and repairs are completed. Provided, however, that if such repairs are not (reasonably expected to be) completed within one hundred twenty (120) days, then, at Company's option, this Agreement shall be terminated and the parties shall have no further liability to each other under this Agreement, or any related agreements.

ARTICLE 17

ENVIRONMENTAL REGULATIONS AND GENERAL CONDITIONS

17.1 GENERAL CONDITIONS: ENVIRONMENTAL

Notwithstanding any other provisions of this Agreement, and in addition to any and all other requirements of this Agreement, or any other covenants, representations or warranties of Company, Company hereby expressly covenants, warrants and represents to Authority, in connection with Company's operations at the Airport, the following:

- A. Company is knowledgeable of all applicable federal, State, and local environmental laws, ordinances, rules, regulations and orders, that apply to Company's operations at the Airport and acknowledges that such environmental laws, ordinances, rules, regulations and orders change from time-to-time, and Company agrees to keep informed of any such future changes.
- B. Company agrees to comply with all applicable federal, State, and local environmental laws, ordinances, rules, regulations, and orders that apply to Company's operations. Company

agrees to hold harmless and indemnify Authority for any violation by Company of such applicable federal, State, and local environmental laws, ordinances, rules, regulations and orders and for any non-compliance by Company with any permits issued to Company pursuant to such environmental laws, which hold harmless and indemnity shall include but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures and monitor environmental conditions and for any monetary penalties, costs, expenses, or damages, including natural resource damages, imposed against Company, its employees, invitees, suppliers, or service providers or Authority by reason of Company's violation or non-compliance.

- C. Company agrees to cooperate with any investigation, audit or inquiry by Authority or any governmental agency, regarding possible violation of any environmental law or regulation upon the airport premises.
- D. Company agrees that all remedies of Authority as provided herein with regard to violation of any federal, State or local environmental laws, ordinances, rules, regulations or orders shall be deemed cumulative in nature and shall survive termination of this Agreement.
- E. Company agrees that Company or Company's agent shall provide any notice of violation, notice of non-compliance, or other enforcement action of the nature described in Article 17.1-17.8 to Authority within twenty-four (24) hours of receipt. Any violation or notice of violation or non-compliance with federal, State, or local environmental law or ordinance that Company fails to rectify within the cure period established in Article 17.1-17.8 shall be deemed a default under this Agreement. Any such default that is not cured shall be grounds for termination of this Agreement.
- F. In entering this Agreement, Authority expressly relies on the covenants, representations, and warranties of Company as stated herein.

17.2 PRIOR CONTAMINATION

Nothing in this Article 17 shall be construed to make Company liable in any way for any contamination or release of Hazardous Substances (as defined below) affecting the Leased Premises that occurs prior to the occupancy of the Leased Premises by Company or that occurs as a result of the actions of the Authority or any of its employees, agents, or contractors.

17.3 SITE CONTAMINATION

Nothing in this Article 17 shall be construed to make Company liable in any way for any contamination or release of Hazardous Substances affecting the Leased Premises that occurs by reason of the migration or flow to the Leased Premises from verifiable or documented offsite contamination that is not attributable to Company's activities at the Leased Premises.

17.4 ENVIRONMENTAL INSPECTION

- A. Within thirty (30) days of the execution of this Agreement, Authority shall order and pay for baseline Phase I and if necessary Phase II environmental inspection, examination and audit of Leased Premises.
- B. At least thirty (30) days, but no more than ninety (90) days, before the expiration of the Term, or renewal thereof, as provided in Article 4 herein, Authority shall have Phase I and if necessary Phase II environmental inspection, examination and audit of the Leased Premises performed within the aforementioned time period and be reimbursed by the Company. The cost for professional consulting/engineering services required for such audit shall be at the expense of the Authority. Company agrees to pay all associated laboratory and testing fees incurred to test and analyze samples collected during the audit process. If the existence of Hazardous Substances or hazardous waste are detected, Company shall immediately take such action as is necessary to clean up the contamination at its own expense, and in accordance with applicable federal, State, and local law to the extent that it is obligated to do so by virtue of the foregoing provisions of this Article 17.
- C. If the Authority is unable to lease the Leased Premises during the period of a cleanup, referred to in 17.4B above, due to the environmental condition of the Leased Premises, in addition to any other damages for which Company may be liable, Company shall be responsible for payment of lost Rental Payment or lost use to the Authority.
- D. The Authority must approve the firm conducting cleanup work, and the methodology used by such firm shall be consistent with the then current engineering practices and methods required by the State or the United States government and are reasonably acceptable to the Authority.

17.5 INSTALLATION OF UNDERGROUND TANKS

Company shall not be permitted to install underground storage tanks of any kind without the advance written approval of the Authority. At Authority's request, Company shall remove from the Leased Premises at the conclusion of the Term any underground installation of any nature installed by Company. Company understands and agrees that it is strictly liable for any environmental violation or harm, or any contamination to the soil or the water table under the Leased Premises caused by such underground storage tanks during the Term of this Agreement and any extension thereto.

17.6 GENERAL CONDITIONS: STORMWATER

- A. Notwithstanding any other provisions or terms of this Agreement, Company acknowledges that certain properties within the Airport, or on Authority owned land, are subject to storm water rules and regulations. Company agrees to observe and abide by such storm water

rules and regulations as may be applicable to the Leased Premises and to pay all fees or taxes associated with stormwater.

- B. Company acknowledges that any storm water discharge permit issued to the Authority may name Company as a co-permittee or Company may be required to submit a separate Notice of Intent for its Leased Premises before the expiration date of the existing State of Florida NPDES Stormwater Multi-Sector General Permit (MSGP). Authority and Company both acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize cost of compliance. Company acknowledges further that it may be necessary to undertake actions to minimize the exposure of storm water to "significant materials" (as such term may be defined by applicable storm water rules and regulations) generated, stored, handled or otherwise used by Company by implementing and maintaining "best management practices" (as such term may be defined in applicable storm water rules and regulations).
- C. Authority will provide Company with written notice of any storm water discharge permit requirements applicable to Company and with which Company will be obligated to comply, including the submittal of Notice of Intent to the appropriate agency along with a copy to the Authority. Company may also be required to comply with the following requirements including but not limited to: certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of best management practices; and maintenance and submittal of necessary records. In complying with such requirements, Company shall observe applicable deadlines set by the regulatory agency that has jurisdiction over the permit. Company agrees to undertake, at its sole expense, those storm water permit requirements for which it has received written notice from the regulatory agency and that apply to the Leased Premises, and Company agrees that it will hold harmless and indemnify Authority for any violations or non-compliance with any such permit requirements.

17.7 GENERAL CONDITIONS: SOLID AND HAZARDOUS WASTE

- A. If Company is deemed to be a generator of hazardous waste, as defined by federal, State or local law, Company shall obtain a generator identification number from the U.S. Environmental Protection Agency ("EPA") and the appropriate generator permit and shall comply with all federal, State and local laws, and any rules and regulations promulgated thereunder, including but not limited to, ensuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law.

- B. Company agrees to provide Authority within ten (10) days after the Authority's request copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage and disposal plans and material safety data sheets prepared or issued in connection with Company's use of the Leased Premises.

17.8 HAZARDOUS SUBSTANCES

The term "Hazardous Substance" means any substance:

- A. The presence of which requires or may later require notification, investigation or remediation under any environmental law; or
- B. That is or becomes defined as a "hazardous waste", hazardous material", "hazardous substance", "pollutant" or "contaminant" under any environmental law, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C §9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.) and the associated regulations; or
- C. That is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any state of the United States, or any political subdivision within any state; or
- D. The presence of which on the Leased Premises causes or threatens to cause a nuisance on the Leased Premises or to adjacent properties or poses or threatens to pose a hazard to the Leased Premises or to the health or safety of persons on or about the Leased Premises; or
- E. That contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or
- F. That contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or
- G. That contains or emits radioactive particles, waves or materials, including, without limitation, radon gas.

ARTICLE 18

COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES, RULES

Company and its subcontractors shall at all times comply with applicable federal, State, and local laws and regulations, Airport rules, regulations and operating directives as are now or may hereinafter be prescribed by Authority, all applicable health rules and regulations and other mandates whether existing or as promulgated from time to time by the federal, State, or local government, or Authority including, but not limited to, permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other operational matters related to the operation of

the Airport. Company, its officers, employees, agents, subcontractors, and those under its control, shall comply with security measures required of Company or Authority by the *Federal Aviation Administration* ("FAA"), *Transportation Security Administration* ("TSA"), or other Federal Agency that may be appointed or created, contained in any Airport master security plan approved by the TSA to include an Airport Tenant Security Program as outlined in TSA 1540 and 1542, as amended, respective to Company's Leased Premises. If Company, its officers, employees, agents, subcontractors or those under its control shall fail or refuse to comply with said measures and such non-compliance results in a monetary penalty being assessed against Authority, then, in addition to any other remedies available to Authority, Company shall be responsible and shall reimburse Authority in the full amount of any such monetary penalty or other damages. Company must pay this amount within ten (10) days of written notice.

ARTICLE 19

GOVERNMENTAL INCLUSIONS

The Leased Premises and the Airport are subject to the terms of those certain Sponsor's Assurances made to guarantee the public use of the Airport as incidental to grant agreements between Authority and the United States of America as amended; and, Authority represents that none of the Provisions of this Agreement violates any of the provisions of the Sponsor's Assurance Agreement.

ARTICLE 20

NON-EXCLUSIVE

This Agreement shall not be construed to grant or authorize the granting of an exclusive right within the meaning of 49USC 40103(e) or 49USC 47107(a) as may be amended from time to time, and related regulations.

ARTICLE 21

RIGHT TO DEVELOP AIRPORT

It is covenanted and agreed that Authority reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Company or its subcontractors and without interference or hindrance.

ARTICLE 22

RIGHT OF FLIGHT

Authority reserves, 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 real property owned by Authority, including the Leased Premises, together with the right to cause in said airspace, such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on Airport.

Company expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Leased Premises to such a height so as to comply with Federal Aviation Regulations, Part 77 and its successors, City, County, and/or Authority's height zoning. Company further expressly agrees for itself, its successors and assigns, to prevent any use of the Leased Premises, which would interfere with or adversely affect the operation or maintenance of Airport, or otherwise constitute an Airport hazard.

ARTICLE 23
RIGHT OF ENTRY

Authorized representatives of the Authority and any applicable Federal, State or local agency having jurisdiction shall have the right of access to the premises during daylight hours and upon twenty four (24) hours advance notice to Company, for the purpose of inspection to determine compliance with the provisions of this Agreement or applicable Federal, State or local regulations; or to repair any utilities thereon that serve any areas, Authority shall endeavor to use reasonable efforts to minimize interference or disruption of Company's operations. In the event of an emergency, the Authority will attempt to contact Company but reserves the right to access the premises, without prior notification.

ARTICLE 24
PROPERTY RIGHTS RESERVED

This Agreement shall be subject and subordinate to all the terms and conditions of any instruments and documents under which the Authority acquired the land or improvements thereon, of which said Leased Premises are a part. Company understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between Authority and the United States of America, or any of its 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 federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

ARTICLE 25
SUBORDINATION OF TRUST AGREEMENT

This Agreement and all rights of Company hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by Authority to secure financing. This Agreement is subject and subordinate to the terms, covenants, and conditions of the Trust Agreement, made by Authority, authorizing the issuance of bonds by Authority. Conflicts between this Agreement and the documents mentioned above shall be resolved in favor of such documents.

ARTICLE 26
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 Leased Premises are located, for public purposes, for a period in excess of ninety (90) consecutive days, then this Agreement shall hereupon terminate and the Authority shall be released and fully discharged from any and all liability hereunder. In the event of such termination, Company's obligation to pay rent shall cease, however, nothing herein shall be construed as relieving either party from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

ARTICLE 27
NONDISCRIMINATION/AFFIRMATIVE ACTION

Company assures that, in the performance of its obligations hereunder, it will fully comply with the requirements of 14 C.F.R. Part 152, Subpart E (Nondiscrimination in Airport Aid Program), as amended from time to time, to the extent applicable to Company, to ensure, *inter alia*, that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any activities covered by such regulations. Company, if required by such regulations, will provide assurances to Authority that Company will undertake an affirmative action program and will require the same of its sub-organizations.

Company, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities: (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or

national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination; and (3) that Company shall fully comply with the requirements of 49 C.F.R. Part 21 (Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964), amended from time to time.

ARTICLE 28
AMERICANS WITH DISABILITIES ACT

Company shall comply with the applicable requirements of "The Americans with Disabilities Act" (ADA) and the State of Florida Accessibility Requirements Manual (ARM), and any similar or successor laws, ordinances, rules, and regulations, including cooperation with Authority, concerning the same subject matter.

ARTICLE 29
SIGNS

29.1 **WRITTEN APPROVAL**

Except with the prior written approval of Authority, Company shall not erect, maintain, or display any signs or any advertising at or on the Leased Premises.

29.2 **REMOVAL**

Upon the expiration or termination of Agreement, and in no case more than thirty (30) days, Company shall remove, obliterate or paint out, as Authority may direct, any and all signs and advertising on the Leased Premises and, in connection therewith, shall restore the portion of the Leased Premises affected by such signs or advertising to the same conditions as existed at the commencement of the Term. In the event of failure on the part of Company to remove, obliterate, or paint out each and every sign or advertising and restore the Leased Premises, Authority may perform the necessary work, at the cost of Company.

ARTICLE 30
ENJOYMENT

Authority represents and warrants that Company shall peaceably have, hold, and enjoy the Leased Premises during the Term without hindrance or molestation from Authority, subject however, to all the terms and provisions hereof and covenants, easements, and other encumbrances now affecting the Leased Premises.

ARTICLE 31
ASSIGNMENT AND SUBLETTING

The operations of the Company hereunder are in the performance of functions, which are in the public interest and in furtherance of general aviation activities at the Airport. Authority is entrusted with the duty and obligation of providing the public with the highest level of general aviation services and facilities, and it is, therefore, necessary that Company's operations hereunder are subject to continuing scrutiny by Authority, and further that Company operate in a businesslike fashion, efficiently and with courtesy to the public. For these reasons the following shall apply:

- A. Authority shall retain total control and sole discretion over any assignment or subletting of the functions to be performed by Company hereunder. There shall be no assignment without the written consent of the Authority, and the Authority reserves the absolute discretion to grant or deny any assignment.
- B. Company may not sell, assign, or transfer this Agreement or any portion thereof, except as provided herein. Authority must approve in writing the managing officers and the chief executive officers of the Company and no capital stock of the Company can be assigned, sold, or in any way transferred to any person or persons, firm or corporation, without the prior written consent and approval of Authority.
- C. Authority shall have the right to review and approve in advance, the financial capacity of the proposed assignee as well as the manager proposed to run the day-to-day operations of the facility for the Company.
- D. In no event shall any approved assignment diminish Authority's rights to enforce provisions of this Agreement.
- E. Company may sublease part of Company's Improvements thereon but Authority must first approve in writing such sublease. Such subleases, if approved, may only be for aviation business in connection with aviation uses being conducted on the Leased Premises. Company may not sublease its responsibility to conduct a FBO except as may otherwise be provided herein.

ARTICLE 32
SURRENDER OF LEASED PREMISES

Company shall surrender and deliver the Leased Premises to Authority upon the conclusion of the Term in the same condition as existed at the commencement of the Term, approved modifications, improvements and ordinary wear and tear excepted. Provided Company is not in default of this Agreement; Company shall forthwith remove all of its Personal Property from the Leased Premises at the conclusion of the Term. Failure on the part of Company to remove its Personal Property within thirty (30)

days after the date of termination shall constitute a gratuitous transfer of title thereof to Authority for whatever disposition is deemed to be in the best interest of Authority. Any costs incurred by Authority in the disposition of such Personal Property shall be borne by the Company. All Fixed Personal Property placed on the Leased Premises by Company shall, at Company's option, become the property of Authority at the termination of this Agreement and shall be left in place, unless Leased Premises are restored to their original condition.

ARTICLE 33
WAIVER OF CLAIM

Company hereby waives any claim against Authority, and its officers, board members, agents, or employees for loss of anticipated profits caused by any suit or proceedings directly or indirectly attacking the validity of this Agreement or any part hereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void, or voidable, or delaying the same, or any part hereof, from being carried out.

ARTICLE 34
APPLICABLE LAW AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue for any action brought pursuant to this Agreement shall be in Alachua County, Florida.

ARTICLE 35
MEDIATION AND ATTORNEY'S FEES

In any dispute arising out of or relating to this Agreement, both parties agree to mediate said dispute prior to initiating any litigation. Mediation shall be a condition, precedent to filing suit, and shall take place within a reasonable period of time following receipt of a written claim specifying the factual basis of the dispute and receipt of a written request for mediation of said claim. In no event shall mediation commence later than sixty (60) days from receipt of said request.

In any dispute arising under this Agreement, each party shall be responsible for its own attorney's fees through and including mediation. In the event of litigation, the prevailing party shall be entitled to recover reasonable attorney's fees and costs, including those related to any appeal.

ARTICLE 36
NOTICES AND COMMUNICATIONS

All notices or communications whether to Authority or to Company pursuant hereto shall be deemed validly given, served, or delivered, upon receipt by the party and addressed as follows:

TO AUTHORITY:

GAINESVILLE-ALACHUA COUNTY REGIONAL
AIRPORT AUTHORITY
ATTN: CHIEF EXECUTIVE OFFICER
3880 N.E. 39TH AVENUE, SUITE A
GAINESVILLE, FL 32609

TO COMPANY:

GULF ATLANTIC AIRWAYS INC., D.B.A UNIVERSITY AIR CENTER
ATTN: MICHAEL J. LUKOWSKI
4701 NE 40TH TERRACE
GAINESVILLE, FL 32609

or to such other address as either Party may designate in writing by notice to the other Party delivered in accordance with the provisions of this Article. If the Notice is sent through a mail system, a verifiable tracking documentation such as a certified return receipt or overnight mail tracking receipt is encouraged.

ARTICLE 37
HEADINGS

The headings contained herein, including the Table of Contents, are for convenience in reference and are not intended to define or limit the scope of any provisions of this Agreement. If for any reason there is a conflict between content and headings, the content will control.

ARTICLE 38
RADON GAS NOTIFICATION

In accordance with requirements of the State of Florida, the following notification statement shall be included in all agreements relating to rental of real property. This is provided for information purposes only.

RADON GAS: Radon is 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 your county public health unit.

ARTICLE 39
AGENT FOR SERVICE OF PROCESS

It is expressly agreed and understood that if Company is not a resident of the State of Florida, or is an association or partnership without a member or partner resident of said state, or is a foreign corporation, then in any such event Company does designate the Secretary of State, State of Florida, its agent for the purpose of service of process in any court action between it and Authority arising out of or based upon this Agreement and the service shall be made as provided by the laws of the State of Florida, for service upon a non-resident. It is further expressly agreed, covenanted, and stipulated that if for any reason service of such process is not possible, and Company does not have a duly noted resident agent for service of process, as an alternative method of service of process, Company may be personally served with such process out of this State, by the registered mailing of such complaint and process to Company at the address set out hereinafter in this Agreement and that such service shall constitute valid service upon Company as of the date of mailing and Company shall have 30 days from date of mailing to respond thereto. It is further expressly understood that Company hereby agrees to the process so served, submits to the jurisdiction and waives any and all obligation and protest thereto, any laws to the contrary notwithstanding.

ARTICLE 40
COMPLETE AGREEMENT

This Agreement represents the complete understanding between Parties, and any prior agreements, or representations, whether written or verbal, are hereby superseded. This Agreement may subsequently be amended only by written instrument signed by the Parties hereto.

ARTICLE 41
ORDER OF PRECEDENCE

The documents listed below are a part of this Agreement and hereby incorporated by reference. In the event of an inconsistency between the documents, unless otherwise provided herein, the terms of the following documents will govern in the following order of precedence:

1. Terms and Conditions as contained in this Agreement.

2. REQUEST FOR PROPOSALS (RFP # 03-001): TO PROVIDE GENERAL AVIATION FIXED BASE OPERATION SERVICES AT GAINESVILLE REGIONAL AIRPORT
3. Proposal from Company dated January 31, 2003.

ARTICLE 42

FEDERAL AVIATION ADMINISTRATION (FAA) APPROVAL

This Agreement shall be subject to Federal Aviation Administration (FAA) Grant Assurance criteria. Upon complete execution, Authority shall inform the FAA of the existence of this new Agreement.

ARTICLE 43

MISCELLANEOUS

Wherever used, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the parties hereto have set their hands and corporate seals on this _____ day of _____, 2012.

**GAINESVILLE-ALACHUA COUNTY
REGIONAL AIRPORT AUTHORITY**

(Affix Corporate Seal)

By: *Allan Penksa*
Allan Penksa, Chief Executive Officer

Address: Gainesville Regional Airport
3880 NE 39th Avenue, Suite A
Gainesville, FL 32609

Signed, sealed, and delivered in the presence of:

Michael Igua
Michael Igua, Manager Facilities and Maintenance

Lynn Noffsinger
Lynn Noffsinger, Administrator Grants and Contracts

**STATE OF FLORIDA
COUNTY OF ALACHUA**

The foregoing instrument was acknowledged before me this 25th day of October, 2012, by Richard Crider in the capacity of Director of Aviation, and by Allan J. Penksa in the capacity of Director, Facilities and Maintenance, **GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**, a public body corporate under the laws of the State of Florida, on its behalf. They are personally known to me and they did not take an oath.

(Stamp or seal of Notary)

Suzanne M. Schiemann
Signature of Notary
Suzanne M. Schiemann
Date Commission Expires: March 26, 2014

LEGAL FORM APPROVED

By: *Donald W. Stanley, Jr.*
Donald W. Stanley, Jr., General Counsel



**GULF ATLANTIC AIRWAYS, INC.,
D.B.A. UNIVERSITY AIR CENTER**

(Affix Corporate Seal)

By: *Michael J. Lukowski*
Michael J. Lukowski, President

Address: 4701 NE 40th Terrace
Gainesville, FL 32609

Signed, sealed, and delivered in the presence of:

Judith A. Lukowski
Judith A. Lukowski, Secretary/Treasurer



Bill Pokorny, General Manager

**STATE OF FLORIDA
COUNTY OF ALACHUA**

The foregoing instrument was acknowledged before me this 12 day of OCTOBER 2012 Michael J. Lukowski in the capacity of President and by Judith A. Lukowski in the capacity of Secretary/Treasurer of Gulf Atlantic Airways, Inc., d.b.a. University Air Center, a Corporation, on its behalf. They have produced the following document(s) of identification, PERSONALLY KNOWN and they did not take an oath.

(Stamp or seal of Notary)



Signature of Notary

Name Typed: ALICIA MAHONEY

Date Commission Expires 09/20/2015



ALICIA MAHONEY
MY COMMISSION # EE 127205
EXPIRES: September 20, 2015
Bonded Thru Budget Notary Services