

## CORPORATE HANGAR LEASE AGREEMENT

**THIS IS A LEASE AGREEMENT** dated as of 27 day of September, 2011 between **Hernando County**, a political subdivision of the State of Florida (the "**Lessor**" or the "**County**") whose address is 20 North Main Street, Room 460, Brooksville, Florida 34601 and **Flightpath Aviation Services, Inc.**, a Florida Corporation, (the "**Lessee**" or Flightpath) whose address is 14 Glenridge Circle, Homosassa, FL 34446.

**WHEREAS**, the Hernando County Airport (the "Airport") is subject to the requirements of various federal laws and regulations including, without limitation, the Surplus Property Act of 1944, as amended, the Federal Property and Administrative Services Act of 1949, as amended, and the rules and orders promulgated by the Federal Aviation Administration (the "**FAA**"); and,

**WHEREAS**, FAA Compliance Order No. 5190.6A, including but not limited to Chapter 4 thereof, require that surplus property airports (which includes the Airport herein) generate revenue, income or its functional equivalent to the airport; and,

**WHEREAS**, pursuant to a directive of Congress, as a surplus airport property, the Airport is subject to compliance review by the FAA and the United States Department of Transportation Inspector General Office; and,

**WHEREAS**, FAA Compliance regulations require that use of Surplus Airport Property be authorized by a written instrument providing for payment of fair, reasonable and non-discriminatory fees, rentals or other user charges; and,

**WHEREAS**, all leases at the Airport are further governed by Chapter 3 of the Hernando County Code of Ordinances.

**NOW THEREFORE**, the **Lessor** and the **Lessee** hereby agree as follows:

The above recitals are incorporated herein and made a part hereof.

### SECTION 1 - PREMISES

1.A.1. The **Lessor** hereby leases the real property with a street address of 210~~3~~<sup>3</sup> American Flyer Way, Brooksville, FL 34604.

1.A.2. The **Lessor** will lease a building containing approximately 4,730 square feet of interior floor space together with certain improvements (collectively the "**Improvements**"). The Improvements were constructed in accordance with all applicable building codes and standards in effect at the time of construction.

## SECTION 2 - LEASE TERM

**2.A.** This Agreement shall be effective upon the last date signed by the **Lessor** and the **Lessee** (the "Effective Date"). The lease term for the Premises shall commence on the 1st day of October, 2011, and shall end on the anniversary date one (1) year hence (the "Anniversary Date"), unless renewed pursuant to **Section 2.B** below.

**2.B.** The **Lessee** shall have the option, upon giving written notice to the **Lessor** not less than three months prior to the Anniversary Date, to renew this Agreement for one (1) additional five (5) year term, provided the **Lessee** has complied with all the terms and conditions of this Agreement and is not in default hereunder, and further provided that the parties are able to agree on a fair market rent for use of the Premises at time of renewal. Additionally, the **Lessor** and the **Lessee** further reserve the right to renegotiate any and all other terms and conditions herein at time of renewal. The parties further acknowledge that any subsequent renewal of this Agreement will be subject to all then current rules, regulations, and restrictions affecting the Hernando County Airport (the "Airport").

## SECTION 3 - SECURITY DEPOSIT

**3.A.** The **Lessee** shall deposit with the **Lessor** the sum of One Thousand Five Hundred dollars (\$1,500.00) (the "Security Deposit") no later than five (5) days after this Agreement has been presented to and approved by the Hernando County Board of County Commissioners, said amount shall be held by the **Lessor** as security for the steadfast performance by the **Lessee** of all the terms, covenants, and conditions of this Agreement during the term hereof.

**3.B.** If the **Lessee** defaults with respect to any provision of this Agreement, including but not limited to the payment of any rent, the **Lessor** may, but shall not be obligated to, apply or retain all or any portion of said Security Deposit for the payment of any amount due the **Lessor** or to reimburse or compensate the **Lessor** for any liability, cost, defense, loss or damage which the **Lessor** may suffer or incur by reason thereof.

**3.C.** The **Lessor** shall promptly, at the expiration or earlier termination of the term hereof and after the **Lessee** has vacated the Premises, return to the **Lessee** that portion of the Security Deposit not used or applied by the **Lessor**. Said Security Deposit shall not accrue interest to the **Lessee**.

## SECTION 4 - RENT

**4.A.** **Lessee** shall pay a monthly lease sum of One Thousand Five Hundred Dollars (\$1,500.00).

**4.A.3.** In the event of any renewals pursuant to **Section 2.B**, the rent shall be as negotiated between **Lessor** and the **Lessee** based upon then fair market value rent at time of renewal.

**4.B.** Rent shall be due monthly and shall be due and payable on the first day of each month. A ten percent (10%) penalty will be applied to all rents received after 5:00 p.m. on the tenth (10th) day of the month. The **Lessee** is separately responsible for all applicable taxes, sales tax, late fees, special assessments, fire protection fees, etc.

**4.C.** The acceptance by the **Lessor** of any payment from the **Lessee** in an amount less than that which is due shall in no way affect **Lessor's** rights under this Lease and shall in no way constitute an accord and satisfaction, waiver, or estoppel upon the **Lessor**.

## **SECTION 5 - USE OF PREMISES**

**5.A.** The **Lessee** shall use the Premises for a Specialized Aviation Service Operation (SASO) as defined in the Airport's Minimum Operating Standards (MOS) dated May 13, 2004 and which MOS is incorporated herein by reference and made a part hereof. For purposes of this Agreement, the SASO service shall be limited to: (1) avionics removal, repair/overhaul and installation; (2) the repair and maintenance of general aviation aircraft and helicopters, and (3) the sale and installation of parts associated with said repair. No other use shall be permitted without the prior written consent of the **Lessor**.

**5.A.1.** **Lessee** shall provide to **Lessor** copies of all licenses showing **Lessee** is approved and licensed by the FAA to perform the operations stated in **5.A**.

**5.B.** The **Lessee** shall comply with all present and future laws, ordinances, orders, rules and regulations or zoning classifications of any lawful governmental authority, agency or other public or private regulatory authority having jurisdiction over the Premises or the operation thereof.

**5.C.** The **Lessee** shall not commit or permit any act to be committed in or about the Premises which results in any damage of the Premises, damages Airport property or harms others, or in any way constitutes a nuisance or interferes with the rights of other Airport tenants.

**5.D.** The **Lessee** shall comply with all federal, state and local requirements concerning the disposition of sump drained fuel. The **Lessee** is responsible should any fine, penalty or judgment be handed down to the **Lessor** as a result of the **Lessee's** actions.

**5.E.** As used herein, the term "hazardous material" shall mean any hazardous or toxic substance, material or waste (including, without limitation, asbestos) which, now or in the future, is determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property and/or the use and/or disposal of which is regulated by any governmental authority. The **Lessee** shall not cause or permit any hazardous material to be brought upon, kept or used in or about the Premises by the **Lessee**, its sub-tenants, agents, employees, contractors or invitees, unless permitted by, and used or stored in accordance with, any required permits and applicable laws. If the **Lessee** breaches its obligations, as herein above set forth, the **Lessor**, at its election, shall have the right to (1) terminate this Agreement, or (2)

cause the **Lessee** to remove and properly dispose of the hazardous material, all at the **Lessee's** sole cost and expense and in compliance with a removal and disposal plan in conformity with applicable laws and subject to the prior approval of the **Lessor**, or (3) perform the removal and disposal thereof itself, in which event the **Lessee** shall reimburse the **Lessor**, on demand, for the cost incurred by the **Lessor** in doing so and in securing any certifications deemed necessary or desirable by the **Lessor**.

**5.F** The **Lessee** shall not store or allow to be stored any materials, vehicles, or other items outside the hangar. Only aircraft and aviation related vehicles currently being repaired may be in the hangar.

## **SECTION 6 - UTILITIES, CONNECTIONS, FEES AND SERVICES**

**6.** The **Lessee** shall pay for all water, gas, heat, electricity, light, power, sewer charges, fire protection fees, telephone service, and all other services and utilities supplied or provided to the Premises. The **Lessee** shall further pay for all connection charges and deposits in connection with such utility services.

## **SECTION 7 - DELIVERY OF POSSESSION**

**7.** The **Lessee** hereby acknowledges it has had adequate opportunity to inspect the proposed Premises and will lease the Premises at the location described in Section 1. Except as provided herein, the **Lessor** makes no warranty or representation to the **Lessee** and the **Lessee** agrees the **Lessor** has made no representation, respecting the condition of the Premises, or applicable zoning laws and regulations. The taking of possession of the Premises by the **Lessee** shall be conclusive evidence against the **Lessee** that the Premises were in good and satisfactory condition when possession was so taken.

## **SECTION 8 - INSURANCE**

**8.A.** At all times while this Agreement remains in force, the **Lessor** agrees to maintain fire and casualty insurance on the improvements located on the Premises in such amount deemed acceptable to **Lessor**; however, the **Lessee** shall reimburse the **Lessor** its cost of said casualty insurance for such policy pertaining to the Premises or in such pro rata share if coverage is provided under a master or umbrella policy. The **Lessee** agrees to pay the **Lessor** such amount within thirty (30) days of receipt of invoice from the **Lessor**.

**8.B.** At all times while this Agreement remains in force, the **Lessee**, at the **Lessee's** sole expense, shall maintain the following insurance with a Best's rating of 'A' or better:

**8.B.1.** Workers Compensation/Employer's Liability. The minimum limits of insurance (inclusive of any amount provided by an umbrella or excess policy) shall be as required by law.

**8.B.2. Liability.** The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the company under this agreement shall be the amount specified herein. Coverage shall be provided for liability resulting out of, or in connection with, ongoing operations performed by, or on behalf of, the Company under this agreement or the use or occupancy of the County premises by, or on behalf of, the Company in connection with this agreement. Hernando County Board of county Commissioners shall be listed as an additional insured on an endorsement to all policies under this provision.

Contract Specific General liability insurance (Combined Single Limit per Occurrence/Aggregate)	\$1,000,000
Products / completed Operations Liability (Combined Single Limit Each Occurrence and Annual Aggregate Limit)	\$1,000,000
Hangerkeepers Legal Liability (Each Aircraft/Each Occurrence)	\$ 1,000,000

**8.B.3. Auto Liability.** Coverage shall be provide for all tagged 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 shall be \$500,000.

**8.C.** The **Lessee** shall deliver to the **Lessor** certificates or binders and endorsements evidencing the existence of the insurance upon execution of this Agreement and shall be obligated to provide evidence of continuing coverage throughout the term of this Agreement. The insurance binder shall provide that the insurance carrier shall notify the **Lessor** twenty (20) days prior to the date of expiration of coverage thereunder. The **Lessee** shall notify the **Lessor** in writing a minimum of twenty (20) days in advance in the event of future insurability cancellation.

**8.D.** Failure to maintain required insurance and to provide continuing evidence of insurance to the **Lessor** is a material breach of this Agreement and shall be grounds for the **Lessor** to take immediate action to evict the **Lessee** pursuant to applicable law. In addition to any other remedies available to the **Lessor** under this Agreement or applicable law, lapse of insurance coverage required herein on leasehold improvements and/or for liability shall subject the **Lessee** to a penalty of five hundred dollars (\$500.00) to be added to the amount of rent due for the first rental period after notice to the **Lessor** of such lapse.

## **SECTION 9 - INDEMNIFICATION**

**9.A.** The **Lessee** shall indemnify, defend, and save the **Lessor** harmless against any and all claims, suits, demands, actions, fines, damages, and liabilities, and all cost and expenses thereof arising out of injury to persons (including death) or property occurring in, on or about, or arising out of the Premises if caused or occasioned wholly or in part by any acts or omissions of the **Lessee**, its agents, contractors, subcontractors, employees, subtenants or invitees. In any litigation arising from this Agreement, the parties to such litigation shall bear their own

attorney=s fees, costs and other expenses. Further, the **Lessee** shall give the **Lessor** immediate written notice of any such happening causing injury to persons or property.

**9.B.** The **Lessor** shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, or leaks from the Premises or from pipes, appliances, plumbing works, roof, street, subsurface or from any other place or by dampness or by any other cause of whatever nature. The **Lessor** shall not be liable for any damage caused by other tenants or persons in the Premises, occupants of adjacent property, the public, or such damage caused by operations in construction of any public or private work.

**9.C.** All property of the **Lessee** or any others kept or stored on the Premises shall be so kept or stored at the risk of the **Lessee** only and the **Lessee** shall hold the **Lessor** harmless from any claims arising out of the damage to the same. Without limiting the provisions of this paragraph, the **Lessor** shall not be liable for any damage to fixtures, merchandise, property of whatever kind of the **Lessee**, caused by fire or any other insurable hazard regardless of the nature or cause and including, non-exclusively, fire, wind, flood, water-damage, Acts of God, disasters, war, acts of terrorism, and aviation accidents, and the **Lessee** does hereby expressly release the **Lessor** from all liability for such, damage of all items covered in this paragraph.

## **SECTION 10 - PROTECTION AGAINST LIENS**

**10.** The **Lessee** shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by the **Lessee**. In the event the **Lessee** fails to discharge any such lien within fifteen (15) days following written notice and demand by the **Lessor** for removal of such lien, the **Lessor**, in addition to all remedies provided herein and by law or in equity, has the right but not the obligation to discharge the lien by means of bond or posting security. If the **Lessor** acts to discharge or secure any lien caused by the **Lessee**, then the **Lessee** shall reimburse the **Lessor** on demand, as additional rent, for all sums paid and all costs and expenses incurred by the **Lessor** involving such lien together with interest on the total expenses and costs at the maximum rate allowed by law.

## **SECTION 11 - COMMON AREAS**

**11.** The **Lessor** agrees that the **Lessee**, shall have the right throughout the term of this Agreement, running from the Effective Date herein, to use, in common with others entitled to similar use thereof, all of the common use areas of the Airport that may from time to time be constructed or maintained, including but not limited to all taxi lanes, service drives and sidewalks for ingress and egress to and from the Premises and all parking areas provided by the **Lessor**. The **Lessor** shall adequately maintain all such common areas in good, usable condition throughout the term of this Agreement. The **Lessor** may temporarily close the common areas in order to make any necessary repairs. The **Lessor** reserves the right, in its sole discretion, to modify, alter, remove, reduce, redesign or to make changes, additions, alterations, improvements or installments in or to the common areas or any portion thereof; provided, however, that no obstruction of the **Lessee's** right of reasonable access to the Premises shall be caused by any of the above changes.

## **SECTION 12 - SIGNS**

**12.A.** All signs will adhere to County Ordinance and will be approved in writing by the Airport Manager.

## **SECTION 13 - ALTERATIONS BY LESSEE**

**13.A.** The **Lessee** shall make no structural changes respecting the Premises except by and with the prior written consent of the **Lessor**, which consent shall be in **Lessor's** sole discretion. Any written request by the **Lessee** to the **Lessor** to make any alterations, additions or improvements shall in each instance be accompanied by plans and specifications for such alterations (the "Alterations") in such detail as the **Lessor** may reasonably require. All Alterations to the Premises shall be made or installed in accordance with applicable laws and codes. **Lessor's** approval of the plans for any alterations, additions or improvements to be constructed by the **Lessee** shall in no event create any responsibility or liability on the part of the **Lessor** for their completeness, design sufficiency or compliance with any and all applicable laws, rules and regulations of any governmental authorities.

**13.B.** All Alterations, including, without limitation: partitions; walls; railings; carpeting; floor and wall coverings; and other fixtures (excluding, however, the **Lessee's** trade fixtures as described in the Section entitled "Trade Fixtures and Equipment" herein), shall, when made or installed, at once become the property of the **Lessor** and shall remain for the benefit of the **Lessor** at the expiration date or earlier termination of this Agreement, in as good order and condition as they were when made or installed, reasonable wear and tear excepted.

**13.C.** In the event of making such Alterations as herein provided, the **Lessee** shall indemnify and save harmless the **Lessor** from all expenses, liens, claims or damages to either persons or property arising out of or resulting from the undertaking or making of such Alterations. The **Lessor**, as a condition of approving any Alterations, may require the **Lessee** to remove any alterations and to restore the Premises to its original condition, ordinary wear and tear excepted.

## **SECTION 14 - MAINTENANCE OF PREMISES**

**14.A.** The **Lessor** shall keep and maintain the roof over the Premises and the structural portions of the Premises in good order, condition and repair. In the event any damage thereto shall have been caused by any act or negligence of the **Lessee**, its employees, agents, invitees or contractors, then such damage shall be repaired by the **Lessee** to the reasonable satisfaction of the **Lessor**.

**14.B.** At all times while this Agreement remains in force, the **Lessee** shall keep and maintain in good order, condition and repair the Premises and every part thereof, including,

without limitation: the interior walls; floors and ceilings; the exterior and interior portions of all doors, windows, glass, security gates, landscaping, utility facilities, plumbing and sewage facilities within the Premises or under the floor slab, fixtures, heating, air-conditioning including exterior mechanical equipment, and interior and exterior electrical equipment serving the Premises, including compliance with all applicable building codes.

#### **SECTION 15 - TRADE FIXTURES AND EQUIPMENT**

15. Provided the Lessee is not in default under this Agreement, any trade fixtures installed in the Premises, at the Lessee's sole expense, shall remain the Lessee's personal property and the Lessee shall have the right at any time during the term of this Agreement to remove such trade fixtures. Upon removal of any trade fixtures, the Lessee shall immediately restore the Premises to substantially the same condition as they were when received by the Lessee, ordinary wear and tear excepted. Any trade fixtures not removed at termination or end of this Agreement become, at Lessor's sole election, the property of the Lessor.

#### **SECTION 16 - COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

16. The Lessee will use the Premises and conduct or allow any activities upon the Premises only in compliance with all applicable laws and governmental regulations, together with those regulations generally applicable to Airport tenants as adopted from time to time by the Aviation Authority and the County after due public notice and hearing.

#### **SECTION 17 - AIRPORT MATTERS**

17. This Agreement is subordinate to the provisions of the deed and other instruments from the United States of America conveying title to the Airport or otherwise imposing restrictions of record concerning use and operation of the Airport. This Agreement is further governed by all rules, regulations, and orders of the Federal Aviation Administration, including but not limited to Compliance Order 5190.6A, as amended from time to time, relative to the operation of surplus airport property (which includes the Airport herein).

#### **SECTION 18 - EXCLUSIVE RIGHTS**

18. Notwithstanding any other provision of this Agreement, it is expressly understood and agreed that the rights granted under this Lease are non-exclusive and the Lessor herein reserves the right to grant similar privileges, licenses or use to another operator(s), tenant(s) and/or licensee(s) in other portion(s) of the Airport property.

#### **SECTION 19 - NON-DISCRIMINATION**

19. The Lessee for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof does hereby covenant and agree that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose which a Department of Transportation program or activity is extended



or for another purpose involving the provision of similar services or benefits, the **Lessee** shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended or renumbered.

## **SECTION 20 - STANDARD PROTECTION CLAUSES**

**20.A.** The **Lessor** reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property herein described 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 at the Hernando County Airport.

**20.B.** The **Lessee** expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the herein described real property to such a height so as to comply with Federal Aviation Regulations, Part 77, as said regulations may be amended.

**20.C.** The **Lessee** expressly agrees for itself, its successors and assigns, to prevent any use of the herein described real property which would interfere with or adversely affect the operation or maintenance of the airport or the air traffic there over, or otherwise constitute an airport hazard.

## **SECTION 21 - COVENANTS**

**21.A.** As a part of the consideration for this lease, the **Lessee** covenants and agrees:

**21.A.1.** To further pay or discharge all taxes, assessments, penalties, charges, rates, or liens of any nature whatsoever which may for the period following the effective date of this lease be levied, assessed, charged, imposed, or claimed on or against said Premises or any improvements or fixtures thereon or appurtenances thereto, or any part thereof, or against the Owner or Owners of said land or the improvements, by reason of said ownership, by whatsoever authority levied, assessed, charged, imposed, claimed, and whether the same be on or against the property herein leased, its improvements, fixtures, or appurtenances, or any part thereof, or on or against the income from said land or its improvements, it being the intention of the parties to this lease that the rents herein reserved shall constitute a net income to the **Lessor** from said land herein leased, equal in amount to said rents.

**21.A.2.** That if the building is destroyed or rendered untenable by fire or other unavoidable accident through no fault of the **Lessee**, the **Lessor** shall make appropriate repairs or replacement within no later than twelve (12) months or such period which is commercially reasonable and practicable under the circumstances.

**21.A.3.** That in the event the **Lessee**, without the prior written consent of the **Lessor**, shall sell, assign or in any manner encumber or pledge this lease, or if the **Lessee** shall fail to comply with any statute, ordinance, rule, order, regulation or requirement of the Federal or State governments, or Hernando County, or any of its departments, or bureaus applicable to said Premises, the **Lessor** may, if it elects, at any time thereafter, terminate this lease or any of the terms thereof, on giving the **Lessee** fifteen (15) days notice thereof in writing of its intention to do so, and upon giving such notice the lease or those terms thereof shall terminate, expire and come to an end on the date fixed in this lease for the termination and expiration thereof. However, if **Lessee** cures the default within fifteen (15) days of receipt of the notice mentioned above, then **Lessor's** right to terminate this lease shall be abated, provided, however, if said default cannot be cured within fifteen (15) days upon **Lessee's** exercise of reasonable diligence, **Lessee** shall have such longer time as is reasonably necessary to cure said default provided that **Lessee** commences said cure within said fifteen (15) day period and thereafter diligently prosecutes said cure to completion.

**21.A.4.** That if at any time prior to the date fixed as the commencement of the term of this lease or if at any time during the term hereby demised there shall be filed by or against **Lessee** in any court pursuant to any law either of the United States or of any State, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of **Lessee's** property, or if **Lessee** makes an assignment for the benefit of creditors, this lease, at the option of the **Lessor**, exercised within a reasonable time after notice of the happening of any one or more of such events, may be canceled and terminated. In such event neither **Lessee** nor any person claiming through or under **Lessee** by virtue of any statute or of order of any court shall be entitled to possession or to remain in possession of the Premises demised but shall forthwith quit and surrender the Premises. **Lessor**, in addition to the other rights and remedies it has by virtue of any other provision herein or elsewhere in this lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any rent, security, deposit of moneys received by it from **Lessee** or others in behalf of **Lessee**.

**21.B.** As a part of the consideration for this lease, the **Lessor**, upon its part, hereby covenants and agrees as follows:

**21.B.1.** That the **Lessee** may quietly hold and enjoy the Premises hereby leased without any interruption by the **Lessor**, or any persons claiming through or under it, provided that on the breach of any of the covenants by the **Lessee** herein contained the **Lessor** may thereupon re-enter said Premises and immediately the said term will be terminated.

**21.B.2.** That the **Lessor** is unaware of any particular circumstances or information affecting or bearing upon the environmental condition of the Premises, but **Lessor** affirms that, to the best of its knowledge, the condition of the property is suitable for the uses permitted herein and that **Lessor** has not disposed of any hazardous materials on the Premises.

**21.B.3.** **Lessor** agrees that it will not seek payment or contribution from **Lessee** for any claims or costs of any environmental related clean-up or environmental remediation with respect to the Premises where such claims or costs are the sole result of activities on the Premises

prior to the commencement of this Agreement; or where such claims or cost were not caused, influenced, or contributed to by **Lessee**, its employees, agents, contractors, or persons acting under the direction or control of **Lessee**, and such claims or costs are not in any way related to or stems from any of the activities described under this Agreement.

**21.B.4.** Nothing in the foregoing is intended for **Lessor** to relinquish any of its rights as a sovereign local government and **Lessor** expressly reserves all rights and defenses under applicable sovereign immunity law.

## **SECTION 22 - DAMAGE TO PREMISES**

**22.A.** If the Premises shall be damaged to the extent of less than twenty-five percent (25%) of the cost of replacement value, by fire or other casualty during the term of this Agreement, except for the last six (6) months of this Agreement, then the **Lessor** shall cause such damage to be repaired or restored without unreasonable delay. If the damage to the Premises occurs during the last six (6) months of this Agreement, then the **Lessor** shall have the option to: (a) terminate this Agreement by giving written notice of termination to the **Lessee** within sixty (60) days after the date of the casualty; or (b) cause such damage to be repaired or restored without unreasonable delay.

**22.B.** If the Premises shall be damaged to the extent of more than twenty-five percent (25%) of the cost of replacement, by fire or other casualty, then the **Lessor** may compel repair of such damage and restoration of improvements without unreasonable delay. The **Lessee** shall give the **Lessor** immediate written notice of any fire or other casualty on the Premises.

**22.C.** The **Lessee**, at the **Lessee's** sole expense, may obtain rental insurance to cover its loss for any period that the Premises may be wholly or partially untenable or otherwise unusable hereunder.

## **SECTION 23 - SURRENDER OF PREMISES**

**23.** Upon the Expiration Date or earlier termination of this Agreement, the **Lessee** shall quit and surrender the Premises to the **Lessor** in the same condition as when received, ordinary wear and tear excepted, together with all keys and combinations to all locks and all improvements, alterations, additions and equipment at any time made or installed in, upon or to the Premises (except personal property and trade fixtures installed at the **Lessee's** expense), all of which shall thereupon become the property of the **Lessor** without any subsequent claim by the **Lessee**. The **Lessee** agrees to repair any damage caused by the removal of the **Lessee's** personal property or trade fixtures. If the **Lessee** fails to remove any personal property or trade fixtures, said property shall, at **Lessor's** sole discretion, be deemed abandoned and become the property of the **Lessor**, or the **Lessor** shall have the right to remove and store such property at the expense of the **Lessee** without further notice to the **Lessee**, and hold the **Lessee** responsible for any and all charges and expenses incurred by the **Lessee** therefor. All expenses incurred by the **Lessor** in the removal and storage of the **Lessee's** personal property or trade fixtures shall be reimbursed by

the **Lessee** on demand as Additional Rent. The provisions of this Section shall survive the expiration date or earlier termination of this Agreement.

## **SECTION 24 - HOLDING OVER**

**24.** If the **Lessee** remains in possession of the Premises, or any part thereof, after any termination of this Agreement, then the **Lessee** shall be deemed only a tenant-at-will and shall be subject to immediate eviction and removal, with limiting any other remedies the **Lessor** may have. The **Lessor** may, in addition to any other rights which it may have hereunder or at law or in equity, elect in its sole option and discretion to treat any such holding over as the creation of a month-to-month tenancy subject to all of the terms and conditions set forth in this Agreement, except that the rent shall be doubled.

## **SECTION 25 - EVENTS OF DEFAULT AND REMEDIES**

**25.A.** The occurrence of any one or more of the following events shall constitute a default on the part of the **Lessee**: (1) the **Lessee** fails to pay when due any rental (including Minimum Rent and Additional Rent) or any other sum of money payable hereunder within ten days after such rental or payment is due; (2) the **Lessee** breaches or fails to comply with any other term, provision, covenant or condition of this Agreement and such breach or failure shall continue for a period of fifteen days or more after written notice thereof from the **Lessor**; (3) the **Lessee** transfers, assigns, sublets, mortgages, pledges or encumbers this Agreement, the Premises, or any interest in the whole or in any portion thereof in violation of the provisions hereunder; (4) the **Lessee** abandons, deserts or vacates the Premises; or (5) a receiver is appointed to take possession of all or substantially all of the assets of the **Lessee**, or an assignment is made by **Lessee** for the benefit of its creditors, or any action is taken or suffered by the **Lessee** under any insolvency, bankruptcy or reorganization act.

**25.B.** Upon the occurrence of any of the above events of default, the **Lessor** shall have the option to perform any one or more of the following, in addition to, and not in limitation of, any other remedy or right permitted by law or in equity: (1) the **Lessor** may at once or any time thereafter, without notice to the **Lessee** or any other person, re-enter and repossess the Premises and remove all persons and effects therefrom, using such forces as may be needed without being deemed guilty in any manner of trespass or forcible entry or detainer; (2) the **Lessor** may at once or any time thereafter, without notice to the **Lessee** or any other person, re-enter the Premises and cure, correct or repair any condition which shall constitute a failure on the **Lessee's** behalf to keep, observe, perform, satisfy or abide by any term, condition, covenant, agreement or obligation of this Agreement or any alteration, amendment, change or addition thereto, and the **Lessee** shall fully reimburse and compensate the **Lessor** upon demand for any costs and expenses incurred in connection with such cure, correction or repair, which sums shall be deemed to be Additional Rent hereunder; (3) the **Lessor** may at once or any time thereafter either declare this Agreement to be terminated without prejudice to any and all rights which the **Lessor** may have against the **Lessee** for rents, damages or breach of this Agreement, or attempt to relet the Premises on such terms as the **Lessor** shall determine. Such reletting shall not be considered

as a surrender or acceptance back of the Premises or a termination of this Agreement, and the Lessee shall pay the Lessor any deficiency between the amount received, if any, from such reletting after such amount is applied first to Lessor's expenses in connection with re-entry, taking possession and reletting, including brokerage fees and commissions, alterations and redecorating as the Lessor may deem appropriate to prepare the Premises for reletting, and the amount of Minimum Rent and Additional Rent payable by the Lessee hereunder. The Lessee expressly waives the service of any notice of intention to terminate this Agreement or to re-enter the Premises, and waives the service of any demand for payment of rent or repossession.

**25.C.** The Lessee hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of the Lessee being evicted or dispossessed for any cause, or in the event of the Lessor obtaining possession of the Premises by reason of the violation by the Lessee of any of the covenants and conditions of this Agreement or otherwise.

**25.D.** Any obligation imposed by law upon the Lessor to relet the Premises shall be subject to the permitted uses provided in this Agreement, and the Lessor may relet the Premises on such terms and conditions as the Lessor may deem advisable. The failure of the Lessor to relet or, if the Premises are relet, to collect the rent under such reletting shall not release or affect the Lessee's liability for damages under this Agreement.

**25.E.** Unless otherwise specified in this Agreement, no remedy of the Lessor or the Lessee shall be considered exclusive of any other remedy, but each shall be distinct, separate and cumulative with all other available remedies. Each remedy available under this Agreement or at law or in equity may be exercised by the Lessor or the Lessee from time to time as often as the need may arise. No course of dealing between the Lessor and the Lessee or any delay or omission of the Lessor or the Lessee in exercising any right arising from the other party's default shall impair such right or be construed to be a waiver of a default.

## **SECTION 26 - VENUE; GOVERNING LAW; ATTORNEYS' FEES**

**26.** Any dispute, claim, action, or appeal arising under this Agreement shall be brought in civil court in Hernando County, Florida. This Agreement shall be governed by the laws of Florida and shall be deemed to have been prepared jointly by the Lessor and the Lessee, and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against either party, but shall be interpreted according to the application of the rules of interpretation for arm's-length agreements. Each party hereto agrees to bear their own attorneys' fees and costs in the event of any dispute, claim, action, or appeal arising out of our related to this Agreement.

## **SECTION 27 - FORCE MAJEURE**

**27.** In the event either party hereto shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of governmental restrictions, scarcity of labor or materials, strikes, riots, war, acts of God, or any other reason beyond the reasonable control of the party delayed, hindered or prevented from performing the act, then the

performance of such act shall be excused for the period of the delay, and the period for performance of any such act shall be extended for a period equivalent to the period of such delay.

## **SECTION 28 - NOTICES**

**28.** All notices, consents, waivers, demands, requests or other instruments required or permitted by this Agreement shall be deemed to have been sufficiently served if the same shall be in writing and placed in the United States mail, via certified mail or registered mail, return receipt requested, with proper postage prepaid and addressed to the other party hereto at the address shown on page 1 hereof.

## **SECTION 29 - ASSIGNMENT AND SUBLETTING**

**29.** The Lessee may not assign, transfer, sublet, mortgage, pledge or encumber this Agreement or the Premises, in whole or in part.

## **SECTION 30 - SUCCESSORS**

**30.** This Agreement and the covenants and conditions contained herein shall be binding upon and inure to the benefit of the Lessor and its successors and assigns, and shall be binding upon the Lessee and its successors.

## **SECTION 31 - ENTIRE AGREEMENT**

**31.** This Agreement and the Exhibits hereto set forth the entire understanding between the Lessor and the Lessee concerning the subject matter of this Agreement and incorporate all prior negotiations and understandings, either oral or written. No alteration, amendment, change or addition to this Agreement shall be binding upon either party unless in writing and executed and delivered by both the Lessor and the Lessee.

## **SECTION 32 – SEVERABILITY**

**32.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or deemed unenforceable by a court of competent jurisdiction or superseding law, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law notwithstanding the invalidity of any other term or provision hereof.

## **SECTION 33 - RECORDING OF LEASE AGREEMENT**

**33.** This Agreement shall be recorded at the Lessee's expense.

#### **SECTION 34 - DESIGNATION OF LESSOR AGENT**

34. This **Lessor** designates and the **Lessee** agrees that the Director of the Airport shall do and perform on behalf of the **Lessor** all acts requiring the discretion of its agent hereunder, including at all reasonable times, the right to enter upon the Premises for the inspection of same.

#### **SECTION 35 - ACCESS TO PREMISES**

35. The **Lessor** and its authorized representatives and agents shall have the right to enter the Premises during all regular business hours, and in emergencies at all times, for the purpose of making repairs, installing utilities, providing services to the Premises, or making inspections or showing the same to prospective purchasers, lessor, or lenders.

#### **SECTION 36 - QUIET ENJOYMENT**

36. The **Lessee**, so long as **Lessee** does not default in the performance of any of the terms of this Agreement, shall peaceably and quietly hold, occupy and enjoy the Premises, during the term hereof without any hindrance by the **Lessor**.

#### **SECTION 37 - EXECUTION IN COUNTERPARTS**

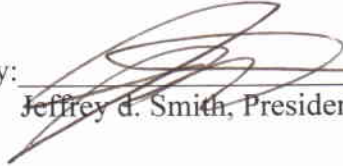
37. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the **Lessor** and the **Lessee** have caused this Agreement to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers.

**ATTEST:**

**FLIGHTPATH AVIATION SERVICES, INC  
LESSEE**



By:  Date 9-26-11  
Jeffrey d. Smith, President



**ATTEST:**

**BOARD OF COUNTY COMMISSIONERS  
HERNANDO COUNTY, FLORIDA  
LESSOR**



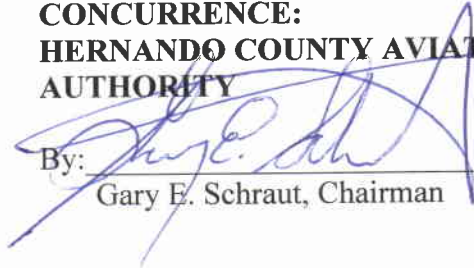
By:  Date 9-27-11  
James E. Adkins

KAREN NICOLAI,  
CLERK OF CIRCUIT COURT

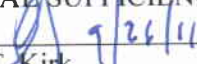
WITNESS:

**CONCURRENCE:  
HERNANDO COUNTY AVIATION  
AUTHORITY**

\_\_\_\_\_

By:  Date \_\_\_\_\_  
Gary E. Schraut, Chairman

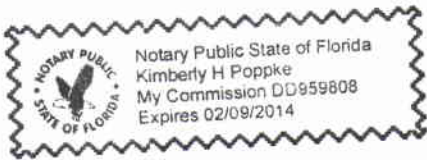
APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

  
Geoffrey T. Kirk  
Assistant County Attorney



STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of September, 2011,  
by Jeffrey D. Smith, as President, of Flightpath Aviation Services, Inc., who is personally known to me or  
who has produced FL DL 5530-424-703956 as identification.



Kimberly H Poppke  
(Signature of person taking acknowledgment)  
Kimberly H Poppke  
(Name typed, printed or stamped)  
\_\_\_\_\_  
(Title or rank) (Serial number, if any)

STATE OF FLORIDA  
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me this 27 day of September, 2011,  
by James E. Adkins, as Chairman of the Hernando County Board of County Commissioners, who is  
personally known to me or who has produced \_\_\_\_\_ as  
identification.

Alice M. Gura  
(Signature of person taking acknowledgment)  
Alice M. Gura  
(Name typed, printed or stamped)  
\_\_\_\_\_  
(Title or rank) (Serial number, if any)

