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LEASE AGREEMENT
FOR COMMERCIAL FIXED BASE OPERATION
BROOKSVILLE-TAMPA BAY REGIONAL AIRPORT

THIS IS A GROUND LEASE AGREEMENT dated as of the 11th day of July, 2023 (the "Agreement") by and between HERNANDO COUNTY, a subdivision of the State of Florida existing under the laws of the State of Florida, whose address is 15470 Flight Path Drive, Brooksville, FL 34604 (hereinafter referred to as the "Lessor" or the "County") and ABFL6, LLC dba Bluewater Aviation, a Florida limited liability company whose address is 1155 Withlacoochee Street, Safety Harbor, FL 34695 (hereinafter referred to as the "Lessee"), individually and collectively referred to as the "Party" or "Parties".

WITNESSETH

WHEREAS, the Brooksville – Tampa Bay Regional 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, requires 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, the availability and conduct of quality fixed base operator services, as hereinafter set forth, are necessary to the operation of said airport for public aviation purposes, and the County desires to enter into a Lease Agreement (hereinafter referred to as the "Agreement") with a qualified, experienced operator to provide necessary general aviation services and a related Fixed Base Operation at the Airport.

WHEREAS, all leases at the Airport are further governed by Part II, Chapter 3 of the Hernando County Code of Ordinances, as amended from time to time.

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

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

ARTICLE 1 - REPRESENTATIVES

1.A. Designated Representatives. For this Agreement, each party designates the following representatives: *Lessee's Representative* - Lessee's full-time employee or agent that the Lessee designates to the Lessor in writing, which for contract purposes at this time are Anthony Santarsiero (305) 769-8735; Cristi Cola (727) 418-8202 *Lessor's Representative* - the Airport Manager or such person that the **Lessor** designates by written notice delivered to the **Lessee**.

ARTICLE 2 - LAND, IMPROVEMENTS AND PREMISES

2.A. Lessor leases the real property with a street address of (TBD) Helicopter Drive, Brooksville, FL 34604, containing approximately 12.780 acres or 556,697 gross square feet and legally described in Exhibit "1" attached hereto and made a part hereof (the "Land") to the Lessee, and the Lessee hereby leases the Land from the Lessor pursuant to the terms and conditions in this Agreement.

2.B. Improvements. Lessee, at Lessee's sole expense, will construct a Premises containing certain improvements (hereinafter collectively referred to as the "Improvements") and set forth on Exhibit 2. The Improvements will be built in accordance with the building plans as proposed and submitted by the Lessee to Lessor and reviewed approved in form by the County and shall follow all county and state building codes and standards and subject to all permitting requirements in effect at the time such permit(s) are pulled.

2.C. No later than three (3) months after the Effective Date of this Lease, Lessee shall submit to the County a development plan conforming to the requirements of the most recently promulgated County Development Plan Guide or Checklists for construction of improvements to the Property and in accordance with Exhibit 2. Lessee shall begin construction of the improvements in conformance with the approved development plan no later than twelve (12) months of the Effective Date of this Lease and shall obtain a certificate(s) of occupancy for those improvements within twenty-four (24) months of the Effective Date of this Lease.

2.C.1. If Lessee is unable to comply with any of the benchmarks established in section 2.C. above, Lessee shall submit a written notice and request for extension to the County at least sixty (60) days prior to the expiration of the relevant benchmark deadline. The notice and request shall set forth in detail the reasons Lessee is unable to comply with the provisions of section 2.C., as well as a revised timeline (including a CPM Critical Path Method) for completion of the benchmark in question. If good cause is shown, the County shall grant an extension of the deadline, in increments of no more than six (6) months at a time. If the County rejects the request for extension, the County shall give detailed reasons, and shall use its best efforts to provide Lessee with recommended revisions or other conditions for acceptance. The County may reject a request for extension if Lessee has failed to remain current on any payments due to the County pursuant to Article 3 or Article 31 below.

2.C.2. Notwithstanding the provisions of Section 2.C.1. above, failure of Lessee to comply with the provisions of Section 2.C. is grounds for termination of this Lease, pursuant to Article 12 below.

2.D. Lessee's development plans, construction plans, and specifications shall comply with the airport master plan, the airport layout plan, and the airport architecture & landscape design standards as currently existing or as may be amended or adopted, all of which are hereby incorporated in this Lease.

2.E. The County may require modifications to the Property necessary for the safety of air navigation. If any improvements or modifications to the Property made by Lessee should not interfere with any FAA navigational aid, Lessee shall be responsible for removing the interference at its sole cost.

2.F. Prior to the commencement of any construction on the Property, Lessee or Lessee's Contractor shall provide the County in accordance with Fla. Stat. § 255.05(1)(a) with payment and performance bonds in amounts equal to the full amount of the written construction contract pursuant to which such construction is to be done. However, the Payment Bond shall be reduced for all materials that Lessee prepays to any vendor, materialman or supplier before such materials are delivered to the jobsite subject to this Lease. The Lessee shall provide the County with vendor, materialmen or suppliers for which Lessee shall prepay, and evidence of payment prior to the materials or supplies being delivered. The payment bond shall be solely for the protection of claimants supplying labor or materials for the required construction work not previously paid in full by the Lessee, and the performance bond shall be solely for the protection of the Airport, conditioned upon the faithful performance of the required construction work. Each bond shall include a provision allowing the prevailing party in a suit on such bond to recover as part of its judgment such reasonable attorney's fees as may be fixed by the court. Each bond shall be executed by a surety company duly authorized to do business in Florida and acceptable to the County. Each bond shall be filed with the County immediately upon execution thereof.

2.G. Prior to the commencement of any construction on the Property, if applicable, Lessee shall deliver to the County copies of documentation that Lessee has submitted to Lessee's lender to secure financing for the improvements. If the County is satisfied that Lessee's documentation provides adequate security for the construction of the improvements, the County will not require any further security from Lessee. If Lessee's documentation is not satisfactory to the County, or the Lessee is not seeking an outside funding source, Lessee shall deliver to the County, upon County's request, evidence of Proof of Funds in the form of a Bank Letter, of Letter of Credit) in an amount equal to the total: amount to Construct the particular Phase of Construction set forth in Exhibit 2, plus a reasonable contingency, not to exceed five percent (5%) of the overall contract sum. As an alternate to Proof of Funds, the Lessee shall provide cash up to ten (10) % of the contract sum, less prepaid vendors, materialmen, or suppliers, and or Irrevocable Letter of Credit ("ILOC") with the County as the Beneficiary, in lieu of cash. These funds shall be referred to as the "Cash."

2.G.1. The County shall return the Cash or release the ILOC to Lessee only upon Lessee's satisfactory completion and the County's acceptance of the improvements and the Lessee providing the County a Certificate of Occupancy, or Lessee's tender and the County's acceptance of substitute assurances for completion of the improvements.

2.G.2. The County may authorize a release of a portion of the Cash to Lessee, if the County determines that the remaining Cash is sufficient to construct the balance of improvements required by section 2.B. above plus a reasonable contingency.

2.G.3. In addition to any other remedies, if Lessee defaults on its obligations under this Lease, the County may at its sole discretion use the Cash or call upon the ILOC to construct any or all or any portion of the required improvements. The County shall give thirty (30) calendar days' notice to Lessee before initiating any action to construct the required improvements.

2.H. Lessee shall keep the Property and all improvements thereon free of any contractor, subcontractor or materialmen's liens or liens of any kind or nature for any work done, labor performed, or material furnished on or to the Property. If any lien is filed, Lessee shall, at its sole cost, cause such lien to be removed from the Property within thirty (30) calendar days of notice or becoming aware of the lien. A Notice of Commencement shall be filed and posted as required by Fla. Stat. § 713.13.

2.I. Due Diligence and Inspections. It is responsibility of the Lessee, at the Lessee's sole expense, to satisfy itself, prior to the execution of this Agreement, or as provided herein, as to the condition of the real property subject to this Agreement including, without limitation, permitted land uses, zoning codes, building regulations, height limitations, set backs, applicable building codes, permits, soil conditions, and environmental conditions (the Lessee, at the Lessee's sole expense, may obtain any environmental tests that it deems necessary including Environmental Phase I or Phase II Reports as part of its due diligence). In connection with all inspections performed by or for the Lessee, the Lessee shall indemnify and hold harmless the County from any damage or injury done to the Land, Airport property, or the property of others as a consequence of such inspection(s) and the Lessee shall promptly repair or have repaired in good workmanship manner such damage caused.

2.J. No Warranties or Representations. Lessor makes no warranties or representations to the Lessee, and the Lessee agrees the Lessor has made no warranty or representation respecting the condition of the Land, or applicable zoning laws and regulations, or applicability of the uses contemplated by the Lessee, or environmental conditions, or any matters which a survey, prepared by a land surveyor who is licensed in Florida in accordance with Fla. Stat. Chapter 472 ("Land Surveying and Mapping") and Chapter 5J-17, Fla. Admin. Code ("Professional Surveyors and Mappers"), as they may be amended or renumbered from time to

time, and shall be certified to the Lessee and to the Hernando County Board of County Commissioners (hereinafter referred to as the "Survey"). Upon receipt of the Survey, the Lessee shall promptly provide the Lessor with a signed duplicate original of same.

2.K. Acceptance of Land. Lessee further acknowledges it has had adequate opportunity to inspect the land hereunder (as also referenced in Exhibit "1") prior to entering into this Agreement or has made adequate provision herein. Accordingly, the taking of possession of the land by the Lessee shall be conclusive evidence against the Lessee that the land was in good and satisfactory condition when possession was so taken.

ARTICLE 3- RENTALS AND FEES

3.A. Lessee shall pay to the Lessor the following Land Rent:

3.A.1. Land Rent. Lessee shall pay monthly Land Rent (1/12th of annual Land Rent) in advance and without demand, on or before the first day of each month upon commencement of the term of this Agreement pursuant to the schedule below for the first five (5) years and then adjusted, thereafter, as provided for in Section 3.A.2 herein. Land Rent shall be calculated as twelve percent (12.0%) per annum of the then current fair market appraised value for unimproved land within the applicable area or park of the Airport (see Section 3.A.2 below) and calculated on a per square foot rate using the gross square footage contained in the Survey (described in Section 2.A.), or as established by the Lessee if no Survey is obtained by the Lessee. The parties agree that the gross square footage of the Land for purposes herein is +/- 556,697 square feet.

During the first five years of this Agreement, annual Premises Rent shall be as follows:

Year 1: \$ 0.00/SF + applicable sales tax
Year 2: \$ 0.10/SF + applicable sales tax
Year 3: \$ 0.22/SF + applicable sales tax
Year 4: \$ 0.22/SF + applicable sales tax
Year 5: \$ 0.22/SF + applicable sales tax

3.A.2. Adjustment of Land Rent. Beginning in the sixth year, and every fifth year thereafter (i.e., years 6, 11, 16, 21, 26, etc. including renewal and extension periods), the Land Rent shall be the current lease amount or adjusted to equal twelve percent (12%) per annum of the then current fair market appraised value (hereinafter referred to as "Current Fair Market Value"); whichever is greater. The Current Fair Market Value shall be based upon the most recent appraisal performed for and paid for by the Lessee,

but in no event shall said appraisal be older than eighteen (18) months (hereinafter referred to as the "Lessor's Appraisal"). The Lessor's Appraisal shall be prepared by a Florida-registered or Florida-licensed appraiser in accordance with the Uniform Standards of Professional Appraisal Practice ("USPAP") and Chapter 475, Part II, *Fla. Stat.*, and Rule Chapter 61J1, *Fla. Admin. Code* ("Florida Appraisal Law") as applicable to the Land. Not less than ninety (90) calendar days and not more than one-hundred and eighty (180) calendar days before imposition of the new adjusted rent, the Lessee shall advise the Lessor in writing (the "Notice") of the new adjusted rent amount. Not later than thirty (30) calendar days from the date of the Notice, the Lessee may dispute the new adjusted rent amount by notifying the Lessor in writing of such dispute; however, no later than sixty (60) calendar days from the date of the Notice, the Lessee shall provide the Lessor, at the Lessee's sole expense, its appraisal (the "Lessee's Appraisal") performed in accordance with USPAP and Florida Appraisal Law. In the event there is a five percent (5%) or less difference in the appraised Current Fair Market Value amount between the Lessor's Appraisal and the Lessee's Appraisal, then the Lessor, in the Lessor's sole discretion, may chose either value or may chose a middle value. In the event there is more than a five percent (5%) difference in appraised Current Fair Market Value amount between the Lessor's Appraisal and the Lessee's Appraisal, then within fifteen (15) calendar days of the date of the Lessee's Appraisal, the two appraisers shall communicate as necessary and agree on the name of a third appraiser who shall be a Florida-registered or Florida-licensed appraiser. The Third Appraisal shall be performed in accordance with Florida Appraisal Law and USPAP. The third appraiser may review and utilize the first two appraisals to the extent permitted under USPAP. The cost of the Third Appraisal shall be split evenly between the Lessor and Lessee, and an appraisal report shall be prepared within 30 days from the date ordered. The Current Fair Market Value amount stated in the Third Appraisal shall be binding on the parties as the new adjusted rent for that five-year period. The provisions in this Section shall be the Lessee's sole remedy for disputing the new adjusted rent for each five-year period.

3.A.3. Cap on Adjustment of Land Rent. Notwithstanding Section 3.A.2, rent shall not be adjusted more than five percent (5%) in any one year (or adjusted more than twenty five percent (25%) over any five-year period). Adjustments in excess of five percent (5%) in any one year shall be carried over to the subsequent year (not to exceed said cap in such year), and each year thereafter until the Current Fair Market Value is attained or a new appraisal is a required (in connection with the subsequent five-year period).

3.A.4. Late Rent; Other Fees. Land Rent shall be due monthly as set forth above 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 taxes, late fees, special assessments, charges, other fees, and penalties.

3.A.5 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 the Lessee's rights under this Agreement and shall in no way constitute an accord and satisfaction, waiver, or estoppel upon the Lessee.

3.B. In addition to the Land Rent in Section 3.A, the Lessee shall pay the Lessor an Annual Fee of five hundred dollars (\$500.00) relating to the cost, operation, and maintenance of the common areas of the Airport and a SASO (Specialized Aviation Service Operations) fee of (\$600.00). These Annual Fees shall be paid to the Lessor in equal monthly installments (1/12th of the Annual Fee) at the time the Land Rent is paid. The Lessor reserves the right to adjust this fee annually.

ARTICLE 4 - PRIVILEGES, USES, EXCLUSIONS AND SERVICES

4.A. Lessee shall enjoy the following non-exclusive rights on the Airport subject to the conditions of this Agreement and as further provided below:

4.B. It is understood and agreed that any other use or occupancy that may now or in the future be proposed for said building(s) or the Land hereunder shall conform to the type of aviation use envisioned by the Hernando County Board of County Commissioners, the conformance of which shall be determined and approved in advance in writing by the Lessee through the Airport Manager or his designee.

4.C. Lessee shall not use the Property, nor permit any assignee or sublessee to use the Property, for any purposes other than for aeronautical uses, as defined and approved by the FAA. Lessee shall not engage in activities that interfere with the use of the Airport and facilities for airport purposes.

ARTICLE 5 - TERM AND COMMENCEMENT

5.A. Effective Date. This Agreement shall become binding and effective (the "Effective Date") upon approval and execution by the Lessee and the Lessor.

5.B. Term. The lease term for this Agreement shall commence on the 1st day of September 2023 and shall end on the anniversary date fifty (50) years hence (the "Anniversary Date").

5.C. Renewal Options After Year 15 from the Execution Date, the Lessee may make additional Capital Improvements to the Property. For every ONE-HUNDRED THOUSAND DOLLARS and xx/100 (\$100,000.00) invested by the Lessee and is considered a Capital Improvement, the Lessee shall be entitled to one (1) additional year onto the Lease Term up to a maximum of 10 years. For purposes of this Section, a Capital Improvement shall be defined as the addition of a permanent structural change or the restoration of some aspect of a property, that is not ordinary maintenance or upkeep, that will either enhance the property's overall value, prolong its useful life, or adapt it to new uses. Prior to commencement of construction, the County shall approve any submission by the Lessee to determine if the construction being undertaken is considered a Capital Improvement.

ARTICLE 6 - OBLIGATIONS OF LESSEE

Lessee further covenants and agrees:

6.A. The use and occupancy of the Premises by the Lessee shall be without cost or expense to the Lessor except as provided herein.

6.B. Other than prior approved by the County, Lessee shall use the Property for aeronautical uses only, as those uses are defined and approved by the United States Federal Aviation Administration ("FAA")

6.C. Lessee shall always employ and designate a manager to supervise and manage its operations hereunder and shall provide the County with the manager's name and contact information within forty-eight (48) hours of designation by Lessee. Lessee shall employ enough trained personnel on duty to provide for the efficient and proper compliance with its obligations under this Lease. Upon request of the Airport Director, Lessee shall provide, and its employees shall wear or carry, badges or other suitable means of identification.

6.D. Lessee shall provide adequate utility services to the Premises as determined by the Lessee. It is understood and agreed that the Lessee shall be responsible for obtaining, at its sole expense, all utility services, such as electricity, water, sewer, or gas needed by the Lessee during the period of occupancy. Lessee shall pay all charges for providing said utility service and the cost of necessary meters for measuring said utility services.

6.E. Lessee agrees, at its sole expense, to maintain the Premises and Improvements thereto, as described herein, in a presentable condition consistent with good business practice and in good repair as of the date this Agreement was executed, 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 and maintenance of the Lessee's business on the Facility. Lessee agrees to keep the Premises mowed and groomed and will not allow the accumulation of materials, parts, or other materials on the Premises.

6.F. Lessee agrees to conduct its business in a manner consistent with airport norms, at all times. Lessee further agrees to operate in harmony with others on the Airport and will always operate safely and with a concern for others and in accordance with all covenants and restrictions of public record.

6.G. Lessee will provide or cause to be provided all necessary dumpsters or other types of storage receptacles or devices as may be necessary. The piling of boxes, cartons, barrels, or similar items in an unsightly manner on or about the Premises shall not be permitted. Lessee, at Lessee's sole expense, shall cause to be removed from Premises all waste, garbage, and rubbish. Further, the Lessee 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 the Lessor.

6.H. Lessee shall neither create nor permit to be caused or created upon the Premises, or elsewhere on the Airport, any obnoxious odor, smoke, 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.

6.I. Lessee shall not create, nor permit to be caused, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection

system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Property.

6.J. Lessee shall take measures to ensure security in accordance with generally accepted airport security procedures and shall employ any additional security as requested in writing by the Airport Manager. All security costs are at Lessee's expense.

6.K. Lessee shall not create, nor permit to be caused, any act or thing upon the Property:

6.K.1. Which may constitute a hazardous condition so as to increase the risks attendant upon the operations permitted by this Lease; or

6.K.2. Which will invalidate or conflict with any fire insurance policies or regulations, Uniform Fire Code, N.F.P.A. Standard No. 409 (Standard on Aircraft Hangars), F.F.P.A. 410 (Standard on Aircraft Maintenance) or any subsequent amendments, for operation of aircraft, and other provisions as applicable to the Property or other contiguous premises at the Airport.

6.L. Lessee shall not keep or store flammable liquids within any covered and enclosed portion of the Premises in excess of the Lessee'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.

6.M. Lessee shall provide prompt written notice to the County of any person or entity performing aircraft maintenance work, flight instruction, air taxi, aircraft charter or aircraft leasing of any sort on the Airport for commercial purposes without a valid permit from the County.

6.N. Lessee shall not overload any paved area on the Airport and shall repair at Lessee's expense any paved area damaged by overloading.

6.O. All possible care, caution and precaution shall be used to minimize prop or jet blast interference to aircraft operations, or to buildings, structures and roadways now located on, or which in the future may be located on, areas adjacent to the Airport.

ARTICLE 7 - LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

7.A. If applicable, Lessor hereby grants permission to the Lessee to execute and deliver unto ___TBD if applicable _____, a Leasehold Mortgage and Security Agreement pledging this Agreement, and the buildings and attendant facilities, excluding fixed Lessor property, erected upon the Land, as security for said loan, as contemplated by this Section.

7.B. Lessor agrees that, in the event that the Lessee shall pledge this Agreement pursuant to the terms of a Leasehold Mortgage and Security Agreement, then the Lessee, so long as said Leasehold Mortgage and Security Agreement remains outstanding and has not been satisfied of record, will not enter into any agreement with the Lessee purporting to change, modify, amend or terminate this Agreement without the mortgagee's joinder and prior consent, which consent shall not be unreasonably withheld as to any non-material change, modification or amendment. The Lessee agrees that any attempted change, modification, amendment or mutual termination between the Lessee and the Lessor without the mortgagee's joinder and prior written consent shall be void and of no force or effect. However, in no event shall the Lessee enter into any Leasehold Mortgage or Security Agreement for a duration longer than the Anniversary Date of this Agreement.

7.C. In the event that the Lessee shall pledge this Agreement pursuant to a Leasehold Mortgage and Security Agreement as herein provided, then the Lessee agrees that if and when the Lessee notifies the Lessor of a default or claim of default by the Lessee under this Agreement, Lessee shall send a copy of the written notice or a written explanation of any oral notice concurrently therewith to the mortgagee, at an address certified to the Lessor in writing by said mortgagee upon the granting of said Leasehold Mortgage and Security Agreement. The mortgagee shall be permitted to remedy any such default or claimed default specified in the notice within an equal period of time, commencing on the date mortgagee receives or is deemed to have received such notice, as the Lessee would be permitted to remedy same pursuant to this Agreement. Notwithstanding the foregoing provisions of this paragraph, said mortgagee shall have a minimum of thirty (30) days after its receipt of the notice to remedy the default. The Lessee further agrees that in the event that Lessee pledges the Agreement pursuant to a Leasehold Mortgage and Security Agreement, then should said mortgagee, or a purchaser at a foreclosure sale, acquire the Lessee's interest under this Agreement, through foreclosure or otherwise, the Lessee shall recognize said mortgagee, or such purchaser, as the lessee or tenant under this Agreement and shall accept performance by said mortgagee or purchaser under this Agreement provided that said mortgagee or purchaser agrees to be bound by the terms and

conditions for the rest of the unexpired term of this Agreement or that the Lessor, mortgagee or purchaser can reach mutual agreement on any changes to the terms of this Agreement. The Lessee further agrees that in the event that the Lessee shall hereafter file for protection under the bankruptcy laws of the United States and shall reject or otherwise terminate this Agreement, the Lessee shall enter into a new ground lease on the exact same terms and conditions as this Agreement with the mortgagee, but only to the extent of the original terms of this Agreement. It is further understood and agreed that the Leasehold Mortgage and Security Agreement described herein and in favor of the named mortgagee shall be the only mortgage, pledge or encumbrance permitted on the Land absent prior written consent of the Lessor, which consent the Lessor may withhold for any reason or no reason.

7.D. The mortgagee named above shall be a bona fide federal or state chartered financial institution insured through the Federal Deposit Insurance Corporation.

7.E. The parties further understand and agree that any requests for the Lessor (County) to subordinate in any manner or form its position relative to, or any rights under, this Agreement shall be in the sole discretion of the County; and the County reserves the right to refuse requests for "subordination" for any reason or no reason. Notwithstanding anything in this Article, in no event shall the County, as a political subdivision of the State of Florida, give, lend, pledge, or use its taxing powers or credit to any corporation, association, partnership or person in connection with or furtherance of this Agreement.

ARTICLE 8 - MAINTENANCE OBLIGATIONS OF LESSOR

8. Lessor's maintenance obligations shall be limited to normal and ordinary maintenance of the Airport common areas.

ARTICLE 9 - MAINTENANCE OBLIGATIONS OF LESSEE

9.A. General Obligations. Lessee shall be obligated to maintain 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 in good appearance, repair and safe condition, consistent with good business practices, whether installed by the Lessee or the Lessor, such

maintenance shall be without cost to the Lessor. Lessee shall repair all damages to the Premises caused by its employees, patrons or its operations thereon including damage to airport entrance/exit gates. All such maintenance, repair and replacements shall be of a quality equal to the original in materials and workmanship. All paint colors shall be submitted to and approved in writing by the Airport Manager prior to any exterior painting.

9.B. Required Scheduled Maintenance to Premises. In addition to the Lessee's maintenance obligations included in this Agreement, the Lessee further agrees to maintain, at a minimum, certain components (singular use shall not limit the Lessee's obligations herein where buildings or the parts thereof exist in the plural) of the Premises according to the following maintenance schedule: (1) Building Exterior. Buildings' exteriors shall be inspected annually. Mildew, staining, dirt, cobwebs, etc., shall be cleaned as needed. (2) Landscaping. The landscaping shall be maintained in a manner consistent with good horticultural practices, and free of unsightly conditions. (3) Electrical Service and HVAC. Area shall be always kept free of debris and foreign objects. (4) Parking Lots and Ramps. Shall be cleaned, swept, removed of oil and debris, repaired and striped, on a routine basis. (5) Be responsible for the maintenance and repair of all utility service lines except common utilities, if any, including but not limited to, service lines for the supply of water, gas service lines, electrical power and telephone conduits and line, sanitary sewers and storm sewers which are now or which may be subsequently located upon the Premises and used by Lessee or any subtenants.

9.C. Condition of Premises at End of Term. In addition to manufacturer's recommended scheduled maintenance, the Lessee shall maintain the Premises whereas at the end of the term of this Agreement said condition of the Premises shall be in a good state of repair and comply with the following conditions: (1) The HVAC's system shall cool and heat properly; (2) The exterior paint shall be free of unsightly conditions; and (3) The interior of the Premises shall be painted within one (1) year prior to the termination of this Agreement. Additionally, all other building systems, including but not limited to electrical, Fire Suppression system, plumbing, compressed air, landscaping, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls, and structural support systems shall be in good working order.

9.D. Failure to Repair and Maintain Premises. If the Lessee fails to perform the Lessee's maintenance responsibilities, the Lessor shall have the right, but not the obligation, to perform such maintenance responsibilities, provided the Lessor has first, in any situation not involving an emergency, by written notice to the Lessee, delivered in accordance with Article 35, afforded the Lessee a period within which to correct the failure of thirty (30) calendar 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 Lessor. All costs incurred by the Lessor in performing the Lessee's maintenance responsibility, plus a fifteen percent (15%) administrative charge, shall be paid by the Lessee within thirty (30) calendar days of receipt of billing, therefore. Failure of the Lessee to pay within thirty (30) calendar days after receipt of the Lessee's notice of delinquency shall be deemed a condition of default. The Lessor retains the right, after giving reasonable advance notice to the Lessee, to enter upon the Premises to repair any utilities thereon that serve any areas, including the Lessee's Facility. Lessor shall endeavor to use commercially reasonable efforts to minimize interference or disruption to the Lessee's operations.

ARTICLE 10 - FUTURE IMPROVEMENTS AND ALTERATIONS BY LESSEE

10.A. Written Approval. The Lessee shall make no improvements or alterations whatsoever to the Premises without the prior written approval of the Lessor, which consent shall not be unreasonably withheld, provided, however, that such 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 the Lessor, and the Lessee has obtained the required building permits. Within thirty (30) days after receipt by the Lessor of the Lessee's plans and specifications, the Lessor shall inform the Lessee that the plans are either approved, approved subject to certain stated conditions and changes; or not approved. The Lessor's failure to either approve or disapprove the Lessee's plans and specifications within thirty (30) business days after the Lessee delivers written notice to the Lessor that the Lessor has not acted within the thirty (30) day period described above will constitute the Lessor's approval of the Lessee's plans and specifications.

10.B. Conditions. If the Lessee's request for approval to make improvements or alterations is permitted pursuant to Sections 10.A or 5.C (whether by express grant of the Lessor or by estoppel), the following conditions shall apply: (1) Lessee shall obtain all required permits and licenses necessary under, and shall comply with applicable zoning laws, building codes and other laws or regulations of all appropriate governing entities, including the Federal, State and County, applicable to the construction or installation of approved improvements or alterations.; (2) Lessee agrees that all construction shall conform to the general architectural and construction requirements of the Florida Building Code, as may be amended, from time to time, as well as the development standards and ordinances of Hernando County; (3) Lessee agrees to hire only

licensed contractors and subcontractors and to indemnify the Lessor in the event of any loss or damage resulting from work performed on the Premises by its contractors and subcontractors; (4) Lessee shall comply with all then current building, permitting and licensing requirements; (5) Lessee covenants and agrees to accept and pay all costs necessary to complete the approved alterations or improvements; and (6) Lessee agrees to be solely responsible for any damage (other than normal wear and tear) resulting from the removal by the Lessee of its personal property or signs.

10.C. Temporary Buildings and Storage Containers. Other than as set forth in Exhibit 2, or for purposes to facilitate construction, Lessee shall not place temporary buildings, Conex Containers, or any other type of storage or shipping container(s) on leased property without written permission of the airport manager.

ARTICLE 11 - SURRENDER OF PREMISES

11. Upon the expiration date or earlier termination of this Agreement, Lessee's right to occupy the Property and exercise the privileges and rights herein granted shall cease, and it shall surrender the same to the Lessor. All permanent improvements of whatever kind or nature, including but not limited to, all buildings and all equipment installed including, but not limited to, heating and air conditioning equipment, interior and exterior light fixtures, fencing, landscaping, pavement, tie-down facilities and all other permanent improvements which become part of the Property with or without prior consent of Lessor, shall become and be deemed to be a part of the Premises and shall be free and clear of all liens and shall become the property of Lessor, upon termination or default of this Lease and shall remain on the Premises unless otherwise directed by the Lessor. All keys and combinations to all locks shall convey to the Lessor excepting all personal property and trade fixtures installed at the Lessee's expense. 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 Lessee'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. In the event a reputable, independent engineer is hired by the Lessor and such engineer determines that the structures have reached the end of their useful

life, the Lessee shall remove the structures at no cost to the Lessor. Upon written demand, Lessee shall execute and deliver to the Lessor a proper document on conveyance evidencing such transfer or title.

ARTICLE 12 - EVENTS OF DEFAULT AND REMEDIES

12.A. Events of Default. 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 Land Rent and Additional Rent) or any other sum of money payable hereunder within ten (10) business days after such rental or payment is due; (2) the conduct of any business or performance of any acts at the Airport not specifically authorized in this Agreement or by other agreements between the Lessee and the Lessor, and the Lessee's failure to discontinue that business or those acts within thirty (30) calendar days of receipt by the Lessee of the Lessor's written notice to cease said business or acts; (3) 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 thirty (30) calendar days or more after written notice thereof from the Lessor; (4) the Lessee transfers, assigns, or sublets this Agreement, in whole or part, other than as provided for in Article 32 herein; (5) the Lessee mortgages, pledges or encumbers the Premises, in whole or part, or this Agreement, other than as expressly provided for in this Agreement or upon prior written consent of the Lessor; (6) the Lessee abandons, deserts or vacates the Premises; (7) the divestiture of the Lessee's estate herein by operation of law, by dissolution or by liquidation (not including a merger or sale of assets); or (8) a receiver, custodian or trustee 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. Any or all of the foregoing shall hereinafter be referred to as "Events of Default".

12.B. Lessor's Remedies. 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 Lessee shall determine. In the event the Lessor relets the Facility, 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 Lessee's expenses in connection with re-entry, taking possession and reletting, including brokerage fees and commissions, alterations and redecorating as the Lessee may deem appropriate to prepare the Premises for reletting, and the amount of Land Rent, Additional Rent and other fees payable by the Lessee hereunder. The Lessee hereby waives the service of any notice of intention to terminate this Agreement or to re-enter the Facility and waives the service of any demand for payment of rent or repossession. The Lessee further waives any and all rights of redemption granted by or under any present or future laws in the event of the tenant 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.

12.C. Continuing Responsibilities of Lessee. Notwithstanding the occurrence of any Events of Default, the Lessee shall remain liable to the Lessor for all payments payable hereunder and for all preceding breaches of any covenant of this Agreement. Furthermore, unless the Lessor elects to cancel this Agreement pursuant to Section 12.B, the Lessee shall remain liable for and promptly pay any and all payments accruing hereunder until such time as this Agreement has been duly canceled. No retaking of possession of the Premises by the Lessor (under Section 12.B above) shall be construed as an election on its part to terminate this Agreement, unless a written notice of such intention be given to the Lessee, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any payments or other moneys due to the Lessor hereunder, or of any damages accruing to the Lessor by reason of the violations of any of the terms, provisions, and covenants herein contained. Lessor's acceptance of payments or other moneys following any event of default hereunder shall not be construed as the Lessor'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 the Lessor 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 the Lessor 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 the Parties that losses or damages that the Lessor 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 the Lessor following repossession.

12.D. Habitual Default. Notwithstanding the foregoing, if the Lessee has frequently, regularly, or repetitively defaulted in the performance of or breached any of the terms, covenants, and conditions required herein to be kept and performed by the Lessee, and regardless of whether the Lessee has cured each individual condition of breach or default, the Lessee may be determined by the Lessor to be an "habitual violator." At the time that such determination is made, the Lessor shall issue to the Lessee a written notice advising of such determination and citing the circumstances, therefore. Such notice shall also advise Lessee that there shall be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, shall be considered cumulative, and collectively shall constitute a condition of non-curable default and grounds for immediate termination of this Agreement. In the event of any such subsequent breach or default, the Lessor may terminate this Agreement upon the giving of written notice of termination to the Lessee, such termination to be effective upon delivery of the notice to the Lessee.

12.E. Lessee's Remedies. Lessee may, in its option, terminate this Agreement and all of its obligations hereunder, if the Lessee is not in default in the payment of any payments or other charges to the Lessee or in breach of any of the provisions of this Agreement, and only upon or after the happening of any of the following events: (1) the inability of the Lessee to use Airport for a period of longer than ninety (90) consecutive days due to war, terrorism, disaster or Act of God; (2) the issuance of any order, rule or regulation by a competent governmental authority or court having jurisdiction over this Agreement, preventing the Lessee 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 the Lessee.

12.F. Time of the Essence. Time is of the essence of this Agreement.

ARTICLE 13 - NO LIENS

Lessee shall pay for all labor done or materials furnished in the repair, replacement, development, or improvement of the Premises by the Lessee, and shall keep said Premises and the Lessor's possessory interest therein free and clear of any lien or encumbrance of any kind whatsoever created by the Lessee's act or omission. Lessee's Personal Property is not subject to this provision.

ARTICLE 14 - TAXES AND FEES

14.A. Lessee shall timely pay applicable sales, use intangible, tangible personal property and ad valorem taxes of any kind, against the Facility, the real property, and any improvements thereto or leasehold estate created herein, or which result from the Lessee's occupancy or use of the Facility, whether levied against the Lessee or the Lessor. In this regard, Lessor will attempt to cause the appropriate taxing authorities to send the applicable tax bills directly to the Lessee and the Lessee shall remit payment directly to such authorities, and to the extent that such notices are sent to the Lessor, the Lessor agrees to immediately forward same to the Lessee. Additionally, Lessee shall timely pay all other taxes, assessments, and fees (including, without limitation, Hernando County Fire Rescue assessment fees) against the Premises or leasehold estate created herein or any part thereof. Lessee may reserve the right to contest such other taxes or assessments and withhold payment of such taxes upon written notice to the Lessor 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 the Lessee. The lessee's failure to timely pay its taxes, assessments, and fees hereunder shall be deemed a material breach of this Agreement. It is the intention of the parties to this Agreement that the rents herein reserved shall constitute a net income to the Lessor from said Premises herein leased, equal to the said rents.

ARTICLE 15 - INDEMNIFICATION

15.A. Lessee agrees to protect, defend, reimburse, indemnify and hold the Lessor, its agents, employees and officers and each of them forever, 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, and except to the extent caused by the Lessor's gross negligence or intentional misconduct) by reason of any damage to property, or the environment (including, without limitation, any contamination of Airport property, such as the soil or storm water, or by fuel, gas,

chemicals or any Hazardous Substances as defined in Section 18.A. 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 the Lessee's performance under this Agreement, the Lessee's use or occupancy of the Premises, the Lessee's acts, omissions or operations hereunder or the performance, non-performance or purported performance of this Agreement or any breach of the terms of this Agreement. Lessor 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 the Lessee 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 herein shall not relieve the Lessee of its liability or obligation to indemnify the Lessor as set forth in this Article.

15.B. Notwithstanding anything to the contrary in the foregoing or within this Agreement, the Lessor shall not relinquish or waive any of its rights as a sovereign local government and the Lessor reserves all rights and defenses under applicable sovereign immunity law as set forth in Fla. Stat. § 768.28 et. seq.

ARTICLE 16 - INSURANCE

16.A. General Insurance Terms and Conditions. In the event the Lessee becomes in default of the following requirements, the Lessor reserves the right to take whatever actions deemed necessary to protect its interests. All insurance herein shall have an A. M. Best's Rating of "A" or better.

16.B. Minimum Coverage Requirements. Lessee shall maintain the following minimum limits and coverages uninterrupted or amended through the life of this agreement as set forth below:

16.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 no less than the "Statutory" requirement for Part One.

16.B.2. Liability. The minimum limits of insurance covering the Lessee shall be the amounts specified herein. Coverage shall be provided for liability resulting out of, or

in connection with, ongoing operations performed with, ongoing operations performed by, or on behalf of, the Lessee under this Agreement or the use or occupancy of the Lessor's Premises by, or on behalf of, the Lessee in connection with this Agreement. Hernando County Board of County Commissioners shall be listed as an additional insured on all policies under this provision.

INITIAL COVERAGE REQUIRED UPON EXECUTION

	Contract Specific
Airport Premises/Operations Liability (Combined Single Limit per Occurrence/Aggregate)	\$2,000,000
Contractual Liability (Combined Single Limit Per Occurrence/Aggregate Limit)	\$2,000,000
Personal and Advertising Liability (Combined Single Limit per Occurrence/Aggregate Limit)	\$2,000,000

UPON ISSUANCE OF THE CERTIFICATE OF OCCUPANY OF PHASE I AND TO BE CARRIED CONTINUOUSLY THEREAFTER:

Products/Completed Operations Liability (Combined Single Limit Each Occurrence and Annual Aggregate Limit)	\$2,000,000
Hangar Keepers Legal Liability (Each Aircraft/Each Occurrence)	\$2,000,000
Fire Damage (Any one Occurrence)	\$ 500,000
Premises Medical Payments	
Each Person	\$ 5,000
Each Occurrence	\$ 50,000
Broad Form Builder's Risk (Only through the issuance of the Certificate of Occupancy on each Phase of construction)	\$1,000,000

16.B.3. Auto Liability. From the execution of this Agreement, Coverage shall be provided 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:

Legal Liability (Combined Single Limit)	\$2,000,000
Uninsured Motorists (Combined Single Limit)	\$2,000,000
Non-Owned Auto Liability (Combined Single Limit)	\$2,000,000
Hired Auto Liability (Combined Single Limit)	\$2,000,000

16.B.4. Environmental Impairment Liability. This coverage shall cover the 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 the County Premises in connection with this Agreement. If this policy is on a claims-made basis, the insurance must respond to claims reported within three (3) years after the termination of this Agreement. The minimum limits (inclusive of any amounts provided by an umbrella or excess policy) shall be:

UPON COMMENCEMENT OF CONSTRUCTION:

Third Party & First Party (Clean Up)

Each Claim	\$1,000,000
In the Aggregate	\$2,000,000

16.B.5. Upon the issues of the initial Certificate of Occupancy on Phase 1, Lessee shall add Aviation Third-Party Liability Insurance to its line of coverages. This insurance shall cover the Lessee for liability, including liability to passengers or resulting from the ownership, operation, maintenance, or use of any aircraft on in connection with any part of the Facility. The minimum limits (inclusive of any amount provided by an umbrella or excess policy) shall be:

Each Occurrence – Combined Single Limit	\$2,000,000
In the Aggregate	\$2,000,000

16.B.7. Business Interruption Insurance. Lessee, at its option and sole expense, may obtain business interruption or rental insurance to cover its loss for any period that the Premises may be wholly or partially untenable or otherwise unusable hereunder; however, in no event shall the Lessee be responsible to pay, credit, or set off such sums or any Land Rent hereunder in the event the Premises become untenable or otherwise unusable for any reason whatsoever.

16.C. Evidence of Insurance. The Lessee shall deliver to the Lessor all certificates or binders, together with the required 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) calendar 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.

16.D. Periodic Review of Coverage Limits. Beginning in year six (6), and every five years thereafter, the Lessee, in its sole discretion, may review and adjust the required coverage limits set forth in Section 16.B; however, in no event may the Lessor increase required coverage more than one hundred and twenty five percent (125%) of the preceding five-year period.

16.E. Additional Insured. Lessee agrees to endorse Lessor as an Additional Insured with a CG2026 Additional Insured – Designated Person or Organization endorsement, or similar endorsement, to the Commercial General Liability and Business Automobile Liability. The Additional Insured shall read “Hernando County and Brooksville – Tampa Bay Regional Airport.”

16.F. Right to Revise or Reject. Lessor reserves the right, but not the obligation, to review and revise any insurance requirement, not limited to limits, coverages and endorsements based on insurance market conditions affecting the availability or affordability of coverage; or changes in the scope of work/specifications affecting the applicability of coverage. Additionally, the Lessor reserves the right, but not the obligation, to review and reject any insurance policies failing to meet the criteria stated herein or any insurer providing coverage due of its poor financial condition or failure to operate legally.

ARTICLE 17 - DAMAGE OR DESTRUCTION OF PREMISES

17.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 (60)

days after the date of the casualty; or (b) cause such damage to be repaired or restored without reasonable delay.

17.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 Lessee may compel repair of such damage and restoration of improvements without reasonable delay. The Lessee shall give the Lessor immediate written notice of any fire or other casualty on the Facility.

17.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.

ARTICLE 18 - ENVIRONMENTAL REGULATIONS AND GENERAL CONDITIONS

18.A. Hazardous Substances. The term "Hazardous Substance" means any substance:

18.A.1. The presence of which requires or may later require notification, investigation, or remediation under any environmental law; or,

18.A.2. 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 Code of Federal Regulations thereunder, as said regulations may be amended or renumbered; and including Chapters 376 and 403, *Fla. Stat.*, and the Florida Administrative Rules thereunder, as said regulations may be amended or renumbered; or,

18.A.3. 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 and/or the State of Florida; or,

18.A.4. The presence of which on the Premises causes or threatens to cause a nuisance on the Premises or to adjacent properties or poses or threatens to pose a hazard to the Premises or to the health or safety of persons on or about the Facility; or,

18.A.5. That contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or,

18.A.6. That contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or,

18.A.7. That contains or emits radioactive particles, waves, or materials, including, without limitation, radon gas.

18.B. General Conditions: Environmental. Notwithstanding any other provisions of this Agreement, and in addition to all other requirements of this Agreement or any other covenants, representations or warranties of the Lessee, the Lessee hereby expressly covenants, warrants, and represents to the Lessor, in connection with the Lessee's operations on the Facility, the following:

18.B.1. Lessee is knowledgeable of all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders, that apply to the Lessee's operations at the Airport and acknowledges that such environmental laws, ordinances, rules, regulations, and orders change from time-to-time, and the Lessee agrees to keep informed of any such future changes.

18.B.2. Lessee agrees to comply with all applicable federal, state, and local environmental laws, ordinances, rules, regulations, orders that apply to the Lessee's operations. Lessee agrees to hold harmless and indemnify the Lessor for any violation by the Lessee of such applicable federal, state and local environmental laws, ordinances, rules, regulations and orders and for any non-compliance by the Lessee with any permits issued to the Lessee pursuant to such environmental laws, which hold harmless and indemnify 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 the Lessee, its employees, invitees, suppliers or service providers or the Lessor by reason of the Lessee's violation or non-compliance

18.B.3. Lessee agrees to cooperate with any investigation, audit or inquiry by the Lessor or any governmental agency, regarding possible violation of any environmental law or regulation upon the Airport premises.

18.B.4. Lessee agrees that all remedies of the Lessor as provided herein regarding 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.

18.B.5. Lessee agrees that any notice of violation, notice of non-compliance, or other enforcement action of the nature described in Section 18.B.2 shall be provided to the Lessor within twenty-four (24) hours of receipt by the Lessee or the Lessee's agent. Any violation or notice of violation or non-compliance with federal, state, or local environmental law or ordinance that the Lessee fails to rectify within the earlier of thirty (30) calendar days or such applicable provision herein shall be deemed a default under this Agreement. Any such default which is not cured shall be grounds for termination of this Agreement.

18.B.6. In entering this Agreement, the Lessor expressly relies on the covenants, representations and warranties of the Lessee as stated herein.

18.C. General Conditions: Stormwater.

18.C.1. Notwithstanding any other provisions or terms of this Agreement, the Lessee acknowledges that certain properties within the Airport, or on the Lessee's land, are subject to stormwater rules and regulations. Lessee agrees to observe and abide by such stormwater rules and regulations as may be applicable to the Premises.

18.C.2. Lessee acknowledges that any stormwater discharge permit issued to the Lessor may name the Lessee as a co-permittee or the Lessee may be required to submit a separate Notice of Intent for the Premises before the expiration date of the existing EPA NDPS Stormwater Multi-Sector General Permit (MSGP). The Lessee and the Lessor both acknowledge that close cooperation is necessary to ensure compliance with any stormwater discharge permit terms and conditions, as well as to ensure safety and to minimize cost of compliance. The Lessee acknowledges further that it may be necessary to undertake actions to minimize the exposure of stormwater to "significant materials" (as

such term may be defined by applicable stormwater rules and regulations) generated, stored, handled, or otherwise used by the Lessee by implementing and maintaining “best management practice” (as such term may be defined in applicable stormwater rules and regulations).

18.C.3. Lessor will provide the Lessee with written notice of any stormwater discharge permit requirements applicable to the Lessee and with which the Lessee will be obligated to comply including the submittal of Notice of Intent to the appropriate agency along with a copy to the Lessor. Lessee may also be required to comply with the following requirements including but not limited to certification of non-stormwater discharges; collection of stormwater samples; preparation of stormwater pollution prevention or similar plans; implementation of best management practices; and maintenance and submittal of necessary records. In complying with such requirements, the Lessee shall observe applicable deadlines set by the regulatory agency that has jurisdiction over the permit. Lessee agrees to undertake, as its sole expense, those stormwater permit requirements for which it has received written notice from the regulatory agency and that apply to the Facility, and the Lessee agrees that it will hold harmless and indemnify the Lessor for any violations or non-compliance with any such permit requirements.

18.D. General Conditions: Solid and Hazardous Waste.

18.D.1. If the Lessee is deemed to be a generator of hazardous waste, as defined by federal, state or local law, the Lessee 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.

18.D.2. Lessee agrees to provide the Lessor, within ten (10) business days after the Lessor’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 the Lessee’s use of the Premises.

18.E. Installation of Underground Tanks. Lessee shall not be permitted to install underground storage tanks of any kind.

18.F. Environmental Inspection at End of Agreement Term.

18.F.1. At least thirty (30) calendar days, but no more than ninety (90) calendar days, before the expiration of the Term of this Agreement, including renewals or extensions thereto (as provided in Article 3 herein), the Lessee, shall conduct an environmental inspection, and examination to be performed within the aforementioned time period. The cost for professional consulting and engineering services required for such audit shall be at the sole cost of the Lessee. Lessee 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, the Lessee 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 and the foregoing provisions of this Article 18.

18.F.2. If the Lessee is unable to lease the Premises during the period of a cleanup, referred to in this Article, due to the environmental condition of the Facility, in addition to any other damages for which the Lessee may be liable, the Lessee shall be responsible for payment of lost Land Rent or lost use to the Lessor.

18.F.3. The firm conducting cleanup work must be approved by the Lessor, and the methodology used by such firm shall be consistent with then current engineering practices and methods required by the State of Florida or the United States government and be reasonably acceptable to the Lessee.

18.G. Lessor Contamination. Nothing in this Article 18 shall be construed to make the Lessee liable to the Lessor in any way for any contamination or release of Hazardous Substances that occurs because of the actions of the Lessor or any of its employees, agents, or contractors.

18.H. Site Contamination. Nothing in this Article 18 shall be construed to make the Lessee liable to the Lessor in any way for any contamination or release of Hazardous Substances affecting the Premises that occurs by reason of the migration or flow to the Premises from verifiable or documented offsite contamination that is not attributable in any way whatsoever to the Lessee's activities at or upon the Premises or under this Agreement.

ARTICLE 19 - COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES, RULES

19.A. Lessee and its subcontractors shall at all times comply with all applicable federal, state and local laws and regulations, Airport rules and regulations, minimum standards, operating directives, and state and federal grant assurances as are now or may hereinafter be prescribed by the Lessor 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 the Lessor 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. If the Lessee, 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 the Lessee, then, in addition to any other remedies available to the Lessor, the Lessee shall be responsible and shall reimburse the Lessor in the full amount of any such monetary penalty or other damages. This amount must be paid by the Lessee within ten (10) business days of written notice.

19.B. Further, where the Lessee is a corporation, limited liability company, limited partnership, professional association or any other business entity, whether domestic or foreign, which is required to be registered with the Florida Secretary of State, then the Lessee shall be so registered and in good standing at the time of execution of this Agreement and the Lessee shall remain current and in good standing with the Florida Secretary of State at all times during this Agreement (including renewals or extensions thereto).

ARTICLE 20 - GOVERNMENTAL INCLUSIONS

20.A. 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 (FAA) including, but not limited to, Compliance Order 5190.6B, as amended from time to time, relative to the operation of surplus airport property which includes the Airport herein. This Agreement expressly incorporates by this reference all the above-referenced documents, as they may be amended from time to time.

20.B. This Agreement expressly incorporates by reference the terms of the Hernando County Property Management Ordinance, Hernando County Code § 2-136, *et seq.*, Hernando County Code § 3-16, *et seq.*, and the “Airport Minimum Operating Standards”, as they may be amended from time to time.

ARTICLE 21 – INGRESS AND EGRESS

21. The County may, at any time, temporarily or permanently, close or consent to or request the closing of, any gate, roadway, or taxiway at the Airport and any other way at, in, or near the Property presently or hereafter used as such, so long as a reasonable means of ingress and egress remains available to Lessor. Lessee hereby releases and discharges the County, its officers, employees and agents, and all other governmental authorities from all claims, demands, or causes of action which Lessee may at any time have against any of the foregoing, arising out of the closing of any roadway or other area, provided that a reasonable means of access to the Property remains available to Lessee. Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Property or to any roadways near the Property.

ARTICLE 22 – EXCLUSIVE RIGHTS

22. Notwithstanding any other provision of this Agreement, it is understood and agreed that the rights granted under this Agreement 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) on other portions of Airport property. Nor shall this Agreement be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. § 40103(e) or 49 U.S.C. § 47107(a), as said regulations may be amended or renumbered.

ARTICLE 23 - RIGHT TO DEVELOP AIRPORT

23. It is covenanted and agreed that the Lessor, in its sole discretion, reserves the right to further develop or improve the Airport. Lessee understands that periodically runways, taxiways, and ramps may be closed for repairs, maintenance, rehabilitation, or reconstruction. Lessee and subtenant(s) shall not receive compensation or rent abatement for any airport surface closure for any reason.

ARTICLE 24 – FAA REQUIRED PROVISIONS

24.A. Lessee for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that, in the event facilities are constructed, maintained or otherwise operated on the Property for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations (“CFR”), DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and any amendments thereto.

24.B. Lessee for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land 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 the Property; (2) in the construction of any improvements on, over or under the Property 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 subject to discrimination; and (3) Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to Title 49, CFR, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and any amendments thereto.

24.C. In the event of breach of any of the above nondiscrimination covenants, the County may terminate this Lease and reenter and repossess the Property and hold the Property as if this Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

24.D. Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit or device; provided, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

24.E. Noncompliance with section 24.D above constitutes a material breach of this Lease and in the event of noncompliance, the County may terminate this Lease without liability, or, at the election of the County or the United States, either may judicially enforce section 24.D.

24.F. Lessee shall insert the above five (5) provisions, and any others required that may be required by the FAA or other governmental entity, in any sublease or other document by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Property.

24.G. Lessee shall undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this section. Lessee shall require its covered suborganizations to provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effect.

24.H. The County reserves the right, but shall not be obligated to Lessee, 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 Lessee in this regard.

24.I. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the County and the United States relative to the development, operation, or maintenance of the Airport. Lessee shall do nothing in its performance of its obligations under the Lease that would cause any noncompliance with such obligations of the sponsor. The Parties agree that, to the extent any provisions of the Lease are in noncompliance with such obligations, the Parties shall take any necessary corrective action to bring the Lease into compliance with such obligations.

24.J. 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 hereinafter 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 on the airport.

24.K. Lessee shall comply with the notification and review requirements covered in Federal Aviation Regulations (“FAR”) Part 77 in the event future construction of a building is planned for the Property, or in the event of any planned modification or alteration of any present or future building or structure situated on the Property.

24.L. Lessee shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Property that exceeds the mean sea level elevations contained in FAR Part 77 or amendments thereto or interferes with the runway and/or taxiway “line of sight” of the control tower. If these covenants are breached, the County reserves the right to enter upon the Property and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Lessee.

24.M. Lessee shall not make use of the Property in any manner which might interfere with the landing and taking-off of aircraft from the Airport or otherwise constitute a hazard. If this covenant is breached, the County reserves the right to enter upon the Property and cause the abatement of such interference at the expense of Lessee.

24.N. That the Lessee expressly agrees for itself, its successors, and assigns, to prevent any use of the hereinafter described real property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

24.O. This Lease may be subject to approval of the FAA. If the FAA disapproves the Lease, either party may terminate the Lease by providing written notice.

ARTICLE 25 -AIRPORT SECURITY PLAN

25. County reserves the right to implement an Airport Security Plan in a form acceptable to the FAA limiting access of persons, vehicles, and aircraft in and around the airside and landside of the airport and to modify that plan from time to time as it deems necessary to accomplish its purposes. Lessee shall always comply with the Security Plan and current or future compliance with aviation-specific, federally mandated security requirements by the TSA and/or Department of Homeland Security. Security requirements may change as the Homeland Security Threat Advisory Levels change, and, if required, the lessee must adjust operations to reflect the current security requirements.

ARTICLE 26 - RIGHT OF ENTRY RESERVED/RIGHT TO INSPECT

26.A. Lessor shall have the right to enter the Premises for the purpose of periodic inspection of the Premises from the standpoint of safety and health and monitoring the Lessee's compliance with the terms of this Agreement.

26.B. Without limiting the generality of the foregoing, the County and any furnisher of utilities and other services shall have the right, at its own cost, whether for its own benefit or for the benefit of others at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Property at all reasonable times to make such repairs, replacements or alterations thereto which may, in the opinion of the County, be deemed necessary or advisable and from time to time to construct or install over, in or under the Property such systems or parts thereof and, in connection with such maintenance, use the Property for access to other parts of the Airport otherwise not conveniently accessible; provided that in the exercise of such right of access, repair, alteration or new construction, the County shall not unreasonably interfere with the actual use and occupancy of the Property by Lessee.

26.C. If any personal property of Lessee shall obstruct the access of the County or any utility company furnishing utility service to any of the existing utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance, or repair of any such system, Lessee shall move such property, as directed by the County or utility company, in order that access may be had to the system for inspection, maintenance or repair. If Lessee fails to move such property after direction from the County or utility company to do so, the County or the utility company may move it, and Lessee shall pay the cost of such moving upon demand, and Lessee hereby waives any claim for damages as a result thereof, except for claims for damages arising from the County's sole negligence.

26.D. Exercise of any or all of the foregoing rights by the County or others pursuant to the County's rights shall not constitute an eviction of Lessee, nor be made the grounds for any abatement of rent or any claim for damages.

ARTICLE 27 - PROPERTY RIGHTS RESERVED

27. This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the Airport Owner acquired the subject property from the United States of America and shall be given only such effect as will

not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the Airport Owner, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the Airport Owner pertaining to the Brooksville – Tampa Bay Regional Airport.

ARTICLE 28 - SUBORDINATION OF TRUST AGREEMENT

28. This Agreement and all rights of the Lessee hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by the Lessee to secure financing. Conflicts between this Agreement and the documents mentioned above shall be resolved in favor of such documents.

ARTICLE 29 - SIGNS

29.A. Lessee may, at the Lessee's sole expense, erect such exterior signs concerning the Lessee's business, as may conform and comply with all requirements of appropriate governmental authorities including, but not limited to, existing sign ordinances and regulations of Hernando County. The Lessee agrees to obtain all necessary permits or licenses with respect to said signs, to maintain said signs in a good state of repair, to save the Lessor harmless from any loss, cost or damage as a result of the erection, maintenance, existence or removal of said signs and to repair any damage which may have been caused by the erection, existence, maintenance or removal of said signs, and providing further that the plan and location for said signs be submitted to and approved by the Lessee in writing prior to the erection or alteration thereof. At the end of the term of this Agreement, the Lessee agrees to remove, at the Lessee's sole expense, any exterior signs erected during the term of this Agreement and to repair, at the Lessee's sole expense, any damage caused thereby.

29.B. Upon the expiration or termination of the Lease, Lessee shall remove, obliterate, or paint out, as Lessor may direct, at its sole discretion, all signs and advertising on the Premises and, in connection therewith, shall restore the portion of the Premises affected by such signs or advertising to the same conditions as existed prior to the placement of such signs or advertising. In the event of failure on the part of Lessee to remove, obliterate or paint out each and every sign or advertising and to so restore the Premises, Lessor may perform the necessary work and Lessee shall pay these costs to Lessor.

ARTICLE 30 - ENJOYMENT

30. Lessor represents and warrants that the Lessee shall peaceably have, hold, and enjoy the Premises during the Term of this Agreement (including renewals and extensions thereto) without hindrance or molestation from the Lessor subject, however, to all the terms and provisions hereof and covenants, easements and other encumbrances affecting the Facility.

ARTICLE 31 - ASSIGNMENT AND SUBLETTING

31.A. Lessee may not voluntarily assign this Agreement or sublease the Facility, in whole or in part, without the prior written consent of the Lessor, which consent will not be unreasonably withheld, conditioned or delayed; however, in the event of any voluntary assignment (excluding bankruptcy, forfeiture, and foreclosure) or sub-lessee, the Lessee agrees that it shall remain jointly and severally liable, together with any assignee or sub-lessee, for the performance of all terms and conditions in this Agreement unless otherwise released by the Lessor in writing. The Company may, without prior consent, sub-lease space for aircraft storage without prior approval. Any sub-lease for the purpose of allowing an independent business to be operated from the Premises must be approved in writing by the Lessor. In determining whether to grant or deny its consent to any assignment or sublease, the Lessor may review and consider the financial capacity, insurance and business experience of the proposed assignee or sub-lessee.

31.B. When requesting the County's approval of a sublease, Lessee shall submit a copy of the actual sublease documents it plans to submit for execution by the sublessee, including a specific description of the activities to be conducted by the sublessee at the Airport. The County shall notify Lessee of approval or rejection of the proposed sublease within 30 days of Lessee's submission of the request. If the County requires additional review time, the County shall notify Lessee prior to expiration of the initial 30-day period, and the County shall have an additional 30 days to review the proposed sublease. Thereafter, the review period shall only be extended for good cause or by mutual agreement of the Parties. All subleases, amendments, and other lease documents shall be approved as to form by the County as evidenced by signature of the County's designated representative on the original of such document. Any such sublease shall only be for a portion of the Property reasonably necessary for the authorized activity of the sublessee, shall be subject to the terms of this Lease, and shall contain, at a minimum, the provisions required by this Lease.

31.C. If Lessee sells or transfers any interest in the leased Property, Lessee shall pay the County an administrative fee of three hundred dollars (\$300.00).

31.D. Lessee may mortgage, encumber, or assign any portion of its right, title and interest in the leasehold estate created by this Lease to lenders for purposes of financing the initial construction of the capital improvements required by this Lease. Any such mortgage, encumbrance or assignment shall be subject to all of Lessee's obligations under this Lease. No person or entity shall have the right to place any mortgages, deeds of trusts, liens, or encumbrances of any nature on the Property, nor shall any permitted assignment result in a subordination, in whole or in part, of the County's rights under this Lease. If a lender takes the leasehold estate, the administrative fee set forth in section 31.C. above shall not apply.

ARTICLE 32 - WAIVER OF CLAIM

32. Lessee hereby waives any claim against the Lessor, 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 33 - APPLICABLE LAW; VENUE; ATTORNEY'S FEES; JURY TRIAL WAIVER

33. 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 shall bear their own attorneys' fees and costs in the event of any dispute, claim, action, or appeal arising out of or related to this Agreement. Any dispute to this Agreement shall be litigated in civil court in Hernando County, Florida. The parties waive their right to a jury trial on any litigation arising out of this Agreement.

ARTICLE 34 - NOTICES AND COMMUNICATIONS

34. All notices or communications whether to the Lessee or to the Lessor will be considered valid upon receipt by the party addressed to, and shall be addressed as follows:

TO LESSOR: Brooksville – Tampa Bay Regional Airport
c/o Airport Manager
15800 Flight Path Drive
Brooksville, FL 34604

With a copy to: County Attorney’s Office
20 Main Street, Suite 462
Brooksville, FL 34601

TO LESSEE: Anthony Santarsiero
1155 Withlacoochee Street
Safety Harbor, FL 34695
(305) 769-8735
Email: Anthony@11253llc.com

If the Notice is sent through the U.S. Mail or private delivery company (e.g., FedEx, UPS), a verifiable tracking documentation such as certified receipt or overnight mail tracking receipt shall be used.

ARTICLE 35 - AGENT FOR SERVICE OF PROCESS

35. Lessee agrees that service of process may be made against its Florida registered agent, any of its officers or directors, its on-site manager, or its designated representation in Article 1 hereunder. It is further expressly understood that Lessee hereby agrees to the process so served, submits to the jurisdiction of Hernando County courts and waives all obligation and protest thereto, any laws to the contrary notwithstanding.

ARTICLE 36 - COMPLETE AGREEMENT; AMENDMENTS; SUPERSEDES

36. This Agreement represents the complete understanding between the 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. All amendments or modifications to this Agreement shall be in conformity with the provisions herein and shall comport with all laws, regulations, rules, and orders regarding the leasing of surplus airport property and including, without limitation, the provisions referenced in Article 19 herein.

ARTICLE 37 - SEVERABILITY

37. 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.

ARTICLE 38 - BINDING EFFECT

38. 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 and assigns.

ARTICLE 39 - RECORDING OF LEASE AGREEMENT

39. Lessor shall record this Agreement in the public records of Hernando County. The Lessee shall pay all recording costs.

ARTICLE 40 - BROKERS

40. Lessor shall not be liable for any brokerage fees or commissions except pursuant to a brokerage fee agreement duly signed by the Lessee, or the Airport Manager as designee, prior to the Effective Date of this Agreement and which agreement shall name or refer to the

Lessee herein, shall state the brokerage fee or commission and time of payment of such fee or commission, and shall name the broker(s) entitled to such fee or commission (the "Brokerage Agreement"). The Brokerage Agreement shall be attached as an Exhibit hereto. Other than the broker(s) named in the Brokerage Agreement, the parties represent that there are no other brokers involved regarding the negotiation or consummation of this Agreement or of the leased fee herein.

ARTICLE 41 - FORCE MAJEURE

41. Neither the Lessor nor Lessee shall be deemed in violation of the Lease if it is prevented for performing any of its obligations hereunder by reasons of Acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, or any other circumstances for which are not in its control. In the event of circumstances as outlined above the Lessor and Lessee shall mutually agree upon an equitable adjustment of the rates, fee, and changes payable to the Lessor, determined by the precise nature of the events causing the non-performance of the Lessee's obligation hereunder.

ARTICLE 42 FIXED BASE OPERATION (FBO)

42.A. "Fixed Base Operator" shall mean the Lessee at the airport and providing general aircraft services such as maintenance, aircraft fuel servicing, storage, ground and flight instruction, etc.

42.B. Lessee' furnishing, furniture, and fixtures. Lessee shall, without cost to the Lessor, furnish all furniture, fixtures, window and floor coverings, machinery, fuel equipment, and supplies necessary to conduct Lessee's Fixed Base Operation (FBO) in a first-class manner. All such furnishings, furniture and fixtures shall be of high quality, safe, and fire resistant and attractive in appearance.

42.C. THE FBO SHALL:

42.C.1. Have the right to use the Premises for the conduct of a general aviation FBO.

42.C.2. Have the right, but not the obligation of loading and unloading of aircraft engaged in any lawful aviation activities.

42.C.3. Have the right, but not the obligation to perform maintenance, storing, and servicing of aircraft, including overhauling, repairing, rebuilding, inspection, and licensing of the same, and the purchasing and sales of parts, equipment, and accessories thereof.

42.C.4. Have the right, but not the obligation 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 wither retail, wholesale or as a dealer.

42.C.5. Have the right of sale and into-plane delivery of aircraft fuels, lubricants, and propellants.

42.C.6. Have the right, but not the obligation to offer flight instruction.

42.C.7. Have the right, but not the obligation to offer the rental of aircraft.

42.C.8. The Lessee shall have the right, but not the obligation of offering air taxi and charter services for the transportation of passengers, cargo, and mail, including handling on the Premises of air taxi and charter services of others.

42.C.9. The Lessee shall have the right, but not the obligation of offering specialized aircraft repair services such as radio, instruments, and accessories.

42.C.10. The Lessee shall have the right, but not the obligation of offering the operation and maintenance of facilities and improvements upon the Premises, for the purpose of carrying out any of the activities provided for herein: subject, however, to the conditions of this Agreement.

42.C.11. Have the right, but not the obligation to provide food and beverage vending machines in the public and employee break areas of the FBO Facilities. Company shall have the right to establish food and beverage concessions on the Premises as normally found in a first-class FBO solely for convenience, necessity, and use of the general aviation customers and the general public.

42.C.12. Have the right, but not the obligation to sell aviation products and merchandise incidental to general aviation activities described above.

42.D. The Lessee shall pay to the County Fuel Flowage Fees. In addition to Land Rent, the Lessee agrees to pay Fuel Flowage Fees to the County as follows: ten cents (\$0.10) per gallon on all aircraft fuel deliveries each month to the Lessee's Premises under this Agreement. Fuel Flowage fees shall be remitted by the tenth (10th) day of the month after the month in which the aircraft fuels are received by the Lessee and the Lessee shall provide the County along with its payment a report of all deliveries of aviation fuel for the preceding month. Lessee's owned and operated vehicles (rolling stock) shall be exempted from the Fuel Flowage Fees. Fuel flowage fees may be subject to change by the County from time to time, but no more often than every fifth (5th) year after the commencement of this Agreement. Any such increase shall be at the sole discretion of the County, and any changes that are made in the Fuel Flowage Fee will be set out in writing to the Lessee with the effective date thereof; however, in no event may Fuel Flowage Fee be increased by more than ten percent (10%) over the preceding period. The County shall have the right, but not the obligation, to audit the Lessee's book and records or receipts at any time for the purpose of verifying the Fuel Flowage Fees hereunder. If, as a result of such audit, it is established that the company has understated the Fuel Flowage Fees received by five percent (5%) or more, the entire expense of said audit shall be borne by Lessee. Any additional fees due, shall be paid by the Lessee to the County with interest thereon at ten percent (10%) per annum from the date such fees became due. The Airport Manager reserves the right to reduce or waive said interest.

42.E. Fuel Farm Facilities. In connection with the Fuel Farm Facilities, the Lessee agrees:

42.E.1. Lessee shall pay for all cost of construction, maintenance, repair, upkeep, and local regulations, statutes, codes, or ordinances.

42.E.2. Lessee shall conduct its operations of said Fuel Farm Facilities in such a manner as will meet all federal, state, or local requirements, and further will reduce to a minimum any spillage, overflowing or escaping of gases, petroleum, or petroleum products to that which is reasonably practicable, considering the nature and extent of the Company's operations.

42.E.3. Lessee shall always maintain the Fuel Farm Facilities free and clear of any offensive substances, refuse matter, scrap material or waste resulting from its use or work performed thereon and the Company shall strictly comply with safety and fire prevention ordinances of Hernando County, including any and all applicable safety regulations at the Airport that may be adopted by Airport Management or the County.

42.E.4. Lessee shall train its employees on proper fuel dispensing procedures with an emphasis on safety.

42.E.5. Lessee shall provide adequate fire extinguishers and shall establish a Fuel Dispensing Operations manual for its employees and shall submit same to the Airport Director for comment and approval. The manual shall include the following items:

(1) Types of Fuel; (2) Grounding Techniques, Positioning of Aircraft, and Safety Tips; (3) Procedures to follow for Fuel Spills; (4) Locations of all Fire Extinguishers and Fuel Shutoff Push Button Stations; and (5) Call-Out List.

42.E.6. Lessee shall endeavor but is not obligated to incorporate a Safety Management System for the operation of the FBO to reduce ground incursions, mis-fueling of aircraft, or other common airport maladies. The goal of the Lessor and Lessee is to reduce aviation incidents, accidents, or occurrences. This is a mission of the Lessor and shall be supported both in spirit and practice by the Lessee.

ARTICLE 43 – MISCELLANEOUS

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

43.B. 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.

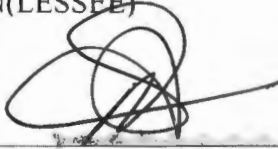
[SIGNATURES ON FOLLOWING PAGE]

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 or representatives.

ABFL6, LLC DBA BLUEWATER
AVIATION(LESSEE)

ATTEST:

Dina Linn

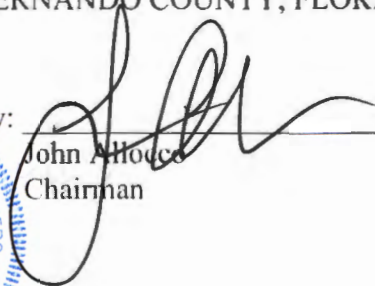
By: 
Print Name: Anthony Santarsiero
Title: Manager
Date: 6/14/2023

BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA (LESSOR)

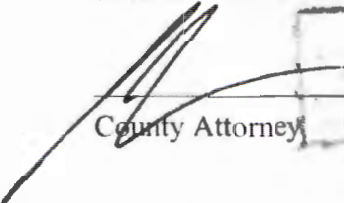
ATTEST:

Hidi Krupke, Deputy Clerk
Douglas A. Chorvat, Jr.
Clerk of Circuit Court & Comptroller



By: 
John Allouca
Chairman

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:


County Attorney

STATE OF FLORIDA
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 14 day of June, 2023, by Anthony Santorico, as Manager of ABFL6, LLC dba Bluewater Aviation, who is personally known to me OR has produced Drivers License, as identification.



Christine Ann Schmidt
Notary Public (Signature of Notary)
Christine Ann Schmidt
Name legibly printed, typewritten, or stamped

STATE OF FLORIDA
COUNTY OF HERNANDO

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 11th day of July, 2023, by John Allocco, as Chairman of the Hernando County Board of County Commissioners, who is personally known to me OR has produced _____, as identification.

Colleen Conko
Notary Public (Signature of Notary)
Colleen Conko
Name legibly printed, typewritten, or stamped

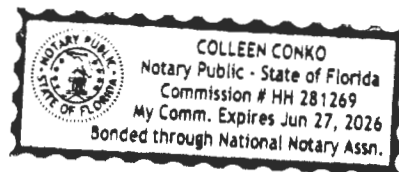


EXHIBIT 1

LEGAL DESCRIPTION:

A parcel of land lying within Section 18, Township 23 South, Range 19 East, Hernando County, Florida, being more particularly described as follows:

For a POINT OF REFERENCE commence at the Southwest corner of said Section 18: thence S.89°58'21"E., along the South boundary of the Southwest 1/4 of said Section 18, a distance of 696.67 feet; thence N.00°08'19"E., a distance of 124.37 feet for a POINT OF BEGINNING; thence continue N.00°08'19"E., a distance of 505.70 feet to the apparent South right-of-way line of Flight Path Drive: thence S.89°50'19"E., along said apparent South right-of-way line, a distance of 1,075.10 feet; thence S.00°09'41"W., a distance of 415.70 feet; thence S.89°50'19"E., a distance of 145.00 feet, thence S.00°09'41"W., a distance of 90.00 feet, thence N.89°50'19"W., a distance of 1,219.90 feet to the POINT OF BEGINNING. Containing 12.780 acres more or less.

EXHIBIT 2

The Lessee is Developing the property into multiple phases. The Development is consistent with Ordinance No.: 2016-3, Section 1 which relates to “The Adoption of Minimum Operating Standards for the Brooksville-Tampa Bay Regional Airport (“MOS”). The current MOS dated May 13, 2004, and Adopted February 9, 2016, is attached hereto as Exhibit 2.1. Nothing in this Agreement shall prohibit the Lessee from seeking to amend certain requirements in the MOS.

The current applicable MOS to this development is set forth in Part III, Minimum Operating Standards: Subpart A – Fixed Base Operator (“FBO”).

The Phases of Construction are as follows:

PHASE 1:

Commercial/General Aviation Aircraft Storage & Maintenance

- (a) Various sized hangars for Commercial Storage with potential office and storage areas
- (b) Various sized hangars for storage/maintenance
- (c) Paved Transit/Tie Down area
- (d) Fuel Storage to support Fuel Services which will allow the Lessee to receive a Certificate of Occupancy from the county building department; and
- (e) Temporary structure to house employees and serve as the FBO until the permanent structure is built.

PHASE 2 and beyond:

Central Command & Control Center (FBO) continued development of various sized hangars and a permanent FBO building with the right to build a restaurant/food service area.