

**EXHIBIT "B"**  
**GRANT ASSURANCES**

This License Agreement is subject to and subordinate to all Grant Assurances in effect by and between the Federal Aviation Administration ("FAA") and the County at all times during the term of this License Agreement (the "Grant Assurances"). Certain Grant Assurances mandated by the FAA for inclusion in airport license agreements have been incorporated herein. Any Grant Assurances mandated by the FAA for inclusion after the execution date of this License Agreement and prior to the expiration hereof shall be deemed by the parties to have been incorporated herein as of the effective date of any mandate of inclusion. The Grant Assurances in effect at the Effective Date of this License Agreement and as amended from time-to-time, can be found online at [www.faa.gov/airports/aip/grant\\_assurances](http://www.faa.gov/airports/aip/grant_assurances). As of the Effective Date, Pem-Air is required to comply with the following assurances required by the FAA:

1. Development of Landing Area. The County reserves the rights to further develop, improve or maintain the landing area and aprons of the Airport as it sees fit, regardless of the desires or view of Pem-Air, and without interference or hindrance by Pem-Air.
2. Maintenance of Landing Area. The County reserves the right, but shall not be obligated to Pem-Air, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Pem-Air in this regard.
3. Subordination to the County's Governmental Commitments. This Agreement is subordinate to the provisions of any agreement between the County and the United States or other governmental authority (regardless of when made) that affects the Airport, including, but not limited to, agreements governing the expenditure of Federal funds for Airport improvements. In the event that the FAA or other governmental authority requires any modification to this Agreement as a condition of the County entering into any agreement or participating in any program applicable to the Airport (including, but not limited to, those providing funding), Pem-Air agrees to consent to any such modification. If a governmental authority determines that any act or omission of Pem-Air or Pem-Air's associates has caused or will cause the County to be noncompliant with any of the County's governmental commitments (including, but not limited to, any assurances or covenants required of the County or obligations imposed by law), Pem-Air shall immediately take all actions that may be necessary to preserve the County's compliance with the same. Without liability to the County, the County shall have the right to terminate this Agreement and reenter and repossess any portion of the Premises if the U.S. Department of Transportation or other governmental authority having jurisdiction expressly requires any such action, subject to any review that may be afforded to Pem-Air by such authority.
4. Use to Conform with FAA Regulations. Pem-Air agrees that its use of the Airport shall conform to applicable FAA regulations at all times during the term of this License Agreement.

5. No Exclusive Rights. It is specifically understood and agreed by Pem-Air that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the County reserves the right to grant others the privilege and right of conducting any one or all activities of an aeronautical nature.

6. No Prohibition on Self-Servicing of Aircraft. It is specifically understood and agreed by Pem-Air that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the Airport from performing any services on their own aircraft with their own regular employees (including, but not limited to, maintenance and repair) that they may choose to perform.

7. Reservation of Avigation Easement. There is hereby reserved to the County, its successors, and its 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 Airport. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation of the Airport.

8. Noninterference with Aircraft. Pem-Air, by accepting this License Agreement, agrees for itself, its successors, and its assigns, that it will not make use of the Airport in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the County shall provide written notice to Pem-Air and Pem-Air shall have the right to cure said breach in the manner provided for in of this License Agreement. The County reserves the right to cause the abatement of such interference at the expense of Pem-Air.

9. War or National Emergency. This License Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency.

10. Nondiscrimination Regarding USDOT Programs. Pem-Air for itself, successors-in-interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Premises described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Pem-Air shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended.

11. Nondiscrimination Regarding Facilities, Improvements, and Federally-Funded Activities. Pem-Air for itself, its successors-in-interest, and its assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (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 otherwise be subjected to discrimination, (3) that Pem-Air shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any other parties holding lower-tier agreements (to the extent the same are permitted by this Agreement).

12. Agreement Preserves the County's Compliance. This Agreement shall be interpreted to preserve the County's rights and powers to comply with its Federal and other governmental obligations.

13. Subordination to Financing and Matters of Record. This Agreement is subordinate to the provisions of any agreements or indentures entered by the County (regardless of when entered) in connection with any debt financing applicable to the Airport and is subordinate to any matter of record affecting the real property of the Airport.

**EXHIBIT "C"**  
**HAZARDOUS MATERIALS**

A. No Violation of Environmental Laws. Pem-Air shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Premises or the Airport by Pem-Air or Pem-Air's Associates in violation of applicable Environmental Laws. Pem-Air is responsible for any such violation as provided for in this Agreement.

As used herein "**Hazardous Material**" means any hazardous or toxic material, substance or waste which is defined by those or similar terms or is regulated as such under any Environmental Laws; "**Environmental Law**" shall mean any applicable law, statute or ordinance relating to public health, safety or the environment, including, without limitation, relating to releases, discharges or emissions to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use and handling of polychlorinated biphenyls or asbestos, to the disposal, transportation, treatment, storage or management of solid or hazardous wastes or to exposure to toxic or hazardous materials, to the handling, transportation, discharge or release of gaseous or liquid substances and any regulation, order, notice or demand issued pursuant to such law, statute or ordinance, in each case applicable to the Premises or Pem-Air or the operation, construction or modification of the Premises, including without limitation the following: the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act as amended by the Solid and Hazardous Waste Amendments of 1984, the Occupational Safety and Health Act, the Emergency Planning and Community Right-to-Know Act of 1986, the Solid Waste Disposal Act, and any state statutes addressing similar matters, and any state statute providing for financial responsibility for cleanup or other actions with respect to the release or threatened release of hazardous substances and any state nuisance statute.

B. Response to Violations. Pem-Air agrees that in the event of a release or threat of release of any Hazardous Material by Pem-Air or Pem-Air's Associates at the Airport, Pem-Air shall provide the County with prompt notice of the same. Pem-Air shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If the County has reasonable cause to believe that any such release or threat of release has occurred, the County may request, in writing, that Pem-Air conduct reasonable testing and analysis (using qualified independent experts acceptable to the County) to show that Pem-Air is complying with applicable Environmental Laws. The County may conduct the same at Pem-Air's expense if Pem-Air fails to respond in a reasonable manner. Pem-Air shall cease any or all of Pem-Air's activities as the County determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Pem-Air or Pem-Air's Associates violate any Environmental Laws at the Airport (whether due to the release of a Hazardous Material or otherwise), Pem-Air, at Pem-Air's expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to the County a written remediation plan, and the County reserves the right to approve such plan (which

approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with the County and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide to the County copies of all documents pertaining to any environmental concern that are not subject to Pem-Air's attorney-client privilege.

C. Obligations Affecting Permits. To the extent that Pem-Air is a co-permittee with the County in connection with any permit relating to the environment at the Airport, or to the extent that any of Pem-Air's operations in connection with this Agreement or otherwise may impact the County's compliance with any such permit, Pem-Air shall work cooperatively with the County and take all actions necessary to ensure permit compliance, and minimize the cost of such compliance, for the benefit of Airport operations.

D. Obligations upon Termination and Authorized Transfers. Upon any expiration or termination of this Agreement (and this obligation shall survive any such expiration or termination), and upon any change in possession of the Premises authorized by the County, Pem-Air shall demonstrate to the County's reasonable satisfaction that Pem-Air has removed any Hazardous Materials. Pem-Air's use of the premises shall be subject to the foregoing terms regarding Hazardous Materials. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the premises. The obligations of this Exhibit "C" shall survive any termination of this Agreement.

**EXHIBIT "D"**  
**INDEMNITY, INSURANCE, AND LETTER OF CREDIT**

A. Indemnity by Pem-Air. Pem-Air agrees to indemnify, hold harmless, and defend the County and its officers, agents, and employees from and against losses of every kind and character (including, but not limited to, liabilities, causes of action, losses, claims, costs, fees, attorney fees, expert fees, court or dispute resolution costs, investigation costs, environmental claims, mitigation costs, judgments, settlements, fines, demands, damages, charges, and expenses) that arise out of or relate to: (i) any use, occupancy, or operations at the Premises or the Airport by Pem-Air or Pem-Air's associates; or (ii) any wrongful, reckless, or negligent act or omission of Pem-Air or Pem-Air's associates. Pem-Air shall use attorneys, experts, and professionals that are reasonably acceptable to County in carrying out this obligation. The obligation stated in this Exhibit "D" shall survive the expiration or other termination of this Agreement with respect to matters arising before such expiration or other termination. These duties shall apply whether or not the allegations made are found to be true.

B. Waiver. Pem-Air assumes all risk of the use of the Premises and the Airport, and Pem-Air hereby knowingly, voluntarily, and intentionally waives any and all losses, liabilities, claims, and causes of action, of every kind and character, that may exist now or in the future (including, but not limited to, claims for business interruption and for damage to any aircraft) against the County and its officers, employees, and volunteers arising from or relating to Pem-Air's use, occupancy, or operations at the Premises or the Airport.

C. Insurance. At Pem-Air's cost, Pem-Air shall procure the following insurance coverage prior to entering the Premises, and Pem-Air shall maintain its insurance coverage in force at all times when this Agreement is in effect in compliance with and subject to the County's insurance requirements as they exist and as they may be amended from time-to-time (including, but not limited to, the terms provided in Exhibit "D" herein:

i. Aviation Liability with Additional Coverage. Aviation liability insurance that includes premises liability, and, if applicable, mobile equipment coverage with a combined single limit for bodily injury and property damage of not less than two million dollars (\$2,000,000) per occurrence, including, but not limited to, contractual liability coverage for Pem-Air's performance of the indemnity agreement set forth herein. If any such coverage is not available to Pem-Air in the form of an aircraft liability policy, Pem-Air shall obtain substantially similar coverage through a commercial general liability policy.

ii. Property. All risk property insurance coverage in an amount equal to the replacement cost (without deduction for depreciation) of the improvements constructed on the Premises. Pem-Air may purchase insurance for Pem-Air's personal property as Pem-Air may determine.

iii. Automobile. If Pem-Air drives any automobile other than in the roadways and automobile parking areas at the Airport (e.g., the Aircraft Movement Area), comprehensive automobile liability coverage for claims and damage due to bodily injury or death of any person or

property damage arising out of Pem-Air's ownership, maintenance, or use of any motor vehicles, whether owned, hired, or non-owned, of not less than one million dollars (\$1,000,000) single combined limit "per accident" for bodily injury and property damage.

iv. Pollution. Pem-Air is responsible for environmental losses. Any pollution legal liability insurance obtained by Pem-Air shall comply with the requirements for insurance that are stated in this Agreement. If Pem-Air engages in self-fueling, Pem-Air shall comply with County's self-fueling requirements, including, but not limited to, any pollution legal liability insurance requirements.

v. Aircraft. Pem-Air is responsible for any damage or loss to any aircraft that it parks or stores on the Premises. Pem-Air shall obtain insurance coverage for the aircraft as Pem-Air may determine.

vi. Business Interruption. Pem-Air is responsible for all costs of business interruption, however incurred, and Pem-Air may purchase business interruption insurance as Pem-Air may determine.

D. Performance Security. The County reserves the right to require a performance security in a form and amount acceptable to County upon any material default by Pem-Air under this Agreement.