



Mr. Jerry Sansom, Chairman
Mr. John Craig, Vice Chairman
Mr. Harry Carswell, Treasurer
Mr. Al Elebash, Secretary
Mr. Roger Molitor
Mr. Donn Mount
Mr. Al Voss

355 Golden Knights Blvd. → Titusville, Florida 32780
321.267.8780 → fax: 321.383.4284 → mpowell@flairport.com

AGENDA
REGULAR MEETING
AUGUST 20, 2020 AT 4:00 P.M.

.....

*** NOTE TO ALL PUBLIC ATTENDEES:**

The public may speak on any item on the agenda. Should someone wish to address the Airport Authority Board on a specific item, there will be request cards located on the wall adjacent to the public seating area. Be advised that these cards must be completed and presented to the Executive Secretary prior to the item being heard. Your comments will be addressed prior to the Board's discussion and you will have 5 minutes to address the Board. Thank you for your attention.

Salute to Flag - Pledge of Allegiance.

- I. CALL TO ORDER.
- II. ROLL CALL.
- III. APPROVAL OF THE AGENDA, AS PRESENTED
- IV. APPEARANCES: None
- V. PRESENTATIONS: None
- VI. CONSENT AGENDA:

(These items are considered routine and will be acted upon by the Authority in one motion. If an Airport Authority Board Member requests discussion on an item, it will be considered separately.)

- a. Approval of the Titusville - Cocoa Airport Authority Minutes:

- 1. July 16, 2020 - Regular Meeting

- VII. OLD BUSINESS: None
- VIII. NEW BUSINESS:
 - a. Discussion and Consideration of a Lease at TIX for 6995 Tico Rd
 - b. Discussion and Consideration of the Sale of Driving Ranges, Inc. to be Operated as CGS-Range, LLC at X21.
 - c. Discussion and Consideration of a Ground Lease at TIX for the VAC

NEXT REGULARLY SCHEDULED AUTHORITY MEETING IS TENTATIVELY SCHEDULED FOR
SEPTEMBER 17, 2020 AT 4:00 P.M.

- d. Discussion and Consideration of a Lease at COI for Florida Biplanes/ Merritt Island Aviation
- e. Discussion by Mr. Aaron McDaniel of Recent Invoiced Costs by Michael Baker International and Contractors Regarding Current Projects
- f. Discussion by Mr. Rob Hambrecht of Recent Invoiced Costs by AVCON and Contractors Regarding Current Projects

XI. INFORMATION SECTION:

- a. Chief Executive Officer Report
 - Working with the County EDC and NBEDZ Regarding Multiple Groups expressing an Interest in Possibly Locating to TIX
 - Working with TIX Ventures and EFSC on Finalizing an Agreement to Develop a Facility at TIX
 - Working with Space Florida Regarding their Funding Requirements for Projects
 - Working with the FAA on Future Projects
 - Working with the FDOT on Future Projects
 - Conversations and Correspondence with Space Florida Regarding Space Perspective and Two Other Companies that Just Engaged Space Florida
 - Working with Mag Aero on Expansion Plans
 - Presentation with Hedrick Brothers and Michael Baker to Space Perspective Showing a Possible Facility at TIX
 - Meeting with Brian Baluta, New Director Communications & Partner Relations with the County EDC
 - Meeting with Mr. Edgar Campa-Palafox, New Director Business Development with the County EDC
 - Meeting Discussing Through the Fence Operation at COI
- b. Attorney Report
 - Pending
- c. Check Register & Budget to Actual
- d. Project Reports

X. AUTHORITY MEMBERS REPORT

XI. PUBLIC AND TENANTS REPORT

XII. ADJOURNMENT

Respectfully submitted,

Mr. Michael D. Powell, C.M., ACE
Chief Executive Officer

Mr. Jerry Sansom
Chairman

TITUSVILLE – COCOA AIRPORT AUTHORITY

The Regular Meeting of the Titusville - Cocoa Airport Authority was held on July 16, 2020 at 8:30 a.m. at the Titusville - Cocoa Airport Authority Office at 355 Golden Knights Boulevard, Titusville, FL and Via Video Conference. The following members were present via video conference: Mr. Jerry Sansom, Chairman; Mr. John Craig, Vice Chairman; Mr. Al Elebash, Secretary; Mr. Al Voss; Mr. Roger Molitor; Mr. Michael D. Powell, C.M., ACE, CEO; Mr. Adam Bird, Attorney. Mr. Harry Carswell and Mr. Donn Mount were absent.

Call to Order

Mr. Sansom called the meeting to order and determined that a quorum was present.

Approval of the Agenda

Mr. Sansom asked if there were any proposed changes to the Agenda. Seeing none, Mr. Sansom called for a motion. Mr. Craig made a motion to approve the Agenda as presented. Mr. Voss seconded. Mr. Sansom called the question. There were no objections. Motion passed.

Appearances – None**Presentations – None****Consent Agenda****Item A – Approval of the Titusville-Cocoa Airport Authority Minutes:****1. June 18, 2020 – Regular Meeting**

Mr. Sansom called for a motion to approve the Consent Agenda. Mr. Voss made the motion. Mr. Elebash seconded. Mr. Sansom called the question. All voted aye. Motion passed.

Old Business**Item A – Discussion & Consideration on the Use of CARES Act Funds**

Mr. Powell gave an overview of the item, stating that at the last meeting the Board had asked Staff to bring more quotes for review. Mr. Powell stated that the additional quotes had been provided in the Agenda. Discussion continued.

Mr. Craig made a motion to approve Staff recommendation. Mr. Voss seconded.

Mr. Elebash stated that the low bid on the roofing project had a 10 year warranty, but the second bid, which was higher, had a 15 year warranty. Mr. Elebash stated that on a per-year basis, the second bid was actually the lower of the two. Mr.

Elebash stated that the low bidder also had a 2 year labor warranty, whereas the second bid had a 10 year labor warranty. Discussion continued.

Mr. Powell stated that Staff would have to check with the FAA to see if they would sign off on going with the second bidder. Discussion continued.

Mr. Elebash requested an amendment to the motion to accept the bid that was based on the per-year warranty costs and was technically the lower bid. Mr. Craig stated that the amendment would have to state that it would be on the roofing portion of the motion. Mr. Elebash stated that he would have problems with the second part as well. Discussion continued.

Mr. Elebash stated that on the building bid, Carolina Carports made an error on face of their bid, and he felt that the inaccuracy, numerous restrictions, and overall sloppiness of the proposal made him want to choose the second bid. Discussion continued.

The Board came to a consensus that on the roofing project, they would be okay with staying with the lowest bidder, Bel-Mac Roofing. Discussion continued.

Mr. Molitor entered the meeting at 8:48 a.m.

Mr. Molitor stated that he had worked with Carolina Carports and they were okay, but he had a terrible time scheduling with them. Mr. Voss stated that he felt it would be better to defer to Staff in this situation. Mr. Sansom asked Mr. Powell if there was a rush to do the project. Mr. Powell stated that it wasn't a detriment, but Staff would like to get the equipment protected. Mr. Sansom asked if there were any issues on checking back with the FAA and also with the bidders, and having coming back to the Board with a firmer recommendation at the next meeting. Mr. Powell stated that he could do that, or the Board could make the recommendation to go with what was discussed and if the FAA didn't want to go with that, then they could just go with the second one in line.

Mr. Craig stated that if Staff said they did the research, than he felt that the Board should bring it for a vote. Mr. Powell re-stated the action item on the agenda to approve Bel-Mac as the low bidder on the roof repair and Carolina Carports as the low bidder on the metal building. Mr. Elebash if the two could be separated. Mr. Sansom stated that they could.

Mr. Sansom asked Mr. Craig to withdraw his motion so the two could be separated. Mr. Craig stated that he would rather amend the motion by splitting the items into two votes, but asked Mr. Bird to explain. Mr. Bird stated that Mr. Craig was essentially correct about amending the motion and that Mr. Elebash had proposed the amendment, and if Mr. Craig was okay with that there would not be an issue.

Mr. Sansom stated that the Mr. Elebash proposed the amendment to separate the vote on the two issues, asking Mr. Craig if he was okay with that. Mr. Craig concurred. Mr. Sansom asked Mr. Voss if he concurred as the seconder to the

motion. Mr. Voss concurred. Mr. Sansom called the question on the roof repairs. All voted aye. The first part of the motion passed. Mr. Sansom called the question on the second part of the motion, which was to go with the low bidder, Carolina Carports, on the metal building. All voted nay. The second part of the motion failed.

Mr. Voss made a motion to accept the second bidder, Discovery Buildings, for the metal building. Mr. Craig seconded. Mr. Bird stated that there may need to be an FAA review conditional within the motion. Mr. Voss amended his motion to add the FAA review conditions. Mr. Craig re-seconded. Mr. Sansom called the question. All voted aye. Motion passed.

Item B – Discussion & Consideration of the 2020-2021 Budget

Mr. Powell gave an overview of the item, stating that the proposed budget had been presented to the Board before and there were no changes. Mr. Sansom stated that the First Budget Hearing would be in August, and asked Mr. Bird if the Board needed to take any action at the moment. Mr. Bird stated that no action was needed.

New Business

Item A – Discussion by Mr. John Neff of Recent Invoiced Costs by Michael Baker International and Contractors Regarding Current Projects

Mr. Powell turned the floor over to Mr. Neff.

Mr. Neff presented Pay Request Number 3 (Construction) in the amount of \$221,787.93 from V.A. Paving, Inc., and Pay Request Number 3 (Construction) in the amount of \$ 34,198.85 from Michael Baker International, which were for the South Apron & Runway 11/29 Rehabilitation Project at Merritt Island Airport. Discussion continued.

Mr. Voss made a motion to approve the invoices. Mr. Craig seconded. Mr. Sansom called the question. There were no objections. Motion passed.

Item B – Discussion by Mr. Rob Hambrecht of Recent Invoiced Costs by AVCON and Contractors Regarding Current Projects

Mr. Powell turned the floor over to Mr. Hambrecht.

Mr. Hambrecht presented Pay Request Number 1 (Construction) in the amount of \$125,273.93 from Trinity Electrical Services, Inc., and Pay Request Number 1 (Construction) in the amount of \$5,754.98 from AVCON, Inc., which were for the PAPIs Replacement Project at Merritt Island Airport.

Mr. Elebash made a motion to approve the invoices. Mr. Craig seconded. Mr. Sansom called the question. There were no objections. Motion passed.

Information Section**CEO Report**

Mr. Powell reported that there was an ever increased interest in groups looking, considering and possibly relocating to properties owned by the Airport Authority. Mr. Powell stated that Staff was spending a lot of time meeting with the interested entities, and that Space Florida has even sent a couple of groups to view the sites.

Mr. Powell reported that MagAero at the Space Coast Regional Airport, had secured an A & E firm and they were very interested in moving forward with two large hangar buildings and possibly a third to come shortly thereafter.

Mr. Powell concluded his report.

Attorney Report

Mr. Bird reported that he continued to work on a couple of good sized leases, one with the Valiant Air Command and the other with Florida Biplanes.

Mr. Bird stated that he had an opportunity to sit in with Mr. Powell in one of his development meetings, and Mr. Bird commended Mr. Powell on his energy and knowledge and stated that Mr. Powell was a great spokesperson for the Airport Authority.

Mr. Bird stated that the Welsh Construction matter remained in limbo and the Airport Authority would end up with a new trial date, but he did not know when that would be because the court systems were a total mess.

Mr. Bird stated that he had provided a legal opinion letter on the Merritt Island through-the-fence operation issue, and if there were any questions on that he would be happy to answer them.

Mr. Bird concluded his report.

Check Register & Budget to Actual - Provided**Administration & Project Reports –Provided****Authority Members Report**

Mr. Elebash stated that the gate at the entrance road when you take a left off Courtenay at the Merritt Island Airport was in bad shape. Mr. Powell stated that Staff was aware of the problem and unfortunately it was a low priority project in the eyes of the funding entities. Mr. Powell stated that Staff was constantly looking for an opportunity to include that in another project, in addition to any other signage projects at all three airports. Mr. Sansom asked if it was something the CAREs money could be used for. Mr. Powell stated that there wouldn't be enough

left, but could apply what was left to it. Mr. Powell stated that there were other things Staff could look into. Discussion continued.

Mr. Molitor stated that he had an inquiry from a company that wanted to know if he thought his vote would be in favor of a through-the-fence fly-in community at Merritt Island. Mr. Molitor stated that he deferred them to Mr. Powell. Discussion continued.

Mr. Molitor asked Mr. Powell if there was anything the Board could do to help with the prospective companies. Mr. Powell stated that the Board members were always welcome to join the meetings, and most of the groups were in the early stages right now and any he felt any of the entities would be happy to know there was support by the governing body. Mr. Powell stated that he would be happy to get Mr. Molitor involved in any follow up. Discussion continued.

Mr. Sansom stated that he had COVID fatigue, adding that he hoped everyone was staying safe.

Public & Tenants Report – None

Adjournment

Mr. Sansom adjourned the meeting at 9:25 a.m.

JERRY SANSOM, CHAIRMAN

AL ELEBASH, SECRETARY



TIX → SPACE COAST REGIONAL AIRPORT
COI → MERRITT ISLAND AIRPORT
X2I → ARTHUR DUNN AIRPARK

355 Golden Knights Blvd. → Titusville, Florida 32780 → 321.267.8780 → fax: 321.383.4284 → email: admins@flairport.com

MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael D. Powell, C.M., ACE
Chief Executive Officer

DATE: August 20, 2020

ITEM DESCRIPTION - NEW BUSINESS ITEM A

Discussion and Consideration of a Lease at TIX for 6995 Tico Rd

BACKGROUND

Air USA has expressed a possible interest in locating a portion of their business to TIX permanently. They have requested a lease for 6995 Tico Rd. for one year at \$3,500 a month, plus applicable sale tax, with four one year options, while they look at options to build their own facility.

In order for the existing facility to meet their needs, they have asked to modify some of the interior. They wish to remove some interior walls to allow for more storage, replace carpet, raise the drop ceiling on a portion of the facility, and reinstall a steel rollup door.

They have asked for rent abatement for making the improvements which will cost \$21,234.50, which would be just over five months rent.

ALTERNATIVES

The Airport Authority Board could approve the lease, improvements and rent abatement, disapprove, or ask for some other alternative.

FISCAL IMPACT

The fiscal impact for the first year would be roughly \$21,000 after the just over five month rent abatement at \$3,500.00 a month, then \$42,000.00 annually the following years.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) Approve the lease, improvements, and rent abatement, and (2) authorize an Authority Officer or the Chief Executive Officer to execute the necessary documentation upon satisfactory review by legal counsel.

Bid Memo

JOB #	1
ADDRESS	6995 TILLO RD
FIRM	T ^{OS} HANDYMAN SERVICE
ADDRESS	4155 Fox Lake Rd.
TYPE OF WORK	Demo/Carpet/Lighting
DATE	8-2-2020
PREPARED BY	SCOTT TAYLOR
APPROVED BY	
PHONE	

WORK INCLUDED	AMOUNT OF BID
1 DEMO METAL STUD WALLS/DRYWALL FOR WAREHOUSE, ALL ROOMS NORTH & SOUTH EAST OF HALLWAY	\$ 700.00
2 REMOVE ALL CEILING PANELS/GRID & CABLE SUPPORTS TOTAL OF 3542 sq' →	\$ 1771.00
3 REMOVE ALL GLUED DOWN CARPET/LAMINATE FLOORING IN COMPLETE BLD - 4837 sq'	\$ 2418.50
4 DROP OUT 40 TRAFFER LTS, ISULATE POWER, REMOVE ALL A/C DUCTWORK	\$ 1000.00
5 RELOCATE 4 DOUBLE SWITCHES FOR LTS -	\$ 400.00
6 INSTALL NEW 20# COMMERCIAL GRADE CARPET IN ALL OFFICES - 424 yds - 3816 sq'	\$ 6962.00
7 INSTALL NEW LED LTS IN WAREHOUSE AREAS - 40 LTS AT 190° EACH (MRL) OPTION (A) →	\$ 7600.00
8 RAISE UP EXISTING TRAFFERS WITH NEW WIRE HANGERS 40 OPTION (B) →	\$ 3000.00
9 HAUL AWAY ALL DEBRIS - INCLUDED	
BID WITH OPTION (A)	TOTAL - \$ 20,851.50
BID WITH OPTION (B)	TOTAL BID \$ 16,251.50

EXCLUSIONS AND QUALIFICATIONS

*NOTE - JOB WILL REQUIRE 1/2 DOWN AT START.
1/2 DOWN AT COMPLETION.

* APPROX 2 WEEKS FOR COMPLETION OF JOB.

ACKNOWLEDGMENT OF ADDENDA

DELIVERY

TAX

EXCLUDED

INCLUDED

RECEIVED BY



Southern Dock Products

a division of DURA SERV corp

QUOTATION

Q-294596.00

To: Titusville-Cocoa Airport Authority

Titusville,

Attn: Justin Hopman

Phone: 321.267.8780

Fax:

Email: jhopman@flairport.com

Issued: Tuesday, July 28, 2020

Expiration: Thursday, August 27, 2020

Sales Contact: Julio Montenegro

Direct: (407) 656-1289 Cell: (407) 385-2590

Email: jmontenegro@southerndock.com

Reference: Rolling Steel Door

Project: Titusville-Cocoa Airport Authority

Qty	Description	Price	Total
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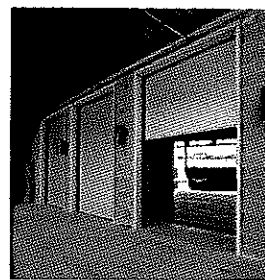
Budgetary Proposal

Standard PO - NET 30

1 Rolling Steel Service Door
10'w X 7'-3h"

STEEL CHAN FLUSH W/ E GUIDE HAND CHAIN, FACE OF WALL, INTERIOR COIL WEATHERED SERVICE DOOR, 2-5/8" FLAT SLAT, 22 GAUGE, GALVANIZED STEEL, WHITE GALVANIZED STEEL

- Color WHITE
- Miami DADE Rated - 65 PSF Wind Load, 50 Impact, MD Approval #: 18-0125.11
- Mounted to steel
- RH Chain Hoist



1 Mechanical Install

- Installation weekdays only 7am-4pm
- Install 1- 10x7-3 Miami Dade Rated rolling steel door with chain hoist mounted to steel

No removals of any sort - ALL removals by others

1 Freight

- Estimate included*

Project Total: \$4,983.00

Project Total: \$4,983.00

Scope of Work

OVERHEAD DOORS: Specific to overhead doors and their proper installation:

- Installation of overhead doors is based on an enclosed facility with a finished floor.
- All interior mounting surfaces to flush and plumb.
- Door frames, extensions and anchor plates for track, springs and / or electric operators are to be supplied and installed by others.
- For operators, all electrical wiring, interconnections, and supply of primary power by others.

EXCLUSIONS: Pollution Liability, Professional Liability, OCIP/CCIP and Tax all excluded from proposals unless expressly provided.



Southern Dock Products

a division of **DURA** ESERV corp

QUOTATION

Q-294596.00

Qty	Description	Price	Total
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SPECIAL NOTES

ALL permits completed by others
ALL mounting support provided by others
Estimated freight charges included, actual freight cost will be added to final invoice
Price contingent on site visit. Specs must be provided and signed before purchase
Labor provided for "ready site", straight-continous work

A DOE CUSTOMER TAKES FULL
RESPONSIBILITY OF REVIEWING
THIS QUOTATION PRIOR TO
RELEASING AS ORDER. PLEASE
REVIEW CAREFULLY.

SUBJECT TO ANY PRICE INCREASE.

QUOTATION IS FOR PRICING ONLY.
RECEIPT OF A PO BY DuraServ IS
REQUIRED AND SHALL CONSTITUTE
AN OFFER TO PURCHASE. SUBJECT
TO ACCEPTANCE BY DuraServ

For Standard Terms & Condtions of Sale please visit:

<http://duraservcorp.com/terms/terms-and-conditions.pdf>

Accepted By: _____

Justin Hopman - Titusville-Cocoa Airport Authority

Date: _____

PO #: _____



July 31, 2020

Scott
6995 Tico Road
Titusville, FL 32780
217-899-8863
Scott@air-usa.com

RE: Commercial Building Renovation

VJA Construction is happy to offer to make the improvements that you have described to us as follows:

1. Prepare Plans and Submit for Permitting. Permit Fees by Others.
2. Demo Existing Walls and ACT to make New Ware House Space
3. Demo Floor in New Warehouse Space
4. Demo and Replace ~1,500 sq.ft. of Flooring in Office marked 2,3,4,5 on provided plan
 - a. Material Allowance of \$3psf
5. Demo Existing Lighting in New Warehouse Space
6. Demo Electrical from Removed Offices
7. Install (40) New 48in LED fixture in the New Warehouse
8. Repair Drywall on Exterior Walls of New Warehouse where Walls were Removed
9. Demo Existing Door at Loading Dock
10. Install New 10' Manual Roll Up Door

Clarifications and Exclusions:

1. Excludes Anything Not Specifically Noted on this proposal.
2. Paint Excluded

The total contract price for the above project is \$58,000.00

We Accepted Credit Cards Through PayPal with an Additional 3% processing Fee
Any unpaid amount shall be subject to Attorney's/Court fees and 1.5% interest

Offered By:

Date:



John Purdy, Resident, VJA Construction

7-31-2020

Accepted By:

Date:

**TITUSVILLE-COCOA AIRPORT AUTHORITY
LEASE AGREEMENT**

THIS LEASE AGREEMENT ("Lease") is made to be effective as of the _____ day of _____, 2020 (the "Effective Date"), among the **TITUSVILLE-COCOA AIRPORT AUTHORITY**, as governing body of the Titusville-Cocoa Airport Authority, a special taxing district existing under the laws of the State of Florida, whose mailing address is 355 Golden Knights Boulevard, Titusville, Florida 32780 ("**Authority**"), and **Air USA, Inc.** a Nevada corporation authorized to do business in the State of Florida whose mailing address is 1659 Highway 104, Quincy, Illinois 62305 ("**Lessee**").

W I T N E S S E T H:

In consideration of the mutual covenants and agreements herein set forth, Authority and Lessee agree and covenant as follows:

**ARTICLE I
PREMISES AND PERMITTED USES**

1.1 Demise of Premises.

Subject to the terms and conditions set forth in this Lease, Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor, the following property, structure and improvements located at the **SPACE COAST REGIONAL AIRPORT (TIX)** (the "Premises"): a parcel of real property together with a commercial building and improvements thereon and thereto with a legal address of 6995 Tico Road, Titusville, FL 32780, as depicted more specifically on **Exhibit "A"** hereto. Lessee hereby leases the Premises subject to, and Lessee hereby agrees to comply with, (i) all applicable building codes, zoning regulations, and municipal, county, state and federal laws, ordinances and regulations governing or regulating the Premises or its uses, (ii) all covenants, easements and restrictions of record, (iii) "Rules, Regulations, and Minimum Standards Covering Airports Owned or Controlled by the Titusville-Cocoa Airport Authority," as the same may be amended from time to time ("Minimum Standards"), and (iv) the Merritt Island Airport Master Plan, as the same may be amended from time to time (the "Master Plan").

1.2 Condition of Premises:

Lessee accepts the Premises in "AS-IS" condition. Lessee acknowledges that Authority has made no representations or warranties relating to the suitability of the Premises for any particular use, and unless otherwise expressly provided in this Lease, Authority shall have no obligation whatsoever to repair, maintain, renovate or otherwise incur any cost or expense with respect to the Premises. Lessee shall not permit any unlawful nuisance, waste or injury on the Premises. Lessee agrees to surrender the Premises upon the expiration of this Lease, or earlier termination hereof, in a condition substantially similar to the condition of the Premises on the Effective Date, ordinary wear and tear excepted.

1.3 Construction of Improvements by Authority.

Authority, at its own cost, agrees to construct those improvements described on **Exhibit “B”** hereto, unless said exhibit indicates that Authority shall construct no improvements on or in relation to the Premises in which case Authority shall not be responsible in any fashion for the construction of improvements of any kind on the Premises.

1.4 Construction of Improvements/Modifications by Lessee.

Any improvements Lessee wishes to construct upon the Premises, and any work to the existing structures on the Premises that requires one or more building permits, shall be submitted to the Authority in writing for Authority's approval, which shall be granted or denied by Authority in its sole discretion. Construction of all improvements shall be solely at the expense and cost of the Lessee, and Authority shall not be responsible for the same regardless of Authority providing its approval for construction of such improvements. Any construction and/or improvements to the existing structure by Lessee on the Premises shall be in accordance with local building codes and shall also be governed by **Exhibit "C"** hereto, which is incorporated herein by reference.

1.5 No Entitlement to Lien.

Nothing contained in this Lease shall authorize Lessee to do any act which may create or be the foundation for any lien, mortgage or other encumbrance upon the Premises or of any interest of Authority in the demised Premises or upon or in any building or improvement located thereon, it being agreed that should Lessee cause any alterations, changes, additions, improvements or repairs to be made to or on the Premises, or cause materials to be furnished or labor to be performed therein or thereon, neither Authority nor the Premises shall, under any circumstances, be liable for the payment of any expense incurred or for the value of any work or material furnished to the Premises or any part thereof. Lessee shall upon request of Authority deliver such documents as may be required by Authority in order to effectuate the lien protection required by this paragraph. All such alterations, changes, additions, improvements, repairs, materials and labor, other than those expressly set forth in this Lease to be the responsibility of Authority, shall be at Lessee's expense and Lessee shall be solely and wholly responsible to contractors, subcontractors, laborers and materialmen furnishing labor and material to the Premises, any building or structure thereon or any part thereof. If, because of any act or omission of Lessee, any mechanic's or other lien or order for the payment of money shall be filed against the Premises or any building or improvement located thereon or against Authority (whether or not such lien or order is valid or enforceable as such), Lessee shall, at Lessee's own cost and expense, within fifteen (15) days after the date of filing thereof, cause the same to be canceled and discharged of record or furnish Authority with a surety bond issued by a surety company reasonably satisfactory to Authority, protecting Authority from any loss because of nonpayment of such lien claim and further shall indemnify and save harmless the Authority from and against any and all costs, expenses, claims, losses or damages, including Attorneys' Fees (defined below), resulting thereupon or by reason thereof. This Lease expressly provides that the interest of the Authority in the Premises shall not be subject to liens for improvements of any kind made by Lessee, and Authority is authorized to record a memorandum of this Lease to effectuate this section.

1.6 Quiet Enjoyment.

Authority agrees that, subject to Lessee's performance of the terms and conditions of this Lease, Lessee shall peaceably and quietly have, hold and enjoy the Premises in accordance with the terms and conditions of this Lease.

1.7 Permitted Uses.

Lessee shall be permitted to use the Premises only for: (a) manufacture, installation and/or repair of aircraft accessories, and (b) any functions reasonably related to purpose "(a)," above (the "Permitted Uses"). Lessee shall not use or otherwise utilize the Premises for any purpose other than the Permitted Uses without the express, written consent of the Authority.

1.8 Signage.

All signage on the Premises shall comply with the Minimum Standards and must be approved in writing by the Authority before being installed, said approval shall not be unreasonably withheld.

ARTICLE II
TERM OF LEASEHOLD

2.1 Base Term of Lease.

The base term of this Lease shall be for a period of one (1) year beginning on the Effective Date and terminating at midnight on the _____ day of _____, 2021 (the "Base Term"). Lessee shall also be entitled to four (4) one (1) year options to renew after the initial term as long as at the time Lessee notifies Authority of its exercise of either option, Lessee is not in material default of any provision of this Lease. At the termination of the Lease, title to all improvements on the Property of any kind not already in the name of Authority shall revert to Authority.

ARTICLE III
ANNUAL RENT AND FEES

3.1 Monthly Rent and Fees.

Lessee shall pay to the Authority monthly rent for the Premises (hereinafter referred to as the "Base Monthly Rent"), beginning with the Commencement Date, in the amount detailed below, which Base Monthly Rent shall be payable on or before the first day of each calendar month (or partial calendar month) thereafter in advance in lawful money of the United States, without deduction or set-off, at the office of the Authority. Base Monthly Rent for a partial month, if any, during this Lease shall be prorated based on the number of days in such month.

3.2 Calculation of Rent and Fees.

The Base Monthly Rent and related charges to be paid to the Authority by Lessee beginning with the Commencement Date, which shall be adjusted annually as set forth below, shall be as follows:

- (a) Base Monthly Rent: Lessee shall pay to Authority Base Monthly Rent in the amount of \$3,500 per month plus Florida State Sales Tax (\$42,000 per annum).
- (b) Rent (other):
 - (i) Lessee shall pay to Authority monthly common area maintenance (CAM) fees in the amount of \$ N/A for the Premises. These CAM fees shall be paid at the same time and in the same manner as Base Monthly Rent due the Authority from Lessee and are to cover Lessee's share of expenses related to the upkeep, maintenance and repair of common areas of the Premises.
 - (ii) Lessee shall pay to Authority any and all sales tax due on any of the rent, fees or other charges due under this section 3.2, to Authority at the same time and in the same manner as base rental payments are paid to Authority by Lessee. Lessee acknowledges that sales tax rates are subject to change from time to time and further agrees and acknowledges that it is responsible to calculate and pay to Authority the correct amount of sales tax due hereunder.
 - (iii) All sums due Authority hereunder, regardless of nature or purpose, constitute rent due the Authority, and failure to pay any such sums when due constitutes failure to pay rent under this Lease and default hereunder.
- (c) Lessee's Payment for Authority Improvements and Rent Abatement: Lessee shall, at their own cost, make certain improvements to the Property which are currently estimated at \$21,234.50, and in return receive abatement of monthly rent payments up to this amount as follows: \$3,500 plus Florida State Sales Tax per month (currently 6.5%)

			\$21,234.50
Rent Abatement Month 1	\$3,500.00	\$227.50	-\$3,727.50
Rent Abatement Month 2	\$3,500.00	\$227.50	-\$3,727.50
Rent Abatement Month 3	\$3,500.00	\$227.50	-\$3,727.50
Rent Abatement Month 4	\$3,500.00	\$227.50	-\$3,727.50
Rent Abatement Month 5	\$3,500.00	\$227.50	-\$3,727.50
Rent Abatement Month 6	\$2,597.00		-\$2,597.00
			\$0.00

3.3 Annual Rental Rate Adjustments based on Consumer Price Index (CPI).

Each year on the anniversary of the Effective Date (the "Rent Adjustment Date(s)"), all rent and premises-related payments and charges due Authority from Lessee as set forth in section

3.2 above shall be increased by a percentage equal to the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. Average, All Items (1982-84=100) ("CPI"), published by the Bureau of Labor Statistics, U.S. Department of Labor (or comparable successor index), for the annual period beginning two months prior to the Commencement Date or the preceding Rent Adjustment Date, whichever is more recent, through two months prior to the then-current Rent Adjustment Date. Notwithstanding anything herein to the contrary, the percent increase in sums due Authority from Lessee under this Lease shall be no less than two (2%) percent and no more than five (5%) percent each per year.

3.4 Delinquent Rent.

Any installment of rent, taxes and/or any other amounts due from Lessee under this Lease that is not received within five (5) business days after it is due shall be considered a material breach of this Lease and shall bear interest from the date when the same was due until paid by Lessee at the interest rate of eighteen percent (18%) per annum.

ARTICLE IV **MAINTENANCE AND UTILITIES**

4.1 Maintenance.

- (a) Lessee shall be solely responsible for and pay all expenses related to maintenance and repair of the improvements and systems on and for the Premises, including without limitation: gardening and landscaping, the cost of public liability, flood, property damage, and all other insurance (if not provided separately by Lessee at its sole cost and expense), repairs of all kinds, line and other painting, facade maintenance, lighting, exterior and partition (demising) wall repairs, roof repairs, maintenance of all steam, water and other water retention and discharging piping, lakes, culverts, fountains, pumps, weirs, lift stations, catch basins, and other areas and facilities whether or not on or off-site, canal embankment and related maintenance, sanitary control, trash, rubbish, garbage and other refuse removal.
- (b) The Authority shall not be liable for any damages from plumbing, gas, water steam or sewage leaks or stoppage, nor for damage arising from acts of negligence of Lessee and/or third parties. Lessee shall not store any products or substances which shall increase the need for pest control services. Lessee agrees to accept the Premises and appurtenances thereof, including sprinkler, if any, heating, air conditioning, water and sewer systems, electrical fixtures, plumbing, plumbing fixtures and equipment, in "as is" condition and maintain them in such condition and good order through the term of this Lease and any extensions hereof. At all times this Lease is in effect, Lessee shall maintain and keep in force at Lessee's expense a service and maintenance contract for the heating, ventilating and air conditioning systems provided for the Premises, if any. Such contracts shall be with a professional HVAC servicing and maintenance contractor of Lessee's choice licensed in the state of Florida. Should such contractor fail to perform satisfactory service or maintenance, the Authority shall have the right in its discretion to require Lessee to terminate the existing contract, in which event

Lessee forthwith shall engage another contractor approved by the Authority. Lessee shall be liable for any damage or injury which may be caused by or resulting from Lessee's failure to faithfully comply with all of the terms and conditions contained herein and which are to be complied with by Lessee. Lessee shall perform pest extermination(s) at its expense promptly following request(s) by the Authority and will use a licensed exterminating firm exclusively for this purpose. Lessee shall use the plumbing systems in the Premises only for their intended purpose and shall not place or permit to be placed therein any caustic, acid, corrosive or concentrated substances or objects which are likely to cause damage to the plumbing systems, or cause them to fail in whole or part. Should Lessee violate this covenant, Lessee shall be liable to the Authority for the full cost of cleaning, repairing or rebuilding the plumbing systems, which amount(s) shall be payable as additional rent hereunder. In the event Lessee receives written consent to penetrate the roof or any wall of the Premises, Lessee shall be solely responsible for any damage which may be caused by or result from such penetration. Lessee agrees, at Lessee's expense, to replace promptly any and all plate or other glass in the Premises which may become damaged or broken as a result of Lessee's actions with glass of the same kind and quality.

4.2 Trash and Garbage.

During this Lease, Lessee shall be responsible for the storage, collection and removal from the Premises of all trash, garbage and other refuse resulting from Lessee's activities on the Premises. Lessee shall provide appropriate, covered, metal receptacles for trash, garbage and other refuse, will maintain the receptacles in an attractive, safe and sanitary manner, and will store receptacles in inconspicuous places on the Premises that are screened from public view in accordance with the Minimum Standards.

4.3 Utilities (Electrical and Sewer).

During this Lease, Lessee shall be responsible, at Lessee's sole cost and expense, for any necessary installation of and costs related to utility services within and to the Premises. Lessee agrees that the Authority shall have no liability to Lessee arising out of any interruption of utility service to the Premises, unless such interruption was caused by the gross negligence of the Authority. For purposes of this section 4.3, the acts of a third party shall not constitute acts within the control of the Authority unless such acts were directed by the Authority.

ARTICLE V **TAXES**

5.1 Property Taxes and Assessments.

Lessee shall pay when due all taxes, assessments (including, without limitation, stormwater utility charges) and impact fees levied against or in connection with the Premises, its leasehold interest therein, and any improvements thereto, and shall pay when due all taxes and assessments levied against Lessee's personal property located on the Premises or otherwise arising out of its operations on the Premises. In the event Lessee fails to pay such taxes and

assessments when due, Lessee shall be obligated to pay all resulting interest and penalties on such delinquent taxes and assessments. If the this Lease expires or is earlier terminated prior to the close of the tax year for which any such tax is payable, or if this Lease or any term hereof commences on a date other than the first day of such tax year, Lessee shall be responsible for paying a percentage of the tax calculated by: (i) dividing the number of days that this Lease was in effect during such tax year by 365; (ii) multiplying the resulting quotient by Lessee's total tax liability for the full tax year (the figure that would have been due from Lessee if it was responsible for payment of the total taxes for the full tax year). If this Lease is in effect for a period less than any entire period for which an assessment other than a tax is imposed, Lessee shall pay a percentage of the assessment calculated by dividing the number of days this Lease was in effect during that assessment period by the total number of days in the assessment period.

5.2 Protesting Taxes.

Lessee may exercise any rights provided by law to contest or pay under protest any taxes and shall not thereby be deemed in default under this Lease, provided that such contest or payment under protest does not result in the imposition of a lien for delinquent taxes on the Premises or any improvements and Lessee promptly pays all taxes and assessments (and any interest and penalties with respect thereto) ultimately determined to be due. No provision of this Lease shall be construed as a release or waiver on the part of the Authority of the right to assess, levy or collect any license, personal property, intangible, occupation or other tax which they, or either of them, may lawfully assess, levy or collect on the business or property of Lessee. Lessee's obligations under this Article shall survive the expiration or earlier termination of the term of this Lease.

5.3 Payment of Sales Tax.

Lessee shall be liable, at its sole cost and expense, for any sales, use or similar taxes with respect to all rent and other payments due from and/or made by Lessee in accordance with the provisions of this Lease. Lessee shall indemnify, defend and hold Authority completely harmless from and against any liability, including any interest and penalties, which might arise in connection with Lessee's failure to timely remit any such taxes.

ARTICLE VI **INSURANCE**

6.1 Hazard Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout the this Lease property and casualty insurance on and for all improvements, equipment, furnishings and other personal property now or hereafter erected, installed or used at the Premises, on a replacement cost basis (without deduction for depreciation), for the benefit of Authority and Lessee as their interests may appear, with such coverages, in such form, and with such company or companies as the Authority shall approve in writing, including coverage for damage by fire, the elements or other casualty with standard extended endorsements. Lessee, on behalf of itself and its insurance carriers, hereby waives any and all rights of recovery which it may have against Authority or any other party who it is required to indemnify in accordance with the provisions of Article 8 below,

for any loss of or damage to property it may suffer as a result of any fire or other peril insured under an insurance policy which it is required to obtain hereunder.

6.2 Liability Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout this Lease automobile liability insurance on all automobiles used in connection with its operations at the Premises and commercial general liability insurance protecting the Authority and Lessee (including, without limitation, all members of the governing board of Authority), officers, agents and employees of each, from and against any and all liabilities arising out of or relating to Lessee's occupation and/or use of the Premises, or the conduct of its operations on the Premises, in the amount of not less than \$1,000,000 (or such greater amount as may be maintained by Lessee from time to time) per occurrence, with no self-insured retention or deductible amount, in such form, and with such company or companies as Authority shall approve in writing, which approval shall not be unreasonably withheld. Such insurance shall include contractual liability coverage for Lessee's covenants to indemnify the Authority and the other parties as required under this Lease and shall provide that it is primary insurance as respects any other valid and collectible insurance the Authority or any of the other additional insureds may possess, including any self-insured retention or deductible any of them may have, and that any other insurance carried by any of them shall be considered excess insurance only.

6.3 Workers' Compensation.

If Lessee is an "employer" as that term is defined by Florida law, Lessee shall keep in force, at its sole expense, workers' compensation or similar insurance affording the required statutory coverage and requisite statutory limits. Lessee shall also maintain at all times while this Lease is in effect employer's liability insurance with limits of liability of not less than \$500,000 for each of the "each accident," "disease policy limit," and "disease each employee" coverage or a self-insured program with comparable coverage. Such workers' compensation and employer's liability insurance or self-insured program shall contain a waiver of any right of subrogation against Authority.

6.4 Certificates of Insurance.

Within thirty (30) days after the Effective Date of this Lease, and within thirty (30) days after the expiration of any policy or policies required to be provided by Lessee hereunder, Lessee shall furnish an original certificate of insurance to Authority evidencing such coverage, naming the Authority as an additional insured under the property insurance required under section 6.1, naming the Authority as an additional insured under the liability policies required under section 6.2, and confirming that the policy or policies will not be canceled or modified nor the limits thereunder decreased without thirty (30) days' prior written notice thereof to and approval from Authority. Lessee shall also provide Authority with copies of endorsements and other evidence of the coverage set forth in the certificate of insurance as Authority reasonably may request. If Lessee fails to comply with the terms of this section, Authority shall have the right but not the obligation to cause insurance as referenced above to be issued, and in such event Lessee shall pay the premium for such insurance upon Authority's demand. Authority shall have the right, exercisable on ninety (90) days' prior written notice to Lessee, to require Lessee, from time to

time, to reasonably increase the monetary limits or coverages provided by such policy or policies. Furthermore, Lessee shall provide proof of its compliance with Article VI by providing copies of such policies, together with any declarations pages and riders related thereto, to Authority upon reasonable demand thereby.

ARTICLE VII **ENVIRONMENTAL**

7.1 Lessee's Environmental Obligations.

Lessee shall comply with all "Environmental Laws", which are defined as all applicable federal, state and local statutes, laws, ordinances, regulations, administrative rulings, orders and requirements pertaining to the protection of the environment, including but not limited to, the Authority's rules and regulations, and including, but not limited to those regulating the use, storage, handling and disposal of any contaminant, toxic or hazardous waste, or any other substance the removal of which is required or the use of which is restricted, prohibited or penalized under any federal, state or local statute, law, ordinance, regulation, rule or judicial or administrative order with respect to environmental conditions, health, or safety, including, without limitation, asbestos or petroleum products ("Hazardous Substances"). Further, during the Term of this Lease, neither Lessee nor any agent or party acting at the direction or with the consent of Lessee shall use, store, handle or dispose of by any means any Hazardous Substances at the Premises, except that Lessee shall be entitled to use Hazardous Substances of the type and in the quantities typically used by companies performing similar aviation services in accordance with all applicable Environmental Laws. Notwithstanding any other provision hereof, Lessee does not undertake any obligation to remediate, or to take any other action with respect to, any environmental condition not attributable to actions at the Premises (or elsewhere at the Airport) by Lessee, its officers, employees, agents, contractors, subcontractors, licensees or invitees.

Upon reasonable notice to Lessee, the Authority may conduct or cause to be conducted through a third party that it selects an environmental audit or other investigation of Lessee's operations to determine whether Lessee has breached its obligations under this section. Lessee shall pay all costs associated with said investigation if such investigation shall disclose any such breach by Lessee.

The provisions of this section 7.1 shall survive the expiration or earlier termination of the term of this Lease.

ARTICLE VIII **INDEMNIFICATION**

8.1 Lessee Indemnification.

Lessee shall indemnify, defend and hold completely harmless Authority, from and against any and all liabilities (including, but not limited to, liability with respect to any Hazardous Substances and liability under the Comprehensive Environmental Response, Compensation and Liability Act, as it may be amended from time to time ("CERCLA"), and any other environmental law), losses, suits, claims, demands, judgments, fines, damages, penalties,

costs and expenses (including all costs for investigation and defense thereof, including, but not limited to court costs, reasonable expert fees and reasonable attorneys' fees and costs, including fees and charges for the services of paralegals or other personnel working under the supervision of such attorneys ("Attorneys' Fees")) which may be incurred by, charged to or recovered from any of the foregoing: (i) by reason or on account of damage to or destruction of any property of Authority, or any property of, injury to or death to any person resulting from or arising out of the use, occupancy or maintenance of the Premises or any improvements, or the Lessee's operations thereon, or the acts or omissions of Lessee's officers, employees, agents, contractors, subcontractors, licensees or invitees, regardless of where the damage, destruction, injury or death occurred, except to the extent that such liability, loss, suit, claim, demand, judgment, fine, damage, penalty, cost or expense was proximately caused by the entity to be indemnified hereunder, (ii) arising out of the failure of Lessee to keep, observe or perform any of the covenants or agreements in this Lease to be kept, observed or performed by Lessee, or (iii) imposed on or assessed against the Authority by reason of or arising out of any act or omission on the part of Lessee, any subtenant or any other person acting by, through or for Lessee or any subtenant of Lessee. Authority agrees to give Lessee reasonable notice of any suit or claim for which indemnification will be sought by it hereunder, to allow Lessee or its insurer to compromise and defend the same to the extent of its interest and to reasonably cooperate with the defense of any such suit or claim. The provisions of this section 8.1 shall survive the expiration or earlier termination of this Lease with respect to any acts or omissions occurring during the term of this Lease. Irrespective of the foregoing, nothing in this section 8.1 is intended to or shall abrogate, supplant or otherwise modify in any way the Authority's right to claim any form of governmental or sovereign immunity including without limitation the immunity available to the Authority under section 768.28, Florida Statutes.

ARTICLE IX

DESTRUCTION OF IMPROVEMENTS – CORPORATE AVIATION TERMINAL

9.1 Insurance Proceeds.

Upon receipt by Lessee and the Authority of the proceeds of any property or builder's risk insurance policy or policies, Lessee and the Authority shall deposit same in an interest-bearing escrow account to pay for the cost of repair, replacement and rebuilding of the property that was the subject of such insurance claim(s). The Authority shall receive and hold such proceeds (and any interest earned thereon) in trust for such work, and the Authority shall distribute such proceeds (and any interest earned thereon during construction) solely to pay the cost of such work. If the amount of such insurance proceeds (together with the interest earned thereon) is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged property, Lessee shall pay any additional sums required in relation to repair, replacement and/or rebuilding of the Premises and its proportionate share of any repair, replacement or rebuilding of any common facilities or areas, and if the amount of such insurance proceeds (together with the interest earned thereon) is in excess of the costs thereof, the amount of such excess shall be retained by Lessee to the extent it was paid by any insurer in relation to damage to Lessee's personal property on the Premises. Notwithstanding the language of this section 10.1, in the event of total or partial destruction of the Premises, the parties will mutually

evaluate a course of action that makes commercial sense regarding (i) insurance proceeds and (ii) whether or not this Lease should be terminated.

ARTICLE X **CONDEMNATION**

10.1 Notice of Condemnation.

The party receiving any notice in connection with any proceedings or negotiations with respect to an actual or potential condemnation proceeding (a "Taking") shall promptly give the other party notice of the receipt, contents and date of the notice received.

10.2 Rights of Authority and Lessee.

Authority and Lessee shall each have the right to represent its respective interests in each proceeding or negotiation with respect to a Taking. Authority and Lessee each agrees to execute and deliver to the other any instrument that may be required or which would facilitate the provisions of this Lease relating to the condemnation.

10.3 Taking of Leasehold.

Upon a Taking of the entire Premises, Lessee's interest in this Lease shall continue until the Taking is completed by deed, contract or final order of condemnation, unless otherwise specified by court order. If the Taking is of substantially all of the Premises, Lessee may, by notice to Authority within ninety (90) days after Lessee receives notice of the Taking, elect to treat the Taking in accordance with the preceding sentence. If Lessee does not so notify Authority, this Lease shall remain in full force and effect covering the balance of the Premises not so taken, except that the rent payable hereunder by Lessee shall be equitably adjusted (a "Partial Taking").

10.4 Taking of Temporary Use of Premises and Improvements.

Upon any Taking of the temporary use of all or any part of the Premises or improvements, or both, neither the current Lease term nor the rent shall be reduced or affected in any way unless agreed upon by the parties hereto in writing. To the extent either party receives compensation as a result of any Taking and that is directly related to compensation for Lessee's loss of use of the Premises, whether temporarily or permanently, then such compensation shall be paid to Lessee. If a result of the Taking is to necessitate expenditures for reconstruction of any improvements, including without limitation the Administration Building or any portion thereof, to make them reasonably suitable for Lessee's continued use in connection with its operations under this Lease, after the termination of such Taking, Lessee shall perform such work in accordance with the provisions of the Lease and if required thereby.

10.5 Taking by Authority.

Upon any Taking by Authority, Authority and Lessee will either agree to the amount to be paid by Authority for such Taking, or in the absence of such agreement, the matter will be determined in accordance with the laws of the State of Florida.

10.6 Deposit of Sums Payable on Taking.

If Authority and Lessee are unable to agree on how all sums payable by a third party on the Taking are to be distributed and disbursed as between Authority and Lessee under the terms of this Lease, then Authority and Lessee agree to take such action as shall reasonably be required to withdraw such sums from the Registry of the Court and jointly deposit such sums in an interest bearing escrow account, and once agreement is reached between Authority and Lessee as to how such sums are to be distributed and disbursed (or the matter has been determined by a court in accordance with the laws of the State of Florida), the interest earned on such sums shall be distributed between Authority and Lessee in the same proportion as the distribution of the principal amount being held in escrow.

ARTICLE XI **DEFAULT**

11.1 Events of Default.

The occurrence of any of the following shall constitute an event of default (an "Event of Default") by Lessee under this Lease: (i) the failure of Lessee to fully and timely make any payment of rent or any other payment required to be made by Lessee hereunder; (ii) the failure of Lessee to keep, observe or perform any other material covenants or agreements herein unrelated to payments due, and the continued failure to observe or make a reasonable effort to begin to perform any such covenant or agreement after a period of thirty (30) days after written notice to Lessee of such failure; (iii) commencement by or against the Lessee of an insolvency or bankruptcy proceeding, including, without limitation, a proceeding for liquidation, reorganization or for the readjustment of its indebtedness, or the insolvency of the Lessee, or an assignment or arrangement for the benefit of its creditors or the appointment of a receiver, trustee or custodian, provided, however, that any of the foregoing set forth in this sub-sentence (iii) which is commenced by a person other than Lessee shall not constitute an Event of Default if it is discharged within sixty (60) days following receipt of written notice from Authority; or (iv) the placement of any lien upon the Premises or any improvements (excluding liens for taxes which are not delinquent and mortgages permitted hereunder) which is not discharged of record by payment or bond within thirty (30) days following receipt of written notice from Authority, or any levy under any such lien.

11.2 Remedies for Default.

Upon the occurrence of an Event of Default, the Authority may in its sole discretion pursue any or all of the following remedies and such other remedies as may be available to the Authority at law or in equity:

- (a) Authority may terminate the Lease and re-enter and repossess the Premises;
- (b) Authority may, without terminating this Lease, terminate Lessee's right to possession of the Premises, retake possession of the Premises, accelerate without notice of any kind to Lessee all sums due to Authority from Lease for the remainder of the then-current Lease term that are have not been paid by Lessee

and recover damages for all such amounts due and owing, including without limitation the accelerated amount due, from Lessee.

Irrespective of the exercise of either of the above-referenced options, Authority shall have the right to recover all unpaid rent and other payments due Authority prior to the date of termination of possession or of the Lease, and all of Authority's costs, charges and expenses, including reasonable Attorneys' Fees, incurred in connection with the recovery of sums due under this Lease, or due to the breach of any covenant or agreement of Lessee contained in this Lease, including any costs and expenses of re-letting the Premises, repairs and renovations to the Premises, all brokerage fees and Attorneys' Fees. Authority will have the right at any time following an Event of Default to elect to terminate the Lease. No action taken by Authority pursuant to this section 11.2 shall be deemed to terminate this Lease unless written notice of termination is given by Authority to Lessee.

The rights and remedies given to Authority by this Lease shall not be exclusive, and in addition thereto, Authority shall have such other rights and may pursue such other remedies as are provided by law or in equity. All such rights and remedies shall be deemed to be cumulative, and the exercise of one such right or remedy by Authority shall not impair its standing to exercise any other right or remedy.

Lessee hereby expressly waives any notices of default not specifically provided for herein, including, without limitation, the three (3) day notice provided for in section 83.20, Florida Statutes, and all rights of redemption, if any, granted under present or future law in the event Lessee shall be evicted or dispossessed for any cause, or in the event Authority shall obtain possession of the Premises by virtue of the provisions of this Lease or otherwise.

11.3 Advances by Authority.

If Authority has paid any sums of money or incurred any obligation or expense for which Lessee is obligated to pay or reimburse Authority, or if Authority is required or elects to do so because of the failure of Lessee to perform any of the terms or conditions of this Lease after 10 days' written notice, then the same shall be deemed "rent" and shall be paid to Authority in accordance with Article III herein.

11.4 Non-Waiver By Authority.

No waiver of any covenant or condition or of the breach of any covenant or condition of this Lease shall constitute a waiver of any subsequent breach of such covenant or condition or justify or authorize the non-observance on any other occasion of the same or of any other covenant or condition hereof. The acceptance of rent or other payments from Lessee by Authority at any time when Lessee is in default under this Lease shall not be construed as a waiver of such default or of Authority's right to exercise any remedy arising out of such default, nor shall any waiver or indulgence granted by Authority to Lessee be taken as an estoppel against Authority, it being expressly understood that Authority may at any time thereafter, if such default continues, exercise any such remedy in the manner hereinbefore provided or as otherwise provided by law or in equity.

ARTICLE XII

MISCELLANEOUS

12.1 Additional Provisions.

The Parties hereby agree that this Lease shall be subject to the provisions of all exhibits referenced in and/or appended to this Lease, which are incorporated herein and made material and binding parts hereof by reference. In the event of any direct conflict between the terms of the Lease and the terms of any exhibit hereto, the Lease shall control.

12.2 Fees.

Authority will not assess landing fees on aircraft flying non-revenue flights.

12.3 Recording.

This Lease shall not be recorded except that a memorandum hereof may be recorded if required to effectuate any terms hereof, including without limitation the prohibition against construction liens against the Premises.

12.4 Additional Reserved Rights of Authority.

Authority reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, facilities, landing areas and taxiways as it may reasonably see fit, although Authority will endeavor to do so without disturbing Lessee's quiet use and enjoyment of the Premises. Authority shall be free from any and all liability to Lessee for loss of business or damages of any nature whatsoever to Lessee occasioned by the making of such improvements, repairs, alterations and additions. Authority reserves the right to establish such fees and charges for the use of the Airport by Lessee (excluding any additional charge for the use of the Premises) and all others similarly situated from time to time as Authority may deem advisable.

12.5 Leasehold Encumbrances.

Lessee shall not encumber the leasehold premises without prior written approval from Authority, which shall be at Authority's sole and absolute discretion.

12.6 Assignment and Subletting.

- (a) Lessee shall not at any time sublet or assign this Lease, in whole or in part, or assign any of its rights or obligations hereunder, without the prior written approval of Authority, which approval may be granted or withheld by Authority in its sole discretion; except that Lessee may assign this Lease without prior approval (but upon prior written notice to Authority) to a corporate parent, affiliate, sister company, or subsidiary (collectively, an "Affiliate"), upon submitting proof of such affiliation satisfactory to Authority. No sublease or assignment shall release Lessee from any of its

obligations under this Lease unless the Authority agrees to such release in writing in its sole discretion. Approvals required under this paragraph shall be in writing and shall apply to any change in ownership of or power to vote a majority of the outstanding voting stock of Lessee from the owners of such stock or those controlling the power to vote such stock on the date of this Lease (except in the event Lessee is a corporation whose stock is publicly traded), or if Lessee is a limited or a general partnership or other entity, any transfer of an interest in the partnership or other entity which results in a change in the control of such partnership or other entity. Any assignment or sublease that is not in strict compliance with the terms and conditions of this Paragraph, shall be void ab initio and shall be of no force or effect whatsoever.

- (b) Lessee agrees to reimburse the Authority for its Attorneys' Fees and costs actually incurred in determining whether to give its consent to any proposed sublease or assignment, whether or not such consent is given, and the negotiation and preparation of any documents with respect to such sublease or assignment.

12.7 Notice.

Any notice permitted or required to be given under the terms of this Lease shall be in writing, addressed to the party to whom it is directed, and sent either by (1) hand delivery, (2) United States certified or registered mail, postage prepaid, return receipt requested or (3) overnight delivery by a nationally recognized company, to the address shown below or to such other address as either party may from time to time designate by written notice in accordance with this section:

To Authority: Chief Executive Officer
Titusville-Cocoa Airport Authority
355 Golden Knights Blvd.
Titusville, Florida 32780

To Tenant: Air USA, Inc.
Attn: _____
Address: _____

(Signature Page Follows)

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EXHIBIT "A"
SKETCH OF PREMISES

EXHIBIT "B"
AUTHORITY IMPROVEMENTS

NONE

EXHIBIT "C"

CONSTRUCTION OF IMPROVEMENTS

1. Prior to commencement of construction of any improvements (the "Improvements"), and prior to commencing to renovate, enlarge, demolish or modify any Improvements now or hereafter existing on the Premises, Lessee must obtain the approval of the Chief Executive Officer of Authority, which he may grant or withhold in his sole discretion. Lessee shall submit the plans and specifications (prepared in accordance with the Minimum Standards and under the seal of a duly licensed architect or engineer) to Authority for its approval (the "Plans"), in accordance with the approval process prescribed by Authority. No construction of any type shall commence prior to Lessee's receipt of: (i) Authority's written approval of the Plans, and (ii) a notice to proceed from the Authority.
2. Authority's approval of any Plans submitted by Lessee shall not constitute the assumption of any liability by Authority for the compliance or conformity of the Plans with applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations, or for their accuracy or suitability for Lessee's intended purpose, and Lessee shall be solely responsible for the Plans. Authority's approval of the Plans shall not constitute a waiver of Authority's right thereafter to require Lessee, at its expense, to amend the same so that they comply with building codes, zoning regulations, municipal, county, state and federal laws, ordinances and regulations either applicable at the time the Improvements were constructed or by laws otherwise made applicable to Lessee's Improvements, and to make such construction changes as are necessary so that the completed work is in conformity with the approved Plans.
3. In the event Authority does not approve the Plans, it shall notify Lessee of the changes required to be made (including reference to those portions of this Lease, the Minimum Standards and the Master Plan forming the basis for disapproval, if applicable), and Lessee shall promptly revise the Plans to incorporate the required changes, and shall resubmit revised Plans to the Authority for approval.
4. Lessee shall obtain, at its expense, all necessary licenses and permits to accomplish its Improvements, and shall pay all applicable impact fees relating thereto.
5. Once Lessee has commenced construction of any Improvements, such construction shall be pursued diligently to completion, subject to Force Majeure. All Improvements shall be constructed in accordance with the approved Plans, the Minimum Standards, and all applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations. Within ninety (90) days after completion of construction of the Improvements, Lessee shall, at its expense, provide Authority with record drawings showing the "as built" condition of any Improvements constructed by Lessee, in such format (including, without limitation a CADD format) as the Chief Executive Officer shall request.
6. Lessee hereby warrants and covenants to Authority that all Improvements now or hereafter erected on the Premises shall be at all times free and clear of all liens, claims and encumbrances and hereby agrees to indemnify and hold Authority harmless from and against any and all losses, damages and costs, including reasonable Attorneys' Fees relating to or arising out of any such lien, claim or encumbrance. If any such lien or notice of lien on account of the alleged debt of Lessee shall be filed against the Premises, Lessee's leasehold interest therein or any Improvements, the Lessee shall, within thirty (30) days after notice of filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Prior to construction of any Improvements at the Premises, Lessee shall record and post a Notice of Commencement and all applicable payment bonds in accordance with applicable laws. No work hereunder shall be commenced until Lessee or its Contractor provides to Authority from a company reasonably acceptable to the Chief Executive Officer: (i) a surety payment bond for the benefit of Authority in the form attached to the Lease as Exhibit "J" in an amount equal to the total estimated cost of the work, which bond shall guarantee the payment of all contractors' and subcontractors' charges and charges of all other persons and firms supplying services, labor, materials or supplies in connection with the work, (ii) a surety performance bond for the benefit of Authority, in the form attached to the Lease as Exhibit "I," in an amount equal to the total estimated cost of the work, which shall guarantee the prompt completion of the work by Lessee in accordance with the Plans, and (iii) a policy of builder's risk insurance.
7. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Authority, express or implied, to any contractor, subcontractor, laborer, materialman, architect, surveyor or engineer for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof. Notice is hereby given that the Authority shall not be liable for any labor or materials or services furnished or to be furnished to Lessee upon credit, and that no construction or other lien for labor, materials or services shall attach to or affect the fee or reversionary or other estate or interest of the Authority in the Premises or in this Lease. All persons dealing with the Premises and with Lessee are hereby put on notice that Lessee does not have the power to deal with the Premises in such a manner as to authorize the creation of construction liens, by implication or otherwise; and all persons making improvements to the Premises, either by doing work or labor or services or by supplying materials thereto, at the request of Lessee or persons dealing by, through or under Lessee, are hereby put on notice that they must look solely to the Lessee and not to the Premises or any part thereof or to this Lease for the payment of all services, labor or materials performed upon or delivered to the Premises.

8. Title to all Improvements now or hereafter constructed by Lessee on the Premises shall vest in Authority upon the completion of the Improvements. Lessee hereby covenants to execute and deliver to Authority any and all instruments or documents that Authority reasonably requests to effectively transfer, assign and convey such Improvements in fee to Authority. Lessee shall ensure that at the expiration of the Initial Term such Improvements are free of any liens or encumbrances.

EXHIBIT "D"

REQUIRED PROVISIONS

Authority's Reserved Rights. Authority reserves the right for itself and others to utilize and maintain any utility and drainage easements located on the Premises, and to run water, sewer, electrical, telephone, gas, drainage and other lines under or through the Premises and to grant necessary utility easements therefore, provided that in the exercise of such rights, Lessee's use of the Premises and any Improvements shall not be unreasonably impaired and any damage to the Premises or any Improvements caused by Authority as a result thereof shall be repaired without cost to Lessee.

Discrimination Not Permitted.

Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (i) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Premises, any Improvements or the Airport under the provisions of this Lease; (ii) that in the construction of any Improvements on, over or under the Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation, denied the benefits of, or otherwise be subject to discrimination; and (iii) that Lessee shall use the Premises and the Improvements in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted Programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Acts of 1964, as the same may be amended. Likewise, Lessee shall comply with the laws of the State of Florida prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should the Lessee authorize another person, with Authority's prior written consent, to provide services or benefits upon the Premises or the Improvements, Lessee shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this subsection. Lessee shall furnish the original or a true copy of such agreement to Authority.

Lessee will provide all information and reports required by said regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Authority or the Federal Aviation Administration to be pertinent to ascertain whether there has been compliance with said regulations and directives. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish this information, Lessee shall so certify to Authority or the Federal Aviation Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

In the event of a breach of any of the above non-discrimination covenants, Authority shall have the right to terminate this Lease and to re-enter and repossess said Premises and the Improvements, and hold the same as if this Lease had never been made or issued. The rights granted to Authority by the foregoing sentence shall not be effective until all applicable procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights, and the completion of any judicial review.

Further, Lessee assures Authority that no person shall be excluded on the grounds of race, creed, color, national origin or sex from participating in or receiving the services or benefits of any program or activity covered by Title 14, Code of Federal Regulations, Part 152, Subpart E, Federal Aviation Administration, Non-Discrimination in Airport Aid Program, and that it will be bound by and comply with all other applicable provisions of such Subpart E, as it may be amended. Lessee also assures Authority that it will require its covered suborganizations to provide written assurances to the same effect and provide copies thereof to Authority.

Lessee further assures Authority that it will comply with pertinent statutes, Executive Orders, and such other rules as are promulgated to assure that no person shall on the grounds of race, creed, national origin, sex, age, handicap or marital status be excluded from participating in any activity conducted at or in connection with its operations at the Premises. Lessee also assures Authority that it will require its contractors and subtenants to provide assurances to the same effect and ensure that such assurances are included in contracts and subleases at all tiers which are entered into in connection with Lessee's operations at the Premises.

Authority may from time to time be required by the United States Government, or one or more of its agencies, to adopt additional or amended provisions, including nondiscrimination provisions concerning the use and operation of the Airport, and Lessee agrees that it will adopt such requirements as part of this Lease.

Federal Aviation Administration Requirements.

Authority reserves unto itself, and unto its successors and assigns for the use and benefit of the public, a right of flight for the passage of aircraft through the airspace above the surface of the Premises, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, and for navigation of or flight in the airspace, and use of the airspace for landing on, taking off or operating on the Airport.

Lessee expressly agrees, on behalf of itself and its successors and assigns:

to restrict the height of structures, vegetation and other Improvements on the Premises in compliance with the requirements of Federal Aviation Administration Regulations, 14 CFR Part 77, as they may be amended from time to time; and

to prevent any use of the Premises and any Improvements which would unreasonably interfere with or adversely affect the operation and maintenance of the Airport, or which would otherwise constitute a hazard at the Airport.

Right to Operate Aircraft at Airport. Nothing contained in this Lease shall give Lessee the right to operate a scheduled airline at the Airport. The right to operate aircraft at the Airport may be obtained by a qualified lessee from Authority by executing an Operating Agreement in the form prescribed by the Authority.

Member Protection. No recourse under or upon any obligation, covenant or agreement contained in this Lease, or any other agreement or document pertaining to the operations of Lessee hereunder, as such may from time to time be altered or amended in accordance with the provisions hereof, or under any judgment obtained against Authority, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise, under or independent of this Lease, shall be had against any member (including, without limitation, members of Authority's Board and members of Authority's citizens advisory committees), officer, employee or agent, as such, past, present and future, of Authority, either directly or through Authority or otherwise, for any claim arising out of this Lease or the operations conducted pursuant to it, or for any sum that may be due and unpaid by Authority. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any Authority member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for any claim arising out of this Lease or the operations conducted pursuant to it, or for the payment for or to Authority, or any receiver therefor or otherwise of any sum that may remain due and unpaid by Authority, is hereby expressly waived and released as a condition of and as consideration for the execution of this Lease.

Authority Rules and Regulations. Lessee shall observe and comply with all reasonable rules and regulations of Authority which now exist or may hereinafter be promulgated from time to time governing all matters relating to the Airport, including, without limitation, access, use, safety and conduct of operations at the Airport and the safe use of Airport facilities. Authority shall, at Lessee's written request, furnish a copy of all such rules and regulations, and any amendments thereto, to Lessee.

Authority Access to Premises. Lessee grants Authority and its authorized agents full and free access to the Premises and all Improvements located thereon at all reasonable times (upon reasonable prior notice, except in the event of an emergency) for the purposes of examining the same and seeing that all of the obligations of Lessee hereunder are being met and performed, and for exercising the Authority's rights under Paragraph 4.1 of the Lease, and shall permit them to enter any building or structure on the Premises at any time in the event of an emergency. Authority and its employees, licensees, invitees, agents, patrons and suppliers, and its tenants and their employees, licensees, invitees, agents, patrons and suppliers, shall have the right of vehicular and pedestrian access, ingress and egress over all non-restricted access streets at the Airport.

Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by Authority or Lessee or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Authority and Lessee, it being expressly understood and agreed that neither the computation of Annual Rent, Rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Authority and Lessee other than the relationship of landlord and tenant.

Exclusive Rights. The rights granted to Lessee under this Lease are not exclusive, except that Lessee shall have the exclusive use of the Premises for the Term of this Lease in accordance with the provisions of this Lease. The Authority expressly reserves the right to grant to third parties rights and privileges on other portions of the Airport that are identical, in whole or in part, to those granted to Lessee hereunder.

Miscellaneous Provisions.

The section headings contained in this Lease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision of this Lease.

Except as otherwise provided herein, the provisions of this Lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

Time is expressed to be of the essence of this Lease.

In the event that any proceeding at law or in equity arises hereunder or in connection herewith (including any appellate proceeding or bankruptcy proceeding) the prevailing party shall be awarded costs, reasonable expert fees and reasonable Attorney's Fees incurred in connection therewith.

This Lease was made in, and shall be governed by and construed in accordance with the laws of, the State of Florida. If any covenant, condition or provision contained in this Lease is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

This Lease, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and any prior agreements, representations or statements heretofore made with respect to such subject matter, whether oral or written, and any contemporaneous oral agreements, representations or statements are merged herein. This Lease may be altered or amended only by written instrument executed by both parties hereto.

Words of gender used in this Lease shall be held and construed to include any other gender; and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

Authority and Lessee represent and warrant to each other that they have dealt with no broker in connection with this Lease and the transactions contemplated hereby, and each agrees to indemnify and hold the other harmless in the event its representation and warranty contained herein is not true.

At the request of either party, the other shall with reasonable promptness deliver to the requesting party a written and acknowledged statement that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that to the best of the responding party's knowledge, the requesting party is not in default under this Lease (or if the responding party has knowledge that the requesting party is in default, identifying the default), and providing such other information with respect to the Lease and the relationship between Authority and Lessee as may reasonably be requested.

COMMUNICATIONS CONCERNING DISPUTED DEBTS. ALL (A) COMMUNICATIONS CONCERNING DISPUTES ABOUT DEBTS THAT ARE OWED OR MAY BE OWED PURSUANT TO THIS AGREEMENT, AND (B) INSTRUMENTS IN LESS THAN THE FULL AMOUNT CLAIMED BY THE AUTHORITY AND TENDERED AS FULL SATISFACTION OF A DISPUTED DEBT OR OTHER AMOUNT OWED, SHALL BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE FOLLOWING:

**CHIEF EXECUTIVE OFFICER
TITUSVILLE-COCOA AIRPORT AUTHORITY
355 Golden Knights Boulevard
Titusville, Florida 32780**

In accordance with Florida law, Lessee is hereby advised as follows:

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Fire Protection System. Lessee shall, at its own cost and expense, maintain in good working order in each building on the Premises where the same is required by applicable fire and safety standards a fire protection system satisfying applicable requirements of NFPA, the local building code enforcement agency and any other applicable legal requirements, which Lessee shall cause to be certified as meeting all applicable fire and safety standards upon installation, and recertified at least annually thereafter, by a qualified fire protection system inspector with a copy of each such certification provided to Authority.

Airport Security. Lessee shall comply with all applicable regulations of the Federal Aviation Administration relating to airport security (including, at the Authority's request and without limitation, all such regulations applicable to the Authority with respect to the operation of the Premises) and shall control the Premises so as to prevent or deter unauthorized persons from obtaining

access to that portion of the Airport consisting of cargo areas, airside buildings, aircraft aprons, ramps, taxiways and runways (the "Air Operations Area"). Any fines or other penalties incurred by the Authority as a result of Lessee's breach of this Paragraph shall be included in the indemnification provided to Authority pursuant to Paragraph 8.1 of the Lease.

Compliance with Stormwater Regulations.

Lessee acknowledges that the Airport is subject to federal stormwater regulations, 40 C.F.R. Part 122 (the "Regulations"), which are applicable to, among other activities, (i) certain industrial activity, including, without limitation, the operation of a vehicle maintenance shop (including vehicle rehabilitation, mechanical repairs, painting, fueling, and lubrication), equipment cleaning operations and deicing operations and (ii) certain construction activity at the Airport. Lessee also acknowledges that it is familiar with the Regulations and agrees to comply with the Regulations as they may be amended from time to time. Lessee further acknowledges that it has been advised that the Authority has complied with the Regulations by obtaining coverage under the Environmental Protection Agency's Stormwater Multi-Sector General Permit for Industrial Activities (the "Multi-Sector Permit"). Lessee may be able to become a co-permittee under such Multi-Sector Permit by filing separately in accordance with the provisions of the Regulations and the Multi-Sector Permit. Lessee shall provide to the Authority's Manager of Environmental Services copies of any such filings and such other information as the Chief Executive Officer may reasonably request with respect to Lessee's compliance with the Regulations. Lessee agrees to comply with such Multi-Sector Permit or any other permit obtained by Authority or Lessee in connection with the Regulations as they pertain to the Premises, and any modifications to or renewals thereof. Such permit will not cover construction activities as defined by the Regulations and will not eliminate the need to obtain permits from state or local agencies as applicable laws, ordinances or regulations may require.

If Lessee, or its authorized agents or representatives, engages in construction activity at the Airport, including, without limitation, clearing, grading, or excavation, Lessee shall determine whether the Regulations require a permit, and if so, Lessee shall obtain the permit, send a copy of the permit to the attention of the Authority's Chief Executive Officer, and comply with the permit conditions.

Americans with Disabilities Act. As used herein, "ADA" shall mean the Americans with Disabilities Act, P.L. 101-336, 104 Stat. 327 (1990), as amended from time to time, and the regulations promulgated thereunder. Lessee shall be responsible for any actions required to comply with ADA (including, without limitation, any actions required by the Authority to enable the Authority to meet its ADA obligations with respect to Lessee's operations) as a result of (i) any Improvements or modifications which it makes to the Premises, (ii) its particular use of the Premises and (iii) any changes to the ADA after the Effective Date. Any modification to the Premises, which Lessee is required to make under this Paragraph, shall be performed to the satisfaction of the Authority. In the event the Lessee shall fail to construct or modify any Improvements to the Premises as required under this Paragraph, the Authority shall have the right to enter the Premises and perform such modifications on the Lessee's behalf, without liability for any disruption to the Lessee's activities therein during the completion of or as a result of such modifications, and the cost of such modifications shall be invoiced to the Lessee and shall be promptly paid by the Lessee to the Authority as additional Rent hereunder.

Force Majeure. If either party hereto shall fail to timely perform any of its obligations under this Lease as a result of strikes, lockouts or labor disputes, inability to obtain labor or materials, government restrictions, fire or other casualty, adverse weather conditions not reasonably foreseeable at the location and time of year in question, by reason of war or other national emergency, acts of God or other causes beyond the reasonable control of the party obligated to perform, then such failure shall be excused and not constitute a default under this Lease by the party in question, but only to the extent and for the time occasioned by such event. In the event the rights and privileges hereunder are suspended, Annual Rent and Rent under this Lease shall not abate, and Lessee shall have the right to make any claim against any third party permitted by law and to receive any award paid with respect to such claim. In no event shall this provision excuse any failure by Lessee to pay Annual Rent or Rent or any other payment obligation hereunder. Nor shall this provision apply to any inability by Lessee to procure funds or obtain financing necessary to comply with Lessee's obligations under this Lease. In the event that the airport is closed for a period greater than ninety (90) consecutive days by reason of war or other national emergency, the Authority will assist Lessee, as allowable by applicable law, in obtaining compensation for the unamortized portion of any Improvements constructed by Lessee on the Premises from the authority taking such action. However, in no case shall the Authority be liable for any damages arising out of such an event.

Subordination.

This Agreement shall be subject to all restrictions of record affecting the Airport and the use thereof, all federal, state, county and city laws and regulations affecting the same, and shall be subject and subordinate to the provisions of any and all existing agreements between the Authority and third parties, including, but not limited to, those between the Authority and the United States of America, the State of Florida, or the County of Brevard, or their agencies, and to any future agreements between or among the foregoing relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal, state, county or city funds for the development of the Airport, or any part

thereof. All provisions hereof shall be subordinate to the right of the United States to occupy or use the Airport, or any part thereof, during time of war or national emergency.

In the event the Federal Aviation Administration or its successors require modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for the improvement of the Airport, Lessee hereby consents to any and all such modifications and changes as may be reasonably required.

Notwithstanding the foregoing provisions of this Paragraph, in the event any such restrictions, agreements or modifications to this Lease increase the Annual Rent payable hereunder or materially and adversely affect the ability of Lessee to use the Premises for the purposes permitted under this Lease, Lessee shall have the right to terminate this Lease by written notice to the Authority.

Public Entity Crimes Law. The Lessee acknowledges the following notice:

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of \$25,000 for a period of 36 months from the date of being placed on the convicted vendor list.

Tax Exempt Status of Authority Revenue Bonds. Lessee agrees to comply promptly with any applicable provisions of any federal tax statute, and all regulations or other binding authority promulgated or decided thereunder, as required to permit the Authority's capital expansion projects to be planned and constructed by Authority with revenue bonds the interest on which is generally exempted from federal income taxation, other than any applicable individual or corporate alternative minimum taxes (and other than during any period while such revenue bonds are held by a "substantial user" of the projects financed by those revenue bonds or a "related person" to a "substantial user"), including, without limitation, the execution by Lessee and delivery to Authority of an election not to claim depreciation or any investment credit with respect to any portion of such capital expansion projects or any other portion of the Airport System in the form attached hereto as Exhibit "F" simultaneously with the execution of this Lease. Such exhibit shall be deemed to be part of this Lease and shall be binding upon Lessee, its successors and assigns.

Visual Arts. Lessee shall not permit a work of visual art, as defined in 17 USC § 101, to be installed in the Premises without providing Authority with a written waiver, in form acceptable to the Authority, of the artist's rights under the Visual Artists Rights Act of 1990, Pub. L. 101-650, and without obtaining the Authority's prior written approval.

EXHIBIT "E"
CONTRACT BOND FORM

KNOW ALL MEN BY THESE PRESENTS: That Air USA, Inc., a corporation organized under the laws of _____ (hereinafter called the "Principal"), and _____ a corporation of the State of _____ which is licensed to do business in the State of Florida (hereinafter referred to as the "Surety"), are held and firmly bound unto the Titusville Cocoa Airport Authority (hereinafter called the "Authority") in the full and just sum of _____ (the "Sum") covering the period _____, 20__ through _____, 20__, inclusive, to the payment of which Sum and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, under the terms of that Lease Agreement (hereinafter referred to as the "Agreement"), by and between the Principal and the Authority, the Principal shall lease certain real property at Space Coast Regional Airport pursuant to the Agreement, and such Agreement is hereby incorporated herein by reference and made a part hereof;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall well and truly keep, do and perform, each and every, all and singular, the matters and things in said Agreement set forth and specified to be by the Principal kept, done and performed at the time and in the manner specified in said Agreement, and the Principal shall pay over, make good, and reimburse to the Authority, all sums required by it to be paid, and all loss and damage (including reasonable attorneys' fees) which the Authority may sustain by reason of any failure or default on the part of the Principal, then this obligation shall be void; otherwise it shall remain in full force and effect.

In the event that the Principal shall default in any of the terms, covenants and conditions of the Agreement during the period in which this Contract Bond is in effect, the Surety shall remain liable to the Authority beyond the date of the expiration hereof for all sums provided for in the Agreement remaining unpaid as of the date of expiration of this Contract Bond and for all loss or damage (including reasonable attorney's fees) resulting from such default up to the amount of the Sum.

In the event that Principal becomes a debtor under any chapter of the Federal bankruptcy laws, or becomes subject to any other statute providing for the recovery of transfers of payments or property, the obligations of the Surety hereunder shall include the obligation to reimburse the Authority for any transfers or payments under the Agreement made by Principal to the Authority prior to the commencement of such proceedings to the extent that such transfers or payments are voided and recovered from the Authority by Principal, or by a creditor of Principal, or by a trustee, receiver, custodian or similar official appointed for Principal or for substantially all of Principal's assets. Provided, however, that the obligations set forth in the preceding sentence shall be reduced pro tanto upon: (1) the entry of a final, non-appealable order of a court of competent jurisdiction permitting the Authority to retain all or any portion of such transfers or payments; (2) the execution of an agreement and approval thereof (if in the reasonable exercise of the Authority's judgment such approval is necessary) by a final non-appealable order of a court of competent jurisdiction permitting the Authority to retain all or any portion of such transfers or payments; or (3) the expiration of the applicable statute of limitations with respect to the avoidance and recovery of such transfers or payments without any claim therefore having been made against the Authority.

In the event the Surety fails to fulfill its obligations under this Contract Bond, then the Surety shall also indemnify and save the Authority harmless from any and all loss, damage, cost, and expense (including reasonable attorneys' fees) arising from or in connection with the enforcing of the Surety's obligations hereunder. This paragraph shall survive the expiration of this Contract Bond.

The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement entered into by the Authority and Principal without the Surety's knowledge or consent, (ii) waivers of compliance with, or of any default under, the Agreement granted by the Authority to the Principal without the Surety's knowledge or consent, or (iii) the rejection of the Agreement and the discharge of Principal from its obligations under the Agreement as a result of any proceeding initiated under the Federal bankruptcy laws, and as the same may hereafter be amended, or under any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or the assumption by Principal of the Concession as a result of any such proceeding, notwithstanding the finding by a court of competent jurisdiction that Principal has provided the Authority with adequate assurance of future performance under

the Agreement.

This Bond has been negotiated and executed in and shall be governed by and construed in accordance with the laws of the State of Florida. The execution of this Contract Bond by Surety shall constitute Surety's consent in the event of any litigation arising under this Contract Bond to the personal jurisdiction of, venue in and, convenience of the forum of the Circuit Court for Orange County, Florida and the U.S. District Court for the Middle District of Florida for such purposes.

IN WITNESS WHEREOF, the Principal and the Surety have caused these presents to be executed and their seals affixed this ____ day of _____, 20 ____.

Signed, sealed and delivered _____ "Principal"
in the presence of: _____

Printed Name: _____

Printed Name: _____

Printed Name: _____

Countersigned by Florida Registered Agent
Printed Name _____

By: _____

Printed Name: _____

Title: _____

(SEAL)

"Surety" _____

By: _____

Printed Name: _____

Title: _____

(SEAL)

NOTE: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power-of-Attorney appointing individual Attorney-in-Fact for execution of Payment Bond on behalf of Surety.

EXHIBIT "F"
LETTER OF CREDIT FORM

_____ [Date]

IRREVOCABLE LETTER OF CREDIT NO. _____

EXPIRY DATE: _____

AGGREGATE AMOUNT: _____ and ____/100 Dollars

BENEFICIARY: Titusville-Cocoa Airport Authority
355 Golden Knights Blvd,
Titusville, FL 32780

Dear Sir or Madam:

On behalf of _____ [Company name] (the "Company"), we hereby issue this irrevocable stand-by letter of credit in your favor up to the aggregate amount stated above, available by one or more sight drafts drawn by you on us.

Each draft hereunder must state "Drawn on _____ [Bank Name] Irrevocable Letter of Credit No. _____, dated _____", and must be accompanied by a Statement of Certification in the form attached hereto as Exhibit A (which is incorporated in this letter of credit by this reference). Such Statement of Certification must be signed by the Chief Executive Officer of the Titusville-Cocoa Airport Authority (the "Authority"), or by his or her designee, and must provide the certification required in A and either B or C, or both:

- A. Certification that Company has failed to faithfully perform one or more of its obligations to the Authority under that certain Lease Agreement, dated _____ 20____, as may be amended from time to time (the "Agreement"), by and between Company and the Authority; and,
- B. Certification of (i) the amount of damages and expenses which, in his determination, the Authority has suffered or incurred as a result of such failure by Company, and/or (ii) the amount of any fees, charges and other sums past due and remaining unpaid from Company to the Authority under such Agreement, together with the amount of any interest thereon to the extent required or allowed under such Agreement; and/or
- C. Certification (1) that Company has failed to provide to the Authority a contract bond or stand-by letter of credit to replace this letter on or before the date such replacement was due under such Agreement or in the form required or otherwise in accordance with the requirements of the Agreement, and (2) certification of the amount of the required replacement contract bond or letter of credit.

Each draft drawn hereunder shall be in an amount which does not exceed, as applicable, such total amount of damages and expenses and fees, charges and other sums past due and remaining unpaid, together with any interest thereon, and/or the amount of the required replacement contract bond or letter of credit, as certified in the Statement of Certification submitted with such draft.

Additionally, each draft drawn hereunder shall be paid from the funds of _____ [Bank Name]. If a drawing is made hereunder at or prior to 11 a.m., local time, on a business day, payment shall be made to the Authority or to its designee of the amount specified at our branch where such drawing is made, in immediately available funds, not later than 3 p.m., such local time, on the same business day or such later time and business day as you may specify. If a drawing is made by you after 11 a.m., such local time, on a business day, payment shall be made to the Authority or to its designee of the amount specified, in immediately available funds, not later than 3 p.m., such local time, on the next business day thereafter, or such later time and business day as you may specify.

This Letter of Credit is deemed to be automatically extended without amendment for one (1) year from the expiration date of the Agreement, or any future expiration date, unless the Authority is notified by the Bank ninety (90) days prior to any expiration date of the Agreement by the _____ [Bank Name] by Registered Mail that _____ [Bank Name] elects not to renew the Letter of Credit for any such additional period.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Rev.), International Chamber of Commerce Publication No. 500, except that, notwithstanding the provisions of Article 17 thereof to the contrary, if this letter of credit would have otherwise expired by its terms during a period when our business has been interrupted by Acts of God or other causes beyond our control, our obligations hereunder shall continue for ninety (90) days following the date of our resumption of normal business operations.

We hereby engage with you that all drafts drawn hereunder in compliance with the terms of this credit will be duly honored upon

presentation to us as provided herein.

_____ [Bank Name]

By:
Title:

EXHIBIT "G"
PAYMENT BOND FORM

KNOW ALL MEN BY THESE PRESENT that _____, hereinafter referred to as Principal, and _____, a corporation organized under the laws of the State of _____ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the Titusville-Cocoa Airport Authority (the "Authority"), as Obligee, hereinafter referred to as the Authority, in the Penal Sum of _____ DOLLARS (\$ _____), for the payment of which sum well and truly made, Principal and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal executed Lease Agreement on _____, 20____ for property at Space Coast Regional Airport, which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Agreement, and

WHEREAS, Principal has by written agreement dated _____, entered into a contract, hereinafter referred to as the Contract, with _____, hereinafter referred to as Contractor, for the construction at the Airport as described in the Agreement; and

WHEREAS, under the terms of the Agreement, Principal is required to indemnify and hold harmless Authority from and against any and all claims of claimants, as defined in Sections 255.05(1) and 713.01(10), Florida Statutes, for installations and improvements at the Authority as described in the Agreement, and is also required to provide a bond protecting the rights of such claimants to payment for services, labor, materials or supplies used directly or indirectly in the prosecution of the installations and improvements at the Authority as described in the Agreement; and

WHEREAS, Surety is authorized to do business in the State of Florida;

NOW, THEREFORE, the condition of this obligation is such that if Principal shall promptly make payments to all claimants as defined in Sections 255.05(1) and 713.01(16), Florida Statutes, supplying Principal and/or Contractor with services, labor, materials, or supplies, used directly or indirectly by Principal and/or Contractor in the prosecution of the improvements and installations at the Authority as provided for in the Agreement and the Contract, then this obligation shall be void; otherwise, it shall remain in full force and effect, subject, however, to the following conditions:

1. This bond is furnished for the purpose of complying with the requirements of Section 255.05, Florida Statutes, to the extent applicable; and for the purpose of exempting any legal or equitable interest in real property owned by Authority or the Principal from liens, and complying with the requirements of Section 713.23, Florida Statutes, to the extent applicable.

2. It is a specific condition of this bond that a claimant's right of action on the bond is limited to the provisions of Sections 255.05 and 713.23, Florida Statutes, including, but not limited to, the one-year (1) time limitation within which suits may be brought.

Therefore, a claimant, except a laborer, who is not in privity with the Principal and who has not received payment for his services, labor, materials or supplies shall, within forty-five (45) days after beginning to furnish services, labor, materials or supplies for the prosecution of the work, furnish the Principal with a notice that he intends to look to the bond for protection. Any claimant who has not received payment for his services, labor, materials or supplies shall, within ninety (90) days after performance of the services or labor or completion of delivery of the materials or supplies, deliver to the Principal and to the Surety written notice of the performance of the services or labor or delivery of the materials or supplies and of the nonpayment. No action for the services, labor, materials or supplies may be instituted against the Principal or the Surety unless both notices have been given. No action shall be instituted against the Principal or the Surety on the bond after one(1) year from the performance of the services or labor or completion of the delivery of the materials or supplies.

3. The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement or Contract entered into by Lessor, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or Contract granted by Lessor to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Agreement or Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or (iv) any other action taken by the Authority, Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

4. Any changes in or under the Agreement or Contract and compliance or noncompliance with any formalities connected with the Agreement or Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Agreement and/or the Contract.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the ____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant to authority of its governing body.

Signed, sealed and delivered
in the presence of:

Principal

By: _____
Name and Title

(SEAL)

Surety

By: _____
Name and Title

(Countersigned by Florida

EXHIBIT "H"
PERFORMANCE BOND FORM

KNOW ALL MEN BY THESE PRESENTS that _____, hereinafter referred to as Principal, and _____ a corporation organized under the laws of the State of _____ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the Titusville-Cocoa Airport Authority as Oblige, hereinafter referred to as Company, in the Penal Sum of _____ DOLLARS (\$ _____), for the payment of which sum well and truly made, Principle and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has been awarded real property at _____, in accordance with the Agreement dated _____, which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Lease; and

WHEREAS, Principal has by written agreement dated _____, entered into a contract, hereinafter referred to as the Contract, with _____, hereinafter referred to as Contractor, for the construction of improvements to the above-described real property in accordance with the plans and specifications prepared by _____, dated _____, which were approved by Lessor, and which are incorporated herein by reference and made a part hereof, and which are hereinafter referred to as the Plans and Specifications; and

WHEREAS, under the terms of the Lease, Principal is permitted or required to complete the improvements to the above-described property in accordance with the Plans and Specifications and the requirements of the Lease, and is also required to provide a bond guaranteeing the faithful performance of such improvements by the Principal and the Contractor or such replacement contractors as Principal may employ; and

WHEREAS, Surety is authorized to do business in the State of Florida;

NOW, THEREFORE, the condition of this obligation is such that if Principal, by and through Contractor or such replacement contractors as Principal may employ:

1. Promptly and faithfully completes and performs such improvements in accordance with the Plans and Specifications, the Contract, and the obligations imposed upon Principal by the Lease in connection therewith, in the time and manner prescribed in the Lease and Contract,
2. Pays Lessor all losses, damages (liquidated or actual), including, but not limited to, damages caused by delays in performance of the Principal or the Contractor, expenses, costs and attorney's fees, including appellate proceedings, that Lessor sustains resulting directly or indirectly from failure of the Principal or the Contractor to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or from any breach or default by Principal or the Contractor under the Lease in connection therewith, and
3. Pays Lessor all losses, damages, expenses, costs, attorneys' fees and other legal costs (including, but not limited to, those for investigative and legal support services), including those incurred in appellate proceedings, that the Lessor sustains resulting directly or indirectly from conduct of the Principal or the Contractor, including, but not limited to, want of care or skill, negligence, patent infringement, or intentionally wrongful conduct on the part of the Principal or the Contractor, their officers, agents, employees or any other person or entity for whom the Principal or the Contractor are responsible, then this bond is void; otherwise it shall remain in full force and effect.

In the event that the Principal, individually or by and through the Contractor or such replacement contractors as Principal may employ, shall fail to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or to perform any of the terms, covenants and conditions of the Lease related to construction of such improvements during the period in which this Performance Bond is in effect, the Surety shall remain liable to the Lessor for all such loss or damage, including reasonable attorneys' fees and other legal costs resulting from any failure to perform up to the amount of the Penal Sum.

In the event that the Surety fails to fulfill its obligations under this Performance Bond, then the Surety shall also indemnify and save the Lessor harmless from any and all loss, damage, cost and expense, including reasonable attorneys' fees and other legal costs for all trial and appellate proceedings, resulting directly or indirectly from the Surety's failure to fulfill its obligations hereunder. This paragraph shall survive the termination of cancellation of this Performance Bond. The obligations set forth in this paragraph shall not be limited by the Penal Sum of this Bond.

The Surety's obligations hereunder shall be direct and immediate and not conditional or contingent upon Lessor's pursuit of its remedies against Principal, and shall remain in full force and effect notwithstanding (i) amendments or modifications to the Lease or the Contract entered into by Lessor, Principal and/or Contractor without the Surety's knowledge or

consent, (ii) waivers of compliance with or any default under the Lease or the Contract granted by Lessor to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Lease or the Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceedings, or (iv) any other action taken by Lessor or Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

The institution of suit upon this Bond is subject to a statute of limitations of four (4) years for claims arising out of the actual construction of improvements and five (5) years for all other claims arising out of this written contract, as set forth in Section 95.11, Florida Statutes.

Any changes in or under the Lease or the Contract and compliance or noncompliance with any formalities connected with the Lease or the Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Lease and/or the Contract.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their seals on the _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant, authority of its governing body.

Signed, sealed and delivered
in the presence of:

(Seal)

Principal
By: _____
(Official Title)

(Seal)

Surety
By: _____
(Official Title)

(Countersigned by Florida Registered Agent)

Note: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power of Attorney Appointing Individual Attorney-In-Fact for execution of Performance Bond on behalf of Surety.

EXHIBIT "I"

THIS INSTRUMENT PREPARED BY
AND SHOULD BE RETURNED TO:

For Recording Purposes Only

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT ("Memorandum") is effective this _____ day of _____, 20____, by and between TITUSVILLE-COCOA AIRPORT AUTHORITY, as governing body of the Titusville-Cocoa Airport Authority, a special taxing district existing under the laws of the State of Florida, whose mailing address is 355 Golden Knights Boulevard, Titusville, Florida 32780 ("Authority"), and Air USA, INC., a Nevada corporation authorized to do business in the State of Florida whose mailing address is 1659 Highway 104, Quincy, Illinois 62305 ("Lessee").

WITNESSETH

Lease. Authority and Lessee entered into that certain Lease Agreement effective as of _____ ("Lease"), with respect to the lease of certain real property and improvements thereon located in Brevard County, Florida, more particularly described on the attached Exhibit "A" (the "Property").

Term. The Term of the Lease begins on the Effective Date hereof and the Initial Term of the Lease will end, unless sooner terminated in accordance with the terms of the Lease, 2 years from Effective Date, unless renewed pursuant to the terms of the Lease.

Lessee's Improvements. Pursuant to the terms of the Lease, the Landlord's interest in the Property shall not be subject to any liens or claims of lien for any improvements made by or on behalf of Tenant.

Election Not to Claim Depreciation. Neither Lessee nor any successor-in-interest to Lessee shall claim depreciation or an investment credit with regard to any Improvements constructed by the Authority at the Premises.

Definitions. TERMS NOT SPECIFICALLY DEFINED IN THIS MEMORANDUM SHALL HAVE THE SAME RESPECTIVE MEANINGS AS ARE ASCRIBED THERETO IN THE LEASE.

Lessee's Address. A copy of the Lease is maintained at Lessee's place of business located at the following address: 7003 Challenger Avenue, Titusville, Florida 32780, and at the offices of the Authority.

Lease Governs. This Memorandum is executed for the sole purpose of giving public notice of certain terms and provisions of the Lease and shall not create, expand, modify or affect in any way the respective rights, interests, estates, obligations or remedies of Authority or Lessee. This Memorandum shall not be considered or taken into account in connection with the construction or interpretation of the Lease or any provision thereof.

Counterparts. This Memorandum may be executed in counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum effective as of the day and year first above written.

WITNESSES:

Print Name: _____

Print Name: _____

WITNESSES:

Print Name: _____

Print Name: _____

LESSEE:

Air USA, Inc.

By: _____

Printed Name: _____

Title: _____

LESSOR:

TITUSVILLE-COCOA AIRPORT AUTHORITY

By: _____

MICHAEL D. POWELL, C.M., ACE

As Its: Chief Executive Officer

Approved as to Form and Legality this _____ day of _____, 20____

WhiteBird PLLC

By: _____

Legal Counsel / Titusville-Cocoa Airport Authority

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as _____ of **Air USA, Inc.**, on behalf of the corporation. He/She is [] personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

Signature of Notary Public

Print Name: _____

My Commission Expires: _____

Commission No.: _____

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by **MICHAEL D. POWELL** as Chief Executive Officer of **TITUSVILLE-COCOA AIRPORT AUTHORITY**. He is [] personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

Signature of Notary Public

Print Name: _____

My Commission Expires: _____

Commission No.: _____



TIX → SPACE COAST REGIONAL AIRPORT
COI → MERRITT ISLAND AIRPORT
X2I → ARTHUR DUNN AIRPARK

355 Golden Knights Blvd. → Titusville, Florida 32780 → 321.267.8780 → fax: 321.383.4284 → email: admins@flairport.com

MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael D. Powell
Chief Executive Officer

DATE: August 20, 2020

ITEM DESCRIPTION - NEW BUSINESS ITEM B

Discussion and Consideration of the Sale of Driving Ranges, Inc. to be Operated as CGS-Range, LLC at X21.

BACKGROUND

Driving Ranges, Inc. wishes to sell the driving range business at X21 to CGS-Range, LLC. The proposed new owner has owned and operated the Custom Golf Shop in town for 33 years, has been running the facility for the current owner for quite some time, and the current owner needed to move away.

ISSUES

CGS-Range, LLC supplied Staff with all required business information and is submitted for the Board's consideration as well.

ALTERNATIVES

The Airport Authority Board could approve or disapprove the sale and associated Assignment.

FISCAL IMPACT

The lease rate will be \$25,372.92 annually, or \$2,114.41, plus any applicable taxes.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the sale of Driving Ranges, Inc. to CGS-Range, LLC along with the associated Assignment and (2) authorize an Authority Officer or the Chief Executive Officer to execute the necessary documentation upon satisfactory review by legal counsel.

LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Agreement**”) is entered into as of this ____ day of _____ 2020 (the “**Effective Date**”) by and among the **TITUSVILLE-COCOA AIRPORT AUTHORITY**, as governing body of the Titusville-Cocoa Airport Authority, a special taxing district existing under the laws of the State of Florida whose mailing address is 355 Golden Knights Boulevard, Titusville, Florida 32780 (“**Landlord**”), **DRIVING RANGES INCORPORATED**, a Florida corporation with a mailing address of Portland Lorrha, Nenagh, Munster E45 HH52 IE (“**Existing Tenant**”), and **CGS-RANGE, LLC**, a Florida limited liability company with mailing address 695 N Singleton Avenue, Titusville, Florida 32796 (“**New Tenant**”).

RECITALS

WHEREAS, Landlord and Existing Tenant are parties to a certain lease agreement for the lease of commercial property located at Arthur Dunn Airpark (X21), which is owned and operated by Landlord, more particularly described as that certain “Lease Agreement” with an effective date of 07/01/2017 (the “**Lease**”) for a parcel of real property with improvements and a general address of 695 N Singleton Avenue, Titusville, Florida 32796 (the “**Property**”); and

WHEREAS, Existing Tenant and New Tenant are parties to a certain sublease agreement related to the Property, more particularly described as that certain “Commercial Sublease Agreement” with an effective date of 10/01/2018; and

WHEREAS, New Tenant wishes to take a formal assignment of the Lease, become the actual tenant therein and assume all of the rights, duties and obligations of Existing Tenant under the Lease, thereby supplanting and abrogating the aforementioned sublease;

WHEREAS, Existing Tenant desires to assign its entire right, title and interest in the Lease to New Tenant, and New Tenant desires to accept such assignment; and

WHEREAS, Landlord is willing to consent to such assignment and assumption upon the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord, Existing Tenant and New Tenant hereby agree as follows:

1. **Definitions.** All capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Lease.

2. **Assignment and Assumption of Lease.**

a. Effective as of the Effective Date, Existing Tenant hereby assigns to New Tenant all of its rights, titles and interest in the Lease, and New Tenant hereby accepts such

assignment and agrees to assume all of Existing Tenant's obligations under the Lease arising after the Effective Date. Landlord hereby consents to the foregoing assignment and assumption. Landlord's consent to the assignment and assumption provided for herein shall not be construed as a waiver of any right in favor of Landlord to consent to any further assignment of any interest in the Lease.

b. New Tenant hereby assumes and agrees to make all payments and to perform and keep all promises, covenants, conditions, obligations and agreements of Existing Tenant under the Lease commencing on the Effective Date, but only to the extent such relate to matters or circumstances arising or accruing after the Effective Date except as otherwise set forth herein.

c. Existing Tenant hereby represents and warrants to Landlord that: (i) Existing Tenant has full power and authority to assign its entire right, title and interest in the Lease to New Tenant, and that no further consents or approvals are required in connection therewith; (ii) Existing Tenant has not transferred, conveyed or encumbered its interest in the Lease to any person or entity, whether collaterally or otherwise; (iii) Existing Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease or in any way relating thereto or arising out of any other transaction between Landlord and Existing Tenant; and (iv) the Lease is in full force and effect and neither Existing Tenant nor, to the actual knowledge of Existing Tenant, Landlord is in default of any of their respective obligations under the Lease except as otherwise set forth herein. Existing Tenant acknowledges that the truth and accuracy of the foregoing representations and warranties is a material inducement to Landlord's agreeing to consent to the assignment of the Leases to New Tenant. The provisions of this paragraph shall survive the expiration or earlier termination of the Lease and the assignment of the Lease provided for herein.

d. New Tenant hereby represents and warrants to Landlord that New Tenant has full power and authority to take an assignment of all of Existing Tenant's rights, titles and interest in the Lease and to assume all of Existing Tenant's obligations under the Lease, and that no further consents or approvals are required in connection therewith. New Tenant acknowledges that the truth and accuracy of the foregoing representations and warranties is a material inducement to Landlord's agreeing to consent to the assignment of the Lease to New Tenant. The provisions of this paragraph shall survive the expiration or earlier termination of the Lease.

3. **Notices.**

a. Notwithstanding anything to the contrary contained in the Lease, all notices desired or required to be given under the Lease and/or this Agreement shall be governed by the terms of this Section. All notices, demands, statements, approvals or communications (collectively, "**Notices**") given or required to be given by Landlord, Existing Tenant or New Tenant to the other shall be in writing and shall be sent either by hand delivery, or United States certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight courier for next business-day delivery. Any Notice will be deemed given on the date which is three (3) business days after it is mailed by United States mail or upon the date the same is hand delivered or received via a nationally recognized overnight courier. Notwithstanding the foregoing, any and all recurring bills or statements given or required to be given under the

Leases to New Tenant shall be in writing and shall be deemed sufficiently given or rendered if delivered to New Tenant at the demised premises via any of the manners described in this Section. Notices shall be sent to the following address:

If to Landlord: Titusville-Cocoa Airport Authority
355 Golden Knights Boulevard
Titusville, FL 32780

If to Existing Tenant: Driving Ranges, Inc.

If to New Tenant: CGS-Range, LLC
695 N Singleton Avenue
Titusville, FL 32796

Landlord and New Tenant may each change its notice address from time to time by delivering a written notice thereof to the other party in accordance with the terms of this Section.

4. **Authorization.** Existing Tenant and New Tenant each represent and warrant to Landlord that its execution and delivery of this Agreement has been duly authorized, that the person executing this Agreement on behalf of such party has been duly authorized to do so, and that no other action or approval is required with respect to the transactions contemplated by this Agreement.

5. **Remaining Terms Unmodified.** Except as expressly modified by this Agreement, all of the terms and provisions of the Lease shall remain unmodified and in full force and effect and shall continue to apply.

6. **Full Force and Effect of Lease.** Existing Tenant and New Tenant each acknowledges and agrees that the Lease is in full force and effect and that neither of them have any claims or offsets against rent and/or any other sums due or to become due to Landlord pursuant to the terms of the Lease. The Lease is hereby ratified and confirmed by Existing Tenant and New Tenant in all respects.

7. **Miscellaneous.**

a. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter contained herein and may not be changed orally but only by an agreement in writing signed by Landlord and New Tenant. Neither Existing Tenant nor New Tenant is relying upon any representations, warranties, statements or agreements not explicitly contained in this Agreement as an inducement to such party's entering into this Agreement.

b. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

c. In the event of any conflict or inconsistency between the provisions of the Lease and the provisions of this Agreement, the provisions of this Agreement shall control.

d. This Agreement may be executed in any number of counterparts, which counterparts, taken together, shall constitute one and the same instrument. It is agreed that an electronic .PDF signature shall evidence and constitute valid execution of this Agreement and shall be binding on the signing party and shall be the same as delivery of an original. At the request of any party, electronic pdf transmitted signatures will be confirmed by the delivery to the requesting party a signed original counterpart of this Agreement.

e. If any of the provisions of the Lease or this Agreement, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of the Lease and this Agreement or the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of the Leases, and this Agreement, shall be valid and enforceable to the fullest extent permitted by law.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date and agree to be bound hereby.

LANDLORD:

**TITUSVILLE-COCOA
AIRPORT AUTHORITY**

By: _____
Name: _____
Title: _____

Approved as to form and legality
this ____ day of _____, 2020.

WhiteBird, PLLC

By: _____
Adam M. Bird, Esq.
TCAA Legal Counsel

WITNESSES:

By: _____

(Print Name)

By: _____

(Print Name)

EXISTING TENANT:

DRIVING RANGES, INC.

By: _____
Name: _____
Title: _____

WITNESSES:

By: _____

(Print Name)

By: _____

(Print Name)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

NEW TENANT:

CGS-RANGE, LLC

By: _____

Name: _____

Title: _____

WITNESSES:

By: _____

(Print Name)

By: _____

(Print Name)



TIX → SPACE COAST REGIONAL AIRPORT
 COI → MERRITT ISLAND AIRPORT
 X2I → ARTHUR DUNN AIRPARK

355 Golden Knights Blvd. → Titusville, Florida 32780 → 321.267.8780 → fax: 321.383.4284 → email: admin@flairport.com

MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael D. Powell, C.M., ACE
 Chief Executive Officer

DATE: August 20, 2020

ITEM DESCRIPTION - NEW BUSINESS ITEM C

Discussion and Consideration of a Ground Lease at TIX for the VAC

BACKGROUND

The VAC has requested to lease approximately 5.63 acres of land for development at TIX to construct a large 6,500 yd. apron, followed by multiple large hangars in a phased approach over the next few years. The Airport Authority will end up with 6.93 acres for development with a 2,960 yd. apron and two large hangars and entrance road on the south side.

The Airport Authority secured a grant for 50% of the VAC apron portion and 80% for the Airport Authority portion of the apron. The VAC will also pay a 2% administrative fee to the Authority for administering the concrete apron project.

The total amount paid upfront by the VAC will be \$576,148.00. The upfront cost will cover the local match dollars for the VAC and Authority apron, as well as the administrative fee. In consideration of the upfront payment, the VAC has asked for rent abatement.

ALTERNATIVES

The Airport Authority Board could approve the lease, improvements and rent abatement, disapprove, or ask for some other alternative.

FISCAL IMPACT

In consideration for the upfront payment, the VAC's rent abatement would run out nine years:

		Annual Ground Lease Before Tax	
	\$56,405.84		
		Estimated Tax 6.5%	
		Estimated CPI 1.75%	
	\$576,148.00	Monthly Rent	
Rent Year 1	-\$60,074.05	\$4,700.63	
Rent Year 2	-\$61,125.33	\$4,782.89	0.0175
Rent Year 3	-\$62,195.02	\$4,866.59	0.0175
Rent Year 4	-\$63,283.49	\$4,951.76	0.0175
Rent Year 5	-\$64,390.88	\$5,038.41	0.0175
Rent Year 6	-\$65,517.69	\$5,126.58	0.0175
Rent Year 7	-\$66,664.31	\$5,216.30	0.0175
Rent Year 8	-\$67,830.94	\$5,307.59	0.0175
Rent Year 9	-\$69,017.98	\$5,400.47	0.0175
	-\$3,951.71		

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) Approve the lease, improvements, and rent abatement, and (2) authorize an Authority Officer or the Chief Executive Officer to execute the necessary documentation upon satisfactory review by legal counsel.

TITUSVILLE-COCOA AIRPORT AUTHORITY



AERONAUTICAL LEASE AND DEVELOPMENT AGREEMENT

Space Coast Regional Airport

Titusville, Florida

Lessee:

VALIANT AIR COMMAND, INC.

AERONAUTICAL LEASE AND DEVELOPMENT AGREEMENT

THIS AERONAUTICAL LEASE AND DEVELOPMENT AGREEMENT (the “Lease” or “Agreement”) made and entered into this _____ day of _____, 2020 (the “Effective Date”) by and between the **TITUSVILLE COCOA AIRPORT AUTHORITY**, as the governing body of the Titusville Cocoa Airport District, a special taxing district existing by and under the laws of the State of Florida with its principal place of business located at 355 Golden Knights Blvd., Titusville, FL 32780 (the “Authority”), and **VALIANT AIR COMMAND, INC.**, a Florida not-for-profit corporation with its principal place of business located at 6600 Tico Road, Titusville, FL 32780 (the “Lessee”).

W I T N E S S E T H:

WHEREAS, Authority owns and operates airports known as Arthur Dunn Airpark (X21), Space Coast Regional Airport (TIX), and Merritt Island Airport (COI), and Authority is desirous of leasing to Lessee certain premises hereinafter more fully described and located at Space Coast Regional Airport, together with the right to use and enjoy individually and in common with others the facilities referred to; and

WHEREAS, Lessee requests to lease from Authority an approximately 5.63-acre parcel of aeronautical property at Space Coast Regional Airport (TIX), as more particularly described hereinbelow and referred to as the “Property,” to expand its current campus to include construction of expanded apron improvements, taxiways and commercial buildings to be used by Lessee to host events and grow its collection of historic military aircraft (generally, the “Project”) (Lessee’s site plan for the 5.63-acre parcel including anticipated location of aforementioned improvements depicted on **Exhibit “B”** hereto) and will use said property only for such purposes as specifically set forth herein;

WHEREAS, Authority – in an effort to promote expansion of Lessee’s campus and development at TIX – has agreed to construct an apron and taxiway on parcels of property adjacent to the Property for use by the general public and by Lessee (defined hereinbelow as “Authority Improvements), which Authority has evaluated and believes is in TIX’s best interests; and

WHEREAS, Lessee has agreed to pay to Authority a non-refundable sum as identified hereinbelow towards the Authority Improvements (defined below as the "Construction Contribution"), which Authority wishes to accept as part of Authority Improvements; and

WHEREAS, the Authority recognizes the value and benefit to the Authority of Lessee's construction of improvements on the Property as well as its payment of the Construction Contribution to Authority for Authority's Improvements and, in exchange therefore, Authority shall provide corresponding rent abatement to Lessee as set forth hereinbelow.

NOW, THEREFORE, in consideration of the mutual agreements, covenants, and conditions herein contained, Authority does hereby lease, demise, grant and let to Lessee, the following premises, more particularly identified in Exhibit "A" attached hereto, upon the following terms and conditions, to-wit:

ARTICLE I
LEASED PREMISES

Authority hereby leases unto Lessee, and Lessee hereby leases from Authority, the real property depicted on the schedule attached hereto as Exhibit "A" and identified therein as the "VAC Parcel") consisting of approximately 5.63 acres of aeronautical property, more or less, located at the Space Coast Regional Airport, and made a part hereof, hereinafter referred to as the "Property."

To the extent it has not yet been provided and as soon as reasonably practical after the execution of this Lease, Lessee shall be responsible for obtaining, at its sole cost and expense, a boundary survey for the Property depicting the true boundaries thereof, and the same shall be appended hereto and become a part of Exhibit "A" to this Lease (together with the current Exhibit "A"), and each and every reference in this Lease to Exhibit "A" shall refer to said composite exhibit consisting of the current Exhibit "A" and the land survey to be appended hereto after execution of this Lease. Both Authority and Lessee acknowledge that each has sufficient information and knowledge to locate the Property, as defined herein, but further agree that in an abundance of caution and for the sake of clarity, the aforementioned boundary survey shall be required to set the formal and defined metes and bounds of the Property.

Notwithstanding that said boundary survey may not be attached to this Lease at the time it is executed, both Authority and Lessee knowingly and voluntarily waive any argument either has or may have that failure to attach the boundary survey at or before the time this Lease is executed in any way affects the validity and/or enforceability of this Lease, including without limitation any argument that the Property herein is not sufficiently defined prior to the attachment of said boundary survey.

Section 1.01 -Conditions.

- A. Lessee hereby accepts the Property in its "as is" condition, and subject to (i) all applicable building codes, zoning regulations, and municipal, county, state and federal ordinances and regulations governing or regulating the use of the Property, and (ii) any covenants, easements and restrictions of record.
- B. Lessee acknowledges that Authority has made no representations or warranties respecting the suitability of the Property for Lessee's purposes and that Authority has no obligation whatsoever to repair, maintain, renovate or otherwise incur any cost or expense with respect to the Property and/or any leasehold improvements, fixtures, furnishing or equipment installed in or used on the Property, except as otherwise set forth in this Lease.
- C. Lessee agrees that it shall provide sufficient facilities and/or accommodation on the Property for the required stormwater retention if and to the extent the same may be required by the Florida Department of Environmental Regulation, Brevard County, or the City of Titusville.
- D. Lessee further agrees that it shall observe all setback and landscaping requirements set forth by the applicable governmental agency and that it will irrigate and maintain in clean and well-kempt condition all landscaped areas.
- E. Lessee further agrees that it shall observe all applicable Airport Rules and Regulations regarding the use of the Property and that approved improvements to be constructed by Lessee will be used solely for commercial aviation endeavors.

ARTICLE II
TERM AND RENEWAL

Section 2.01 -Term

- A. The primary term of this Lease is for a period of **twenty (20) years**, commencing on the first day of _____, 2020 (the "Commencement Date"), and shall terminate twenty (20) years from such date. Lessee shall also be entitled to **two (2) five (5) year options** to renew after the initial term as long as at the time Lessee notifies Authority of its exercise of either option, Lessee is not in material default of any provision of this Lease. At the termination of the Lease, title to all improvements on the Property of any kind shall revert to Authority.
- B. As set forth in section 3.03, below, every five (5) years on the anniversary of the Commencement Date, all rents, rates and charges under this Lease shall be reviewed and re-evaluated and may be adjusted by Authority in its discretion to ensure Authority is receiving fair market rental value for the Property as it is required to receive. Additionally, if within ninety (90) days of the Commencement Date, the Federal Aviation Administration ("FAA") disapproves the Lease or the Authority has not approved the site plan, then this Lease will be void and of no further force and effect and the parties will be released from any further Lease obligations. Provided however, if the parties reasonably attempt to comply with any modifications required by the FAA for approval, then this Lease shall remain in full force and effect even if such compliance does not lead to a reversal or withdrawal of FAA disapproval within the aforementioned 90-day deadline.
- C. Lessee agrees that upon expiration of the term of this Lease, from lapse of time or otherwise, said Property will be delivered to Authority in the same or better condition than when Lessee received possession, reasonable wear and tear excepted. Reasonable wear and tear shall be determined at the sole discretion of the Authority upon inspection of the premises from time to time.
- D. In the event Lessee shall continue to occupy the Property beyond the Lease term or any extension thereof without Authority's written consent, such occupancy

shall not constitute a renewal or extension of this Lease, but shall create a month-to-month tenancy that may be terminated at any time by either party by giving thirty (30) days' written notice to the other party.

ARTICLE III GROUND RENTAL

Section 3.1 - Rent.

For the purpose of computing the rental payments, Authority and Lessee agree that the Property is comprised of **5.63** acres, more or less, as identified on **Exhibit "A"**. The annual base rental rate for the Property consisting of 245,250 sq. ft. shall be \$0.23 per square foot (based on unimproved fair market value) for a total annual rental rate for the Property of **\$56,407.50** (the "Annual Base Rent"). Annual Base Rent increases based on the Consumer Price Index ("CPI") shall be applied annually (based upon the Commencement Date) throughout the term, with the exception of the five-year fair market value readjustments set forth in section 3.03.

Section 3.02 - Commencement of Annual Base Rent.

Subject to any Construction Period as set forth below, Lessee's obligation to pay to Authority the Annual Base Rent as aforesaid shall commence on the Construction Commencement Date.

Section 3.03 - Adjustment of Annual Base Rent.

The Annual Base Rent payable to Authority by Lessee shall be adjusted at the end of each five (5) year term, beginning with the Commencement Date, through the balance of this Lease, including any extensions thereof, and shall be determined by the Fair Market Value of the Property excluding improvements. The value of the Property will be established by an MAI appraisal which shall be secured and paid for by Authority at least sixty (60) days prior to the commencement of each such five (5) year period; provided, however, in the case of each such appraisal, if the Lessee determines, and so notifies Authority within thirty (30) days after its receipt of a copy of the appraisal, that it does not accept the value so determined, Lessee may

then, at its own cost and expense, select a second MAI appraiser to establish a second appraised value; if the appraisers hired by Authority and Lessee can agree upon the appraised value, then such agreed-upon value shall be conclusive and shall operate as the basis to calculate the then-current Annual Base Rent; if said appraisers cannot so agree within a period of sixty (60) days, then they shall jointly select a third MAI appraiser as a review appraiser who shall conclusively establish an appraised value, which value may not be lower than the lower of the two appraisals, not higher than the higher of the two appraisals, with each party hereto bearing one-half (1/2) of the cost of the review appraisal. Unless Lessee shall notify Authority that it does not accept the appraisal obtained by Authority within thirty (30) days following its receipt of a copy of such appraisal, then such appraisal shall be conclusive and binding on Lessee. In the event a final appraisal is not received by Lessee until after the anniversary date upon which an Annual Base Rent adjustment required under this paragraph is to become effective, then Lessee shall pay Annual Base Rent to the Authority at the rate established on the basis of Authority's appraisal until the review appraisal is obtained, and the minimum Annual Base Rent established on the basis of the review appraisal shall become effective retroactively to the anniversary date upon which such adjustment was required. Notwithstanding the foregoing, however, the amount of any increase in Annual Base Rent resulting from any such appraisal from a five year period to the next shall not exceed twenty five percent (25%), and in no event shall said rent be decreased from the amount required to be paid during any previous five (5) year period(s) or any portion thereof.

Section 3.04 -Time of Payment.

- A. Initial Annual Base Rent shall be due to Authority from Lessee in twelve (12) equal monthly installments of \$4,700.63, plus applicable sales tax thereon. However, as the Annual Base Rent may change based on CPI and/or fair market value as set forth above, one-twelfth (1/12) of Annual Base Rent shall be paid by Lessee to Authority as and for rent each month once the initial Annual Base Rent changes. Said monthly installment shall be paid in advance on or before the first day of each and every month during the term of this Lease. Monthly rental payments, including all applicable sales tax, shall be paid to Authority from Lessee on or before the first day of each month for that month's rent.

Section 3.05 -Late Payment.

Any installment of rents, fees, or other charges or monies accruing under any provisions of this Lease that are not received by Authority by the 10th day of the month in which payment is due shall bear interest at the highest rate allowed by Florida law from the date when the same was due according to the terms of this Lease until paid by Lessee.

Section 3.06 -Taxes and Assessments.

- A. At all times during the term of this Lease and beginning with the Commencement Date, Lessee shall pay, on or before the due date established therefore, all lawful taxes (including ad valorem taxes) assessments and impact fees levied against the Property and/or the Leasehold as well as all taxes and assessments and impact fees levied against Lessee's personal property or otherwise arising out of its operations on the Property. None of the terms, covenants or conditions of this Lease shall be construed as a release or waiver on the part of Authority, as a political subdivision of the State of Florida and the County, or on the part of the County, of the right to assess, levy or collect any license, personal, intangible, occupation or other tax which they, or either of them, may lawfully impose on the business or property of Lessee.

Section 3.07 -Lessee's Payment for Authority Improvements and Rent Abatement

- A. As identified on Exhibit "C" to this Lease, Authority is obligated to make certain improvements to the 6.93-acre parcel of land abutting the Property and identified on Exhibit "A" hereto as the "TCAA Parcel" (the "Authority Improvements"). Lessee shall pay to Authority within ten (10) days of the full execution of this Lease by the Parties the total, full and non-refundable sum of Five Hundred Seventy-Six Thousand One Hundred Forty-Eight and 00/100 Dollars (\$576,148.00), which Authority shall use towards the Authority Improvements (the "Construction Contribution"). Lessee agrees, acknowledges and understands that because the Construction Contribution will be used by Authority to construct the Authority Improvements, the Construction Contribution shall be irrevocably and unconditionally non-refundable once paid to Authority and shall immediately become Authority revenue upon such payment. For its part, Authority shall be

obligated to use said Construction Contribution toward the Authority Improvements in its discretion and shall not utilize the Construction Contribution for any purpose beyond the Authority Improvements and expenses and costs reasonably associated therewith.

- B. Because Authority will be receiving the benefit of the Authority Improvements in part through the Construction Contribution, Authority shall provide to Lessee, and Lessee shall receive, rent abatement in relation to the Property and base rent due Authority thereon in the total and full amount of the Construction Contribution. Notwithstanding any other term of this Lease, once Lessee's obligation to pay base rent to Authority commences as set forth elsewhere in this Lease (which by the Lease's terms excludes the Construction Period), base rent due Authority plus sales tax thereon shall be abated until such time as said rent abatement (plus sales tax thereon) in the aggregate is equal to the full amount of the Construction Contribution. The Parties agree and acknowledge that said rent abatement is not, and shall not be treated as, a pre-payment of rent by Lessee but rather is a concession being afforded to Lessee in exchange for the benefit provided the Authority by way of the Construction Contribution. For the purposes of clarity, Lessee shall be entitled to rent abatement under this paragraph as to the Property only and not in relation to or upon any other property leased by Lessee from Authority. Additionally, the rent abatement described in this paragraph shall apply only to base rent and sales tax due thereon and not any other cost, charge, tax or other expense related to the Property, including without limitation ad valorem taxes on the Property.

ARTICLE IV

USES AND PRIVILEGES

Section 4.01 -Rights of Lessee.

Authority hereby grants to Lessee and Lessee hereby accepts the following rights and privileges in connection with its use of the Property subject, however, to applicable City, County, State and Federal building and zoning use and regulations. Lessee shall have the right to occupy and develop the Property as set forth generally on Exhibits "A" and "D" and described in the "WHEREAS" clauses to this Lease at its sole cost and expense. Additionally, Lessee shall be permitted to conduct the same activities on the Property that it currently conducts on its other

leased property at TIX and shall also be permitted to utilize the Property for event-planning and events available to the public (parties, weddings, celebrations, etc.). Any activity, including without limitation those listed above, conducted on the Property shall be at Lessee's sole cost and expense, and Lessee shall indemnify and hold Authority harmless for same. Moreover, Authority makes no representations or warranties about Lessee's ability to conduct any specific operations or activities of any kind on the Property, and it is Lessee's sole responsibility to ensure that it can do so. Sub-leasing space on the Property shall be subject to the terms of Article 4.02, below, and shall also be subject to review and approval of any sublease and sublessee by Authority in its sole discretion, said approval not to be unreasonably conditioned, withheld or delayed.

Section 4.02 -Subjugation.

All provisions of this Lease shall be as binding on Lessee's subconcessionaires and subcontractors as on the Lessee, and Lessee shall include in all subconcessionaire agreements and subcontracts a provision by which the subconcessionaire or subcontractor agrees to be bound by and to comply with all applicable terms of this Lease. Lessee shall provide each subconcessionaire/subcontractor with a copy of this Lease, which shall be incorporated by reference in each subagreement. The agreements with subcontractors shall fully protect the rights of the Authority hereunder, including termination rights and shall require the prior written approval of the Authority. All revenue received from operations by others will be considered part of Lessee's gross revenues and shall be included in the percentage computation of return to the Authority, if applicable.

Section 4.03 -Access.

Lessee, its employees and invitees shall have the right of ingress and egress from the Property, over airport roadways, including the use of common use roadways, with such rights and license subject to such reasonable rules and regulations as may be established by the Authority as respecting such use and subject to law. Where access is through a controlled gate, Lessee shall be held responsible for sub-Lessee's and invited guests. For Lessee's protection and protection of other tenants, gate entrance codes are not to be divulged to anyone other than tenants.

Section 4.04 -Lessee Obligations.

Lessee covenants and agrees:

- (a.) To pay all rent and other charges herein reserved at such times and places as the same are due and payable;
- (b.) To pay all utility charges related to the Property, including sewer benefit fees, when due;
- (c.) To keep and maintain the Property in the condition herein required and to surrender the same upon the expiration or sooner termination hereof in said condition reasonable wear and tear excepted;
- (d.) To observe and comply with any and all valid and applicable requirements of duly-constituted public authorities and with all federal, state and local statutes, ordinances, regulations and standards applicable to Lessee, Authority, the Property, and the Airport, including, but not limited to, reasonable rules and regulations of uniform application promulgated from time to time by or at the direction of Authority for the administration of the Airport.
- (e.) To pay all taxes, assessments and other charges assessed or imposed by any governmental authority in relation to the Property, upon Lessee's interest in the Property, and upon any leasehold improvements, and other property erected, installed or located thereon.
- (f.) To procure and keep in force during the term of Lease all necessary occupational licenses and permits as are required by law for the operation of Lessee's business and operations on the Property.
- (g.) To use the Property only for the uses and purposes hereinabove described;
- (h.) To grant Authority and its authorized agents free access to the Property and any improvement(s) thereon at all reasonable times for the purpose of examining the same and seeing that all of the obligations of Lessee hereunder are being met and performed, and to permit them to enter any building or structure on the Property at any time in the event of an emergency (the determination of an emergency being at the sole discretion of Authority);
- (i.) To yield up and surrender immediate possession of the Property and all improvement(s) thereon to Lessee upon termination of this Lease by lapse of time or otherwise or, upon its failure so to do, to be thereafter considered a tenant-at-

sufferance; provided, however, that nothing contained in this subparagraph shall be deemed to constitute a waiver by Authority of its right of re-entry, nor shall the receipt of rent or any part thereof or any act in apparent affirmance of Lessee's continued tenancy operate as a waiver of Authority's right to terminate Lessee's use of the Property by eviction or otherwise; and,

- (j.) To be solely responsible for securing all federal, state, county or municipal approvals of an environment of an environmental or other nature required for any construction or alteration of any and all improvements on the Property, or for any of Lessee's operations thereon.
- (k.) To pay all casualty, bond and liability insurance premiums required in accordance with Article VII herein below.
- (l.) Lessee agrees that it shall not use or permit premises to be used for any other purpose than herein described without prior written approval from Authority.
- (m.) To develop the Property in a fashion, timeframe, manner and quality consistent with Lessee's representations to Authority, its obligations under this Lease and, generally, in accordance with Exhibit "B" and Exhibit "D" hereto.

ARTICLE V

CONSTRUCTION OF IMPROVEMENTS

Section 5.01 -Mutual Intent.

It is the mutual intention of the parties hereto that Lessee shall, at its own cost and expense, construct improvements to the Property with prior approval of the Authority.

- A. Construction of any improvement(s) on the Property shall begin no later than ninety (90) days after: (1) Authority notifies Lessee in writing that the Property site has been sufficiently prepared for Lessee's commencement of construction, and (2) Lessee has timely submitted site plans for Authority's approval and Authority has approved said site plans pursuant to section 5.02, below (the "Construction Commencement Date"). The approved site plan(s) shall be appended hereto after Authority's approval as Exhibit "B," and any site plan appended hereto or otherwise provided by Lessee as its site plan for the Property,

preliminary or otherwise, prior to Authority approval shall be superseded and replaced by said approved site plan. Construction of said improvement(s) shall be completed by Lessee no later than twelve (12) months from the Construction Commencement Date provided, however, such completion date shall be extended by a period equal to: (1) any delays caused by matters not within the control of Lessee and provided Lessee informs Authority of such delays as they occur, and/or (2) any additional period necessary for Lessee to complete construction if Lessee has diligently begun and pursued completion of construction and simply is unable to complete construction during the 12-month construction period and Lessee's failure to complete construction within the 12-month construction period was not due to any delays caused by Lessee or its agents, contractors, subcontractors and/or employees. Lessee shall provide written notice of any construction delays to Authority within three (3) business days of any such delay(s). Presenting record of delays at the end of the 12-month construction period without Authority having prior knowledge will not be considered sufficient to warrant extensions of the period. Additionally, should even diligent action in pursuit of completion to such improvements not permit construction of same to be completed within the 12-month period identified above, Lessee shall so notify Authority in writing as soon as the same is discovered or reasonably should have been discovered.

- B. The Authority shall have the absolute right but not the obligation to terminate this Lease if Lessee has failed to comply with this construction requirement by the completion date stated above, together with any extensions thereof.

Section 5.02 -Plan Approval.

- A. Prior to commencing construction of any improvements on the Property, and prior to commencing to renovate, enlarge, demolish or modify any leasehold improvement now or hereafter existing on the Property, Lessee shall submit to Authority plans and specifications for such work (including plans for landscaping and drainage), and Authority shall approve or disapprove such plans and specifications in its sole discretion. Upon Lessee's receipt of Authority written

approval of such plans and specifications, Lessee shall commence the work therein described, including without limitation obtaining necessary permitting and governmental and/or agency approvals, and any improvements shall be constructed in strict accordance with such plans and specifications. As stated above, the Authority-approved site plan shall, after Authority approval, be appended hereto and be incorporated herein as **Exhibit "B."**

- B. Authority's approval of any plans and specifications submitted to it by Lessee shall not constitute the assumption of any liability by Authority for their compliance or conformity with applicable building codes, zoning regulations, and municipal, county, state and federal laws, ordinances and regulations, or for their accuracy, and Lessee shall be solely responsible and liable for such plans and specifications. Authority's approval of such plans and specifications shall not constitute a waiver of Authority's right to thereafter require Lessee to amend the same to provide for any corrections or omissions needed to comply with applicable building codes, zoning regulations, municipal, county, state or federal laws, ordinances or regulations.

Section 5.03 -Licenses and Permits.

Lessee shall obtain all necessary licenses and permits to accomplish its work as contemplated herein, and any contract or agreement for labor, services, materials or supplies to be furnished in connection with the construction or alteration of any improvement on the Property shall provide that no lien, claim or other encumbrance shall thereby be created, or arise, or be filed by anyone thereunder upon or against the Property and/or any improvements thereon.

Section 5.04 -Liens.

Lessee hereby warrants to Authority that all improvements on the Property shall remain free and clear of all liens, claims and encumbrances and agrees to indemnify and hold Authority harmless from and against any and all losses, damages and costs, including reasonable attorneys' fees, with respect thereto. If any lien or notice of lien on account of the alleged debt of Lessee or any notice of contract by any party engaged by Lessee or Lessee's contractor to work on the

Property shall be filed against the Property and/or any improvements thereon, Lessee shall, within thirty (30) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. No work hereunder shall be commenced by Lessee until it has, at its sole cost and expense, provided to Authority a surety performance and payment bond from a company acceptable to Authority and, if the total construction cost related to said improvement exceeds \$200,000, compliant with section 255.05, Florida Statutes, in an amount equal to 100% of the estimated cost of the improvements to be accomplished, which bond guarantees the completion of the work by Lessee's contractors in accordance with the plans and specifications theretofore approved by Authority and guarantees the payment by such contractors of all subcontractors' charges and all charges of all other persons and firms supplying services, labor, materials or supplies in connection with the work.

Section 5.05 -Title to Improvements.

Upon termination of this Lease by the passage of time or otherwise, the Authority shall have the option in its sole discretion to either require removal of all or part of the improvements to the Property within thirty (30) days after the expiration at Lessee's expense; or take title to such structures, installations or improvements without compensation to Lessee.

Section 5.06 -Construction Costs and As-Built Drawings.

- A. Within thirty (30) days of completion of the construction or alterations for any improvements on the Property, Lessee shall present to Authority for examination and approval a sworn statement of the construction and/or alteration cost. Construction and/or alteration costs are defined as all costs incurred by Lessee for actual demolition, construction or alteration, including architectural, design and engineering costs plus pertinent fees in connection therewith. The cost of the initial improvements shall be included in the total project costs and shall be considered as interim facilities.
- B. Within thirty (30) days following completion of the initial construction and any subsequent additions, alterations or improvements, Lessee shall present to Authority a complete set of "as built" drawings including, but not limited to,

architectural renderings, specifications, plumbing and electrical plans, and Lessee shall bear the cost of preparation and delivery of such “as built” drawings.

Section 5.07 -Mortgage of Leasehold Interest.

Lessee shall have the right to place a first mortgage lien upon its leasehold interest in the Property, the terms and conditions of such mortgage lien shall be subject to approval of Authority prior to obtaining said lien. Under no circumstances shall Lessee have the right to encumber title to the underlying real property owned by Authority.

Section 5.08 -Requirement of Construction.

Lessee agrees and acknowledges that its representation to Authority that it intends to construct the improvements depicted on **Exhibits “B” and “D”** hereto is a material representation upon which Authority has relied in approving this Lease and its terms. Accordingly and without regard to any other term in this Lease, it shall be a material breach of this Lease for Lessee to fail or refuse to commence and complete construction of said improvements on the Property pursuant to the terms and conditions set forth in this Lease. Lessee shall, pursuant to the terms hereof, timely and diligently commence and complete construction of the improvements on the Property within the 12-month time period provided in section 5.01, above, together with any proper and valid extensions thereto as set forth in the Lease.

ARTICLE VI

MAINTENANCE AND OPERATION

Authority agrees to, with reasonable diligence, prudently develop, improve and at all times, maintain and operate with adequate, efficient and qualified personnel, the Authority-owned property with exception of Property and adjacent roadways within their control in good condition.

Section 6.01 -Maintenance and Repair.

- A. Lessee shall be solely responsible, at its own cost and expense, for performing or procuring the performance of all maintenance, repair and replacement to the Property and any and all improvements thereon in order to keep the Property and improvements in good, safe, attractive and sanitary condition. All such maintenance, repair and replacement performed by Lessee or at its direction shall be of reasonable quality sufficient to restore the maintained, repaired or replaced item to the same or better condition than it was in prior to the need for maintenance, repair or replacement. All exterior paint colors and structural appendages shall be used or installed only with the prior written approval of Authority.
- B. If Lessee fails to fulfill any of its obligations under this paragraph, and fails to correct such failure within ten (10) days after Authority's written demand, then in addition to all of its other remedies under this Lease, Authority shall have the right, but not obligation, to make or complete said maintenance, repair or replacement, and Lessee shall pay the cost thereof as additional rent promptly upon demand by Authority. In addition to the maintenance obligations set forth above, Lessee further agrees that it shall landscape, irrigate and maintain in good, safe and attractive condition throughout the term of this Lease, in accordance with plans and specifications approved by Authority, those areas a part of and directly adjacent to the Property.

Section 6.02 -Utilities.

- A. Lessee agrees that it shall bear all costs of bringing water, sewer (including sewer benefit fees) and electrical service to the boundaries of the Property and of extending such services within said boundaries, all in accordance with plans and specifications approved Authority. All utility lines and mains constructed by Lessee shall be placed underground as required by Authority. Lessee acknowledges that Authority has made no representations or warranties regarding the adequacy of any utility service for the uses intended by Lessee.

- B. Lessee shall contract in its own name, and pay before delinquency, all utility services rendered or furnished to the Property, including water, gas, electricity, fire protection, sewer rental, sewage treatment facilities, sewer benefit fees, and the like, together with all taxes and other charges levied or assessed on account of such utilities.
- C. Utilities service may, from time to time with or without Authority's knowledge be temporarily interrupted to the Property whenever such discontinuances are necessary to make repairs or alterations to parts of the Airport. No such action shall be construed as an eviction of Lessee, a disturbance of Lessee's possession and quiet enjoyment of the Property, or an election by Authority to terminate this Lease. Authority shall not be held liable in any way to Lessee as a result of such action. However, upon being notified prior to an interruption, Authority shall, in all due course, attempt to notify Lessee of a possible interruption.
- D. Lessee shall not do, or permit to be done, anything at or about the Airport which may interfere with the effectiveness or accessibility of the drainage and sewer systems fire hydrants and hoses, heat and air conditioning systems, electrical power and plumbing installed or located on or within the Leased premises on the Airport. Further, Lessee shall not dispose of nor permit to be disposed of any petroleum products, flammables or hazardous materials into the stormwater system or onto the open ground.

Section 6.03 -Trash and Garbage.

At its own cost and expense, Lessee shall provide a complete and proper arrangement for the adequate sanitary handling of all trash, garbage and other refuse caused as a result of the operation of the Property and shall provide for its timely removal. Lessee shall provide and use suitable covered receptacles for all garbage, trash and other refuse on or in connection with the Property.

Section 6.04 -Area Security.

- A. Authority shall provide, or cause to be provided during the term of this Lease, security protection similar to that afforded to other operators on the Airport and will issue and enforce rules and regulations with respect thereto for all portions of the Airport.
- B. Lessee shall have the right, but shall not be obligated to provide such additional or supplemental public protection as it may desire at its own cost. Such right, whether or not exercised by Lessee, shall not in any way be construed to limit or reduce the obligations of Lessee hereunder.

Section 6.05 -Rules and Regulations.

Lessee covenants and agrees to observe and comply with all rules and regulations of Authority, which now exist or may hereafter be promulgated from time to time governing safe use of its facilities. Lessee further covenants and agrees to observe and comply with any and all valid and applicable requirements of all duly-constituted public authorities and with all federal, state and local statutes, ordinances and regulations applicable to Lessee, the Property and the Airport. Said Rules, regulations, ordinances and statutes are made a part of this Lease by reference.

ARTICLE VII
INSURANCE AND INDEMNIFICATION

Lessee shall carry during the term of this agreement insurance coverage with limits as hereinafter stated, and the carrying of such insurance coverage shall be Lessee's obligation under this agreement.

Section 7.01 -Liability Insurance.

Lessee shall, without expense to Authority, obtain and maintain throughout the term of this Lease and any extension(s) hereof, Comprehensive General Liability Insurance protecting

Lessee, Authority, and the members, officers, agents and employees of each, from and against all liabilities arising out of or in connection with Lessee's use and occupancy of and the conduct of operations on the Property, including without limitation construction of any improvements thereon, in such form and with such company or companies as Authority shall approve with no less than One Million Dollars (\$1,000,000.00) combined single limits or its equivalent, with a deductible which does not exceed an amount approved in writing by Authority, with a waiver of all rights of subrogation that the issuers of such policies might have against Authority and with contractual liability coverage for the covenants and indemnification hereunder of Authority by Lessee. Within ten (10) days after execution of this Lease and thereafter on an annual basis on each anniversary date of the Commencement Date, Lessee shall furnish a certificate of insurance to Authority evidencing such coverage, and such certificate shall provide that Authority is named as additional insured and that the policy or policies will not be canceled nor the limits thereunder materially changed without first providing thirty (30) days' written notice thereof to Authority.

Section 7.02 -Fire and Extended Coverage Insurance.

- A. Lessee shall obtain and maintain throughout the term of this Lease and any extension(s) hereof, for the benefit of Lessee and Authority as their interests may appear, fire and extended coverage insurance on the full insurable value of the any improvements on the Property, on a replacement cost basis, in such form and with such company or companies as Authority shall approve with a deductible which does not exceed an amount approved in writing by the Authority, and with a waiver of all rights of subrogation that the issuers of such policies might have against Authority. Prior to completion of any construction on the Property and at least ten (10) days prior to the expiration of any policy or policies provided by Lessee hereunder, Lessee shall cause a certificate of insurance to be furnished to Authority evidencing such coverage, and such certificate shall provide that Authority is named as additional insured. If Lessee shall not comply with its covenants made in this section, Authority as residual owner shall have the right, but not obligation, to cause insurance as aforesaid to be issued, and in such event Lessee agrees to pay the premium for such insurance as required above. Such forced-placed insurance premium will be included as additional rent upon the demand of Authority. Lessee shall provide Authority with such information and

supporting documents pertaining to the cost and replacement value of any improvements on the Property as Authority may from time to time request.

Section 7.03 -Indemnity.

- A. Lessee agrees to indemnify, defend and hold harmless Authority and its officers, directors, board members, independent contractors, employees and agents from and against all liabilities, claims, judgments, damages, costs and expenses (including reasonable attorneys' fees prior to institution of legal proceedings and at both trial and appellate levels) which may be incurred by, charged to or recovered from any of the foregoing as a result of or in relation to Lessee's use, occupancy and/or maintenance of the Property and any improvements thereon, including construction thereof, or Lessee's operations thereon, or the acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors or invitees, unless the same was proximately caused solely by Authority's negligence or by the joint negligence of Authority and any person other than Lessee or its officers, agents, employees, contractors, subcontractors or invitees. Nothing in this section is intended to or does extend, modify, abridge, waive, release or otherwise affect in any fashion Authority's right to assert any form of governmental or sovereign immunity against any claim, including without limitation Authority's rights and privileges under section 768.28, Florida Statutes.
- B. In the event of any loss or damage to any improvement on the Property, Lessee shall have the obligation, one hundred eighty (180) days after such loss or damage, to repair and restore the same to the condition it was in prior to such loss or damage, according to plans and specifications approved in writing by Authority, and Lessee, on behalf of itself and its insurer, hereby waives right of subrogation it might otherwise have against Authority for any such loss or Lessee's obligation to pay rent to Authority or to make other payments required to be made by Lessee under this Lease. Any insurance proceeds received with respect to such loss or damage shall be held in trust by Authority and applied in payment of the expenses of such repair and restoration; any expenses of such repair and restoration in excess of the amount of such insurance proceeds shall be

the sole responsibility of Lessee. In the event there are any excess insurance proceeds after restoration and repair are completed to the satisfaction of Authority, said excess insurance proceeds shall be paid to Lessee.

Section 7.04 –Non-Liability of Authority.

- A. Authority shall not in any event be liable for the acts or omissions of Lessee or its agents, servants, employees, and/or independent contractors, or for any condition resulting from the operations or activities of Lessee and/or its agents, servants, employees, or independent contractors, to Lessee or to any other person.
- B. Authority shall not be liable for Lessee's failure to perform any of the obligations under this Agreement or for any delay in the performance thereof, nor shall any such delay or failure be deemed a default by Authority.
- C. Authority shall not be liable for any loss or damage suffered by Lessee arising out of the interruption or cessation of the business conducted by Lessee under this Lease and/or on the Property.

Section 7.05 –Guaranty

- A. At any time that Lessee undertakes construction of any facilities, Lessee shall, at its own cost and expense, cause to be made, executed, and delivered to Authority separate bonds, as follows:
 - 1. Prior to the date of commencement of construction, a contract surety bond in a sum equal to 100% of the construction contract awarded. Said bond shall be drawn in a form and from such company as approved by Authority; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall guarantee Authority against any losses and liability, damages, expenses, claims and judgments caused by or resulting from any

failure of Lessee to perform completely, the work described as herein provided.

2. Prior to the date of commencement of construction, a payment bond with Lessee's contractor or contractors as principal, in a sum equal to 100% of the construction contract awarded. Said bond shall guarantee payment of all wages for labor and services engaged and of all bills for materials, supplies and equipment used in the performance of said construction contract.

ARTICLE VIII

ASSIGNMENT AND LIABILITY

Section 8.01 -General.

- A. Lessee shall not at any time assign this Lease or any of its rights or obligations hereunder, or assign or sublet all area incidental thereto, without prior written approval of Authority, said approval not to be unreasonably conditioned, withheld or delayed and recognizing that Authority is aware Lessee may wish to sublease some or all of the improvements it is to construct on the Property; Lessee may, with the prior written consent of Authority, assign this Lease, but in such event, Lessee shall remain liable to Authority for the remainder of the term of the Lease to pay to Authority any portion of the rental and fees provided for herein upon failure of the assignee to pay the same when due. Said assignee shall not assign said Lease except with the prior written approval of the Authority and the Lessee herein, and any assignment by the Lessee shall contain a clause to this effect.

ARTICLE IX

DEFAULT

Section 9.01 -Events of Default

Anyone of the following events shall constitute an Event of Default hereunder:

- (a.) The failure of Lessee to make any payment of or any other payment required to be made by Lessee hereunder when due as herein provided, which failure is not remedied within ten (10) days after such payment is due (Authority may but shall not be required to provide Lessee with any notice related to non-payment of any sums due under this Lease);
- (b.) The failure of Lessee to keep, observe or perform any of the other covenants or agreements herein contained to be kept, observed or performed by Lessee, and continued failure to observe or perform any such covenant or agreement after a period of thirty (30) days after receipt by Lessee of Authority's written demand;
- (c.) The repeated failure (defined for this purpose as at least three (3) of the same such failures within any twelve-month period) to make any payment of rent or any other payment required to be made by Lessee hereunder when due as herein required (provided that notice of such late payment shall have been given to Lessee, but whether or not Lessee shall have made any such payment within the time provided for in such notice);
- (d.) The repeated failure (defined for this purpose as at least three (3) of the same such failures within any twelve-month period) to keep, observe or perform any of the other covenants or agreements herein contained to be kept, observed or performed by Lessee (provided that notice of such failure shall have been given to Lessee, but whether or not Lessee shall have remedied any such failure within the time provided for in such notice);
- (e.) Abandonment or vacating of the Property at any time prior to the expiration of this Lease without the prior written consent of Authority;
- (f.) Commencement by Lessee or by any surety of this Lease in any court pursuant to any statute of the United States or of any State, territory or government, of an insolvency or bankruptcy proceeding, including without limitation, a proceeding for liquidation, indebtedness, reorganization or for the readjustment of its indebtedness;

- (g.) Commencement of any insolvency or bankruptcy including, without limitation, a proceeding for liquidation, reorganization or for adjustment of indebtedness) against Lessee or any surety of this Lease, if an order for relief is entered against such party and the same is not stayed or vacated within thirty (30) days after entry thereof, or if such party fails to secure a discharge of the proceedings within sixty (60) days after the filing thereof;
- (h.) Insolvency of the Lessee or any surety of this Lease, or the written admission by Lessee or any surety of this Lease that it is unable to pay its debts as they become due;
- (i.) The making by Lessee or by any surety of this Lease of an assignment for the benefit of its creditors or the filing of a petition for or the entering into of an arrangement with its creditors;
- (j.) The appointment or sufferance of a receiver, trustee or custodian to take possession of all or substantially all of the property of Lessee or of any surety of this Lease.

ARTICLE X TERMINATION

Section 10.01 -Events Permitting Termination by Lessee

- A. If any of the following conditions occur, Lessee may terminate this Agreement and terminate all of its future obligations hereunder at any time that Lessee is not in default in its payments or other obligations to the Authority hereunder, by giving Authority thirty (30) days advance notice:
 - 1. If the Airport is permanently abandoned as an air transportation facility.
 - 2. If the use of the Airport is restricted in such a manner that the Lessee cannot reasonably operate on the Airport for a period of ninety (90) days.

3. If the Authority is in breach of any of the covenants or agreements contained in this Agreement for a period exceeding thirty (30) days after receipt of written notice of such breach.

Section 10.02 -Termination by Authority

In the event Lessee commits one or more Event of Default as defined in Article IX, above, Authority may immediately terminate this Lease and shall be entitled to avail itself of all remedies available to it as a result of Lessee's breach hereof. In such event, Lessee shall immediately vacate the Property or shall be subject to eviction proceedings together with all other legal rights and remedies available under Florida law or otherwise available to Authority. In addition, termination of the Lease under this section shall also trigger the reversion of title to any improvements on the Property, whether constructed by Lessee or otherwise, to Authority.

Section 10.03 -Surrender of the Assigned

Lessee covenants and agrees that upon expiration of the term of this Lease or upon earlier termination as hereinafter provided, it will peaceably surrender possession of the assigned spaces along with all improvements to the premises hereunder to Authority in good condition, reasonable wear and tear excepted. Authority shall have the right to take possession of the Property and shall not be required to give notice to quit possession on the expiration date of the term of this Lease. The Lessee shall not abandon any of its property on the Property without the written consent of Authority and agrees to reimburse Authority for any costs incurred in the removal of Lessee's property by Authority.

Any holding over by Lessee after termination of this Lease or the expiration of its term without written consent of Authority shall create a month-to-month term only, unless Authority holds over and remains in possession of the Property after receiving notification from Authority to vacate the same, in which event Lessee shall become a tenant at sufferance and double rent shall be due Authority from Lessee. All insurance and performance bond requirements shall remain in full force and effect in either event.

ARTICLE XI
GENERAL GOVERNING PROVISIONS

Section 11.01 -Authority's Reserved Rights

- A. Authority reserves the right for itself and others to utilize and maintain existing utility easements over, under or across the Property, and to run water, sewer, electrical, telephone, gas, drainage and other lines over, under or through the Property and to grant necessary utility easements therefor; provided, however, that in the exercise of such rights, Lessee's use of the Property and any improvements thereon shall not be unreasonably impaired, and any damage to the Property or any improvement thereon caused by Authority as a result thereof shall be repaired without cost to Lessee.

- B. Authority reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may reasonably see fit, regardless of the desires or views of Lessee and free from any and all liability to Lessee for loss of business or damages of any nature whatsoever to Lessee occasioned during the making of such improvements, repairs, alterations and additions. Authority also reserves the right to establish such fees and charges for the use of the Airport, excluding the Property unless set forth in this Lease, by Lessee and all others as Authority may deem advisable.

Section 11.02 -Quiet Enjoyment.

Authority agrees that, upon payment of all fees herein required and performance of all covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall have peaceable use and enjoyment of the Property.

Section 11.03 -Subordination.

Lessee covenants and agrees that this Lease shall be subject and subordinate to the provisions of any existing or future agreement between Authority and the United States Government relative to the operation or maintenance of Airport.

- A. In such event, Authority shall furnish a true copy of such agreement to Lessee.
- B. Authority may from time to time be required by the United States Government, or one or more of its agencies, to adopt additional or amended provisions including non-discrimination provisions, concerning the use and operation of the Airport, and Lessee agrees that it will adopt any such requirement as a part of this Lease.
- C. If Lessee shall furnish any services to the public at the Airport, it shall furnish said services on a fair, equal and not unjustly discriminatory basis to all users thereof and shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that Lessee shall be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers, if any.
- D. In the event of breach of any of the above nondiscrimination covenants, Authority shall have the right to terminate this Lease and to re-enter and repossess said Property and any improvements thereon. The right granted to Authority by the foregoing sentence shall not be effective until applicable procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercises or expiration of appeal rights.

Section 11.04 -Affirmative Action

The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure 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. The Lessee assures 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 Subpart. The Lessee assures that it will require that its covered sub organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs, and that they will require assurances from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effect, to the extent that said requirements are applicable, as a matter of law, to Lessee.

Section 11.05 -Federal Aviation Administration, Transportation Security Administration, and/or Florida Department of Transportation Requirements

- A. Lessee shall comply with all applicable regulations of the Federal Aviation Administration, Transportation Security Administration, and/or Florida Department of Transportation relating to airport security and shall control the Property so as to prevent or deter unauthorized persons from obtaining access to the Air Operations Area (AOA) of the Airport by installing and maintaining a barrier, the type of which will be approved by Authority, at the perimeter of its Leasehold.
- B. Authority reserves unto itself, and unto its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft through the airspace above the surface of the Property and for navigation or flight in the said airspace for landing on, taking off from or operating on Airport.
- C. Lessee expressly agrees, on behalf of itself and its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Property in compliance with the requirements of Federal Aviation Regulations, Part 77.
- D. Lessee agrees to require any lights on the Property to be constructed, focused or arranged in a manner that will prevent them from casting their beams in an upward direction so as to interfere with the vision of pilots in aircraft landing at or taking off from the Airport or the vision of personnel in the air traffic control tower (if applicable).

- E. Lessee expressly agrees, on behalf of itself and its successors and assigns, to prevent any use of the Property and any improvements thereon which would interfere with or adversely affect the operation or maintenance of the Airport, or which would otherwise constitute a hazard at the Airport.
- F. In the event that the Federal Aviation Administration or its successor shall require any amendments, modifications or changes in this Lease as a condition precedent to the granting of funds for the operation or improvement of the Airport, Lessee hereby consents to such amendments, modifications, or changes as may reasonably be required to obtain such funds; provided, however, that in no event will Lessee be required, pursuant to this paragraph, to accept an increase in the rent provided for hereunder or a reduction in the size of the Property or a change in the use of the Property and any improvements thereon which is permitted hereunder.
- G. Lessee agrees that it will not exercise or grant any right or privilege which would operate to prevent any person, firm or corporation operating aircraft on the Airport from performing any service (including, but not limited to maintenance and repair) on its own aircraft with its own employees that it may choose to perform.

Section 11.06 -Headings

The paragraph headings contained in this Lease Agreement are inserted only as a matter of convenience and reference, and in no way define, limit or describe the scope or intent of any provision of this Lease Agreement.

Section 11.07 -"Whereas" Clauses

The "Whereas" Clauses preceding Article I of the Lease are deemed to be material terms of this Lease and the agreement between Lessee and Authority hereunder.

Section 11.08 -Non-exclusive Rights

Notwithstanding anything herein contained that appear to be the contrary, it is expressly understood and agreed that, except as to Lessee's right to exclusive possession of the Property, the rights granted under this Lease Agreement are non- exclusive.

Section 11.09 -Successors and Assigns.

Except as otherwise provided herein, the provisions of this Lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

Section 11.10 -Time of Essence.

Time is expressed to be of the essence of this Lease.

Section 11.11 -Severability.

This Lease shall be governed by and construed in accordance with the laws of the State of Florida. It is agreed that if any covenant, condition or provision contained in this Lease is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

Section 11.12 -Material Interest

Lessee represents and warrants to Authority that, except as may be disclosed in an Addendum hereto, no officer, employee or agent of Authority has any material interest, either directly or indirectly, in the business of Lessee to be conducted hereunder, and that no such person shall have any such interest at any time during the term hereof.

Section 11.13 -Entire Agreement

This Lease, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and representations or

statements heretofore made with respect to such subject matter, whether verbal or written, are merged herein. This Lease may be altered or amended only by written instrument executed by both parties hereto. Furthermore, this Lease shall not be “construed against the drafter” or otherwise interpreted in a way that is more favorable to one party or the other.

Section 11.14 -Consent of the Parties

Where this agreement requires the consent of one or more parties, the Lessee and the Authority agree that such consent shall not be unreasonably withheld.

Section 11.15 -Choice of Law/Mandatory Forum Selection

This Lease and any claim, action or issue relating hereto shall be governed exclusively by the laws of the State of Florida, and the parties to this Lease knowingly, voluntarily and irrevocably agree to submit any claim, action or other issue arising from or related to this Lease to the sole and exclusive jurisdiction, forsaking all others, of any court of competent jurisdiction in Brevard County, Florida.

Section 11.16 -Exhibits to Lease

Exhibits “A” through “F” and “J” are deemed to be material and integral parts of the Lease, and the Parties agree to comply therewith and to be bound thereby. The remaining exhibits are provided for informational purposes and/or as examples of documents related to this Lease, although neither party represents that those remaining exhibits are definitively sufficient to meet all requirements under the Lease.

ARTICLE XII
CONSTRUCTION ON DEMISED PREMISES

Section 12.01 -Construction

- A. As a material inducement for Authority to enter into this Lease and as consideration therefore, Lessee shall be obligated to improve and otherwise construct improvements upon the Property in a form, size, extent and

configuration identical or substantially similar to those improvements depicted on and/or identified in Exhibits "B" and "D" hereto.

- B. Except as otherwise set forth herein, Lessee shall be solely responsible for all costs, expenses, fees and any other charges related to construction of any improvements on the Property and shall indemnify and hold harmless Authority from the same.
- C. As a material part of its obligations to Authority in relation to any construction performed by Lessee on the Property, Lessee at its sole cost and expense shall be required to obtain, execute, furnish and record in the public record a payment and performance bond with a surety insurer authorized to do business in the State of Florida as a surety (the "Bond") as required by section 255.05, Florida Statutes. Lessee shall comply with all requirements related to the Bond as set forth in section 255.05, Florida Statutes, including without limitation the obligation to provide Authority with a certified copy of the recorded Bond prior to commencing construction on the Property, and failure to do so shall constitute a material breach of this Lease. Lessee shall not be required to furnish a Bond under this subsection if the total contracted cost of construction is \$200,000 or less.
- D. Lessee shall indemnify and hold harmless Authority and its officers, directors, employees and agents from any and all liability, losses or damages, including reasonable attorneys' fees and costs of defense, that Authority or its officers, board members, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of action or proceedings of any kind or nature arising out of, relating to or resulting from or related to construction on the Lease Property and stemming from or related to the acts or omissions, whether intentional or unintentional, of Lessee, its employees, agents, servants, partners, principals, contractors, subcontractors, subconsultants or invitees. Lessee shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or action of any kind or nature in the name of Authority, including appellate proceedings, and Lessee shall pay all costs, judgments and reasonable attorney's fees which may be incurred in relation thereto. Lessee

expressly understands and agrees that any insurance protection required by this Lease or otherwise provided by Lessee shall in no way limit the responsibility to indemnify, hold harmless and defend Authority and its officers, employees, agents, and instrumentalities as provided herein. Lessee's obligations hereunder shall survive the termination of this Lease. Nothing in this paragraph is intended to or does limit or modify Authority's right to assert sovereign immunity or any other form of governmental immunity in any claim or action against it, including without limitation the rights of Authority under section 768.28, Florida Statutes.

- E. In addition to the terms of this Article XII, Lessee shall also comply with the requirements set forth in **Exhibit "E"** to this Lease.

Section 12.02 –Construction Period Rent Abatement

In addition to any other rent abatement provided for in this Lease, beginning on the Commencement Date and continuing until the earlier of (a) issuance of a Certificate of Occupancy for Lessee's improvements to be constructed on the Property, (b) substantial completion of Lessee's improvements to be constructed on the Property to the extent a Certificate of Occupancy does not apply to same, or (c) twelve (12) months from the Commencement Date (the "Construction Period"), Lessee shall not be responsible for payment of any Annual Base Rent or any portion thereof to Authority. Instead, Lessee's obligation to pay Annual Base Rent or any portion thereof shall be abated until the expiration of the Construction Period, at which point Lessee's obligation to pay Annual Base Rent to Authority will immediately commence (subject to other rent abatement terms herein). Additionally, without regard to any term of this section, Lessee shall remain responsible even during the Construction Period for paying any and all other sums, costs and expenses, including without limitation taxes, assessments and insurance premiums, related to the Property.

(Signature Page Follows)

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have set their hands and signatures this _____ day of _____, 20____, and do agree to the terms and provisions of the Lease.

APPROVED FOR LEGAL CONTENT:
WHITEBIRD, PLLC

APPROVED:

Authority: **TITUSVILLE-COCOA
AIRPORT AUTHORITY**

By: _____
Adam M. Bird, Esq., Legal Counsel
Titusville-Cocoa Airport Authority

BY _____
MICHAEL D. POWELL, C.M., ACE
CHIEF EXECUTIVE OFFICER

Lessee:
TIX VENTURES LLC

By: _____
Print Name: _____
Its: _____

Witnesses as to Lessee:

Printed Name: _____

Printed Name: _____

Witnesses as to Authority:

Printed Name: _____

Printed Name: _____

EXHIBIT "A"
DEPTICTION/SURVEY OF PROPERTY

EXHIBIT "B"
LESSEE'S SITE PLAN

EXHIBIT "C"
AUTHORITY IMPROVEMENTS

1. Authority shall be responsible at its sole cost and expense (to include the Construction Contribution paid by Lessee as set forth above) for the construction of a 2,960 square yard (sq. yd.) apron identified as the "TCAA Apron" on Exhibit "A" hereto.
2. Authority shall be responsible at its sole cost and expense (to include the Construction Contribution paid by Lessee as set forth above) for the construction of one 0.29-acre drainage retention area and one 0.75-acre retention area, both identified as "TCAA DRA" on Exhibit "A" hereto.
3. Authority shall be responsible at its sole cost and expense (to include the Construction Contribution paid by Lessee as set forth above) for the construction of a 1,750 square yard (sq. yd.) general use taxilane identified as the "General Use Taxilane" on Exhibit "A" hereto.

EXHIBIT "D"
LESSEE IMPROVEMENTS

4. Lessee shall be responsible at its sole cost and expense for the improvements identified in the Lease and on Exhibit "B" to the Lease.
5. Lessee shall be responsible at its sole cost and expense, and to the extent the same is not already depicted on Exhibit "B" hereto, for the construction of a 6,500 square yard (sq. yd.) apron identified as the "VAC Apron" on Exhibit "A" hereto.
6. Lessee shall be responsible at its sole cost and expense, and to the extent the same is not already depicted on Exhibit "B" hereto, for the construction of a 0.91-acre drainage retention area identified as the "VAC DRA" on Exhibit "A" hereto.

EXHIBIT "E"
CONSTRUCTION OF IMPROVEMENTS

1. Prior to commencement of construction of any improvements on the Property, and prior to commencing to renovate, enlarge, demolish or modify any improvements now or hereafter existing on the Property, Lessee must obtain the approval of the Chief Executive Officer, which approval shall not be unreasonably withheld. Lessee shall submit the plans and specifications (prepared in accordance with the Minimum Standards and under the seal of a duly licensed architect or engineer) to Authority for its approval (the "Plans"), in accordance with the approval process prescribed by Authority. No construction of any type shall commence prior to Lessee's receipt of: (i) Authority's written approval of the Plans, and (ii) a notice to proceed from the Authority.
2. Authority's approval of any Plans submitted by Lessee shall not constitute the assumption of any liability by Authority for the compliance or conformity of the Plans with applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations, or for their accuracy or suitability for Lessee's intended purpose, and Lessee shall be solely responsible for the Plans. Authority's approval of the Plans shall not constitute a waiver of Authority's right thereafter to require Lessee, at its expense, to amend the same so that they comply with building codes, zoning regulations, municipal, county, state and federal laws, ordinances and regulations either applicable at the time the Improvements were constructed or by laws otherwise made applicable to Lessee's Improvements, and to make such construction changes as are necessary so that the completed work is in conformity with the approved Plans.
3. In the event Authority does not approve the Plans, it shall notify Lessee of the changes required to be made (including reference to those portions of this Lease, the Minimum Standards and the Master Plan forming the basis for disapproval, if applicable), and Lessee shall promptly revise the Plans to incorporate the required changes, and shall resubmit revised Plans to the Authority for approval.
4. Lessee shall obtain, at its expense, all necessary licenses and permits to accomplish its Improvements, and shall pay all applicable impact fees relating thereto.
5. Once Lessee has commenced construction of any improvements, such construction shall be pursued diligently to completion, subject to Force Majeure. All improvements shall be constructed in accordance with the approved Plans, the Minimum Standards, and all applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations. Within ninety (90) days after completion of construction of the improvements, Lessee shall, at its expense, provide Authority with record drawings showing the "as built" condition of any improvements constructed by Lessee, in such format (including, without limitation a CADD format) as the Chief Executive Officer shall request.
6. Lessee hereby warrants and covenants to Authority that all improvements now or hereafter erected on the Property shall be at all times free and clear of all liens, claims and encumbrances. If any such lien or notice of lien on account of the alleged debt of Lessee shall be filed against the Property, Lessee's leasehold interest therein or any improvements, the Lessee shall, within

thirty (30) days after notice of filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Prior to construction of any improvements at the Property, Lessee shall record and post a Notice of Commencement and all applicable payment bonds in accordance with applicable laws. No work hereunder shall be commenced until Lessee or its Contractor provides to Authority from a company reasonably acceptable to the Chief Executive Officer: (i) a surety payment bond for the benefit of Authority in an amount equal to the total estimated cost of the work, which bond shall guarantee the payment of all contractors' and subcontractors' charges and charges of all other persons and firms supplying services, labor, materials or supplies in connection with the work, (ii) a surety performance bond for the benefit of Authority in an amount equal to the total estimated cost of the work, which shall guarantee the prompt completion of the work by Lessee in accordance with the Plans, and (iii) a policy of builder's risk insurance.

7. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Authority, express or implied, to any contractor, subcontractor, laborer, materialman, architect, surveyor or engineer for the performance of any labor or the furnishing of any materials or services for or in connection with the Property or any part thereof. Notice is hereby given that the Authority shall not be liable for any labor or materials or services furnished or to be furnished to Lessee upon credit, and that no construction or other lien for labor, materials or services shall attach to or affect the fee or reversionary or other estate or interest of the Authority in the Property or in this Lease. All persons dealing with the Property and with Lessee are hereby put on notice that Lessee does not have the power to deal with the Property in such a manner as to authorize the creation of construction liens, by implication or otherwise; and all persons making improvements to the Property, either by doing work or labor or services or by supplying materials thereto, at the request of Lessee or persons dealing by, through or under Lessee, are hereby put on notice that they must look solely to the Lessee and not to the Property or any part thereof or to this Lease for the payment of all services, labor or materials performed upon or delivered to the Property.

8. Title to all improvements constructed by Lessee on the Property shall vest in Authority upon termination or expiration of the Lease, and prior to such time title shall remain in and with Lessee. Lessee hereby covenants to execute and deliver to Authority any and all instruments or documents that Authority reasonably requests to effectively transfer, assign and convey such improvements in fee to Authority. Lessee shall ensure that at the expiration or termination of the Lease, such improvements are free of any liens or encumbrances.

EXHIBIT "F"
REQUIRED PROVISIONS

Authority's Reserved Rights. Authority reserves the right for itself and others to utilize and maintain any utility and drainage easements located on the Property, and to run water, sewer, electrical, telephone, gas, drainage and other lines under or through the Property and to grant necessary utility easements therefore, provided that in the exercise of such rights, Lessee's use of the Property and any Improvements shall not be unreasonably impaired and any damage to the Property or any Improvements caused by Authority as a result thereof shall be repaired without cost to Lessee.

Discrimination Not Permitted.

Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (i) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Property, any Improvements or the Airport under the provisions of this Lease; (ii) that 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, denied the benefits of, or otherwise be subject to discrimination; and (iii) that Lessee shall use the Property and the Improvements in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted Programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Acts of 1964, as the same may be amended. Likewise, Lessee shall comply with the laws of the State of Florida prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should the Lessee authorize another person, with Authority's prior written consent, to provide services or benefits upon the Property or the Improvements, Lessee shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this subsection. Lessee shall furnish the original or a true copy of such agreement to Authority.

Lessee will provide all information and reports required by said regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Authority or the Federal Aviation Administration to be pertinent to ascertain whether there has been compliance with said regulations and directives. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish this information, Lessee shall so certify to Authority or the Federal Aviation Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

In the event of a breach of any of the above non-discrimination covenants, Authority shall have the right to terminate this Lease and to re-enter and repossess said Property and the Improvements, and hold the same as if this Lease had never been made or issued. The rights granted to Authority by the foregoing sentence shall not be effective until all applicable

procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights, and the completion of any judicial review.

Further, Lessee assures Authority that no person shall be excluded on the grounds of race, creed, color, national origin or sex from participating in or receiving the services or benefits of any program or activity covered by Title 14, Code of Federal Regulations, Part 152, Subpart E, Federal Aviation Administration, Non-Discrimination in Airport Aid Program, and that it will be bound by and comply with all other applicable provisions of such Subpart E, as it may be amended. Lessee also assures Authority that it will require its covered suborganizations to provide written assurances to the same effect and provide copies thereof to Authority.

Lessee further assures Authority that it will comply with pertinent statutes, Executive Orders, and such other rules as are promulgated to assure that no person shall on the grounds of race, creed, national origin, sex, age, handicap or marital status be excluded from participating in any activity conducted at or in connection with its operations at the Property. Lessee also assures Authority that it will require its contractors and subtenants to provide assurances to the same effect and ensure that such assurances are included in contracts and subleases at all tiers which are entered into in connection with Lessee's operations at the Property.

Authority may from time to time be required by the United States Government, or one or more of its agencies, to adopt additional or amended provisions, including nondiscrimination provisions concerning the use and operation of the Airport, and Lessee agrees that it will adopt such requirements as part of this Lease.

Federal Aviation Administration Requirements.

Authority reserves unto itself, and unto its successors and assigns for the use and benefit of the public, a right of flight for the passage of aircraft through the airspace above the surface of the Property, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, and for navigation of or flight in the airspace, and use of the airspace for landing on, taking off or operating on the Airport.

Lessee expressly agrees, on behalf of itself and its successors and assigns:

to restrict the height of structures, vegetation and other Improvements on the Property in compliance with the requirements of Federal Aviation Administration Regulations, 14 CFR Part 77, as they may be amended from time to time; and

to prevent any use of the Property and any Improvements which would unreasonably interfere with or adversely affect the operation and maintenance of the Airport, or which would otherwise constitute a hazard at the Airport.

Right to Operate Aircraft at Airport. Nothing contained in this Lease shall give Lessee the right to operate a scheduled airline at the Airport. The right to operate aircraft at the Airport may be obtained by a qualified Lessee from Authority by executing an Operating Agreement in the form prescribed by the Authority.

Member Protection. No recourse under or upon any obligation, covenant or agreement contained in this Lease, or any other agreement or document pertaining to the operations of Lessee hereunder, as such may from time to time be altered or amended in accordance with the provisions hereof, or under any judgment obtained against Authority, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise, under or independent of this Lease, shall be had against any member (including, without limitation, members of Authority's Board and members of Authority's citizens advisory committees), officer, employee or agent, as such, past, present and future, of Authority, either directly or through Authority or otherwise, for any claim arising out of this Lease or the operations conducted pursuant to it, or for any sum that may be due and unpaid by Authority. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any Authority member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for any claim arising out of this Lease or the operations conducted pursuant to it, or for the payment for or to Authority, or any receiver therefore or otherwise of any sum that may remain due and unpaid by Authority, is hereby expressly waived and released as a condition of and as consideration for the execution of this Lease.

Authority Rules and Regulations. Lessee shall observe and comply with all reasonable rules and regulations of Authority which now exist or may hereinafter be promulgated from time to time governing all matters relating to the Airport, including, without limitation, access, use, safety and conduct of operations at the Airport and the safe use of Airport facilities. Authority shall, at Lessee's written request, furnish a copy of all such rules and regulations, and any amendments thereto, to Lessee.

Authority Access to Property. Lessee grants Authority and its authorized agents full and free access to the Property and all Improvements located thereon at all reasonable times (upon reasonable prior notice, except in the event of an emergency) for the purposes of examining the same and seeing that all of the obligations of Lessee hereunder are being met and performed, and for exercising the Authority's rights under Paragraph 4.1 of the Lease, and shall permit them to enter any building or structure on the Property at any time in the event of an emergency. Authority and its employees, licensees, invitees, agents, patrons and suppliers, and its tenants and their employees, licensees, invitees, agents, patrons and suppliers, shall have the right of vehicular and pedestrian access, ingress and egress over all non-restricted access streets at the Airport.

Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by Authority or Lessee or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Authority and Lessee, it being expressly understood and agreed that neither the computation of Annual Rent, Rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Authority and Lessee other than the relationship of landlord and tenant.

Exclusive Rights. The rights granted to Lessee under this Lease are not exclusive, except that Lessee shall have the exclusive use of the Property for the Term of this Lease in accordance with the provisions of this Lease. The Authority expressly reserves the right to grant to third parties

rights and privileges on other portions of the Airport that are identical, in whole or in part, to those granted to Lessee hereunder.

Miscellaneous Provisions.

The section headings contained in this Lease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision of this Lease.

Except as otherwise provided herein, the provisions of this Lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

Time is expressed to be of the essence of this Lease.

In the event that any proceeding at law or in equity arises hereunder or in connection herewith (including any appellate proceeding or bankruptcy proceeding) the prevailing party shall be awarded costs, reasonable expert fees and reasonable Attorney's Fees incurred in connection therewith.

This Lease was made in, and shall be governed by and construed in accordance with the laws of, the State of Florida. If any covenant, condition or provision contained in this Lease is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

This Lease, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and any prior agreements, representations or statements heretofore made with respect to such subject matter, whether oral or written, and any contemporaneous oral agreements, representations or statements are merged herein. This Lease may be altered or amended only by written instrument executed by both parties hereto.

Words of gender used in this Lease shall be held and construed to include any other gender; and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

Authority and Lessee represent and warrant to each other that they have dealt with no broker in connection with this Lease and the transactions contemplated hereby, and each agrees to indemnify and hold the other harmless in the event its representation and warranty contained herein is not true.

At the request of either party, the other shall with reasonable promptness deliver to the requesting party a written and acknowledged statement that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that to the best of the responding party's knowledge, the requesting party is not in default under this Lease (or if the responding party has knowledge that the requesting party is in default, identifying the default), and providing such other information with respect to the Lease and the relationship between Authority and Lessee as may reasonably be requested.

COMMUNICATIONS CONCERNING DISPUTED DEBTS. ALL (A) COMMUNICATIONS CONCERNING DISPUTES ABOUT DEBTS THAT ARE OWED OR MAY BE OWED PURSUANT TO THIS AGREEMENT, AND (B) INSTRUMENTS IN LESS THAN THE FULL AMOUNT CLAIMED BY THE AUTHORITY AND TENDERED AS FULL SATISFACTION OF A DISPUTED DEBT OR OTHER AMOUNT OWED, SHALL BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE FOLLOWING:

**CHIEF EXECUTIVE OFFICER
TITUSVILLE-COCOA AIRPORT AUTHORITY
355 Golden Knights Boulevard
Titusville, Florida 32780**

In accordance with Florida law, Lessee is hereby advised as follows:

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Fire Protection System. Lessee shall, at its own cost and expense, maintain in good working order in each building on the Property where the same is required by applicable fire and safety standards a fire protection system satisfying applicable requirements of NFPA, the local building code enforcement agency and any other applicable legal requirements, which Lessee shall cause to be certified as meeting all applicable fire and safety standards upon installation, and recertified at least annually thereafter, by a qualified fire protection system inspector with a copy of each such certification provided to Authority.

Airport Security. Lessee shall comply with all applicable regulations of the Federal Aviation Administration, Transportation Security Administration, and/or the Florida Department of Transportation relating to airport security (including, at the Authority's request and without limitation, all such regulations applicable to the Authority with respect to the operation of the Property) and shall control the Property so as to prevent or deter unauthorized persons from obtaining access to that portion of the Airport consisting of cargo areas, airside buildings, aircraft aprons, ramps, taxiways and runways (the "Air Operations Area"). Any fines or other penalties incurred by the Authority as a result of Lessee's breach of this Paragraph shall be included in the indemnification provided to Authority pursuant to Paragraph 8.1 of the Lease.

Compliance with Stormwater Regulations.

Lessee acknowledges that the Airport is subject to federal stormwater regulations, 40 C.F.R. Part 122 (the "Regulations"), which are applicable to, among other activities, (i) certain industrial activity, including, without limitation, the operation of a vehicle maintenance shop (including vehicle rehabilitation, mechanical repairs, painting, fueling, and lubrication), equipment cleaning operations and deicing operations and (ii) certain construction activity at the Airport. Lessee also acknowledges that it is familiar with the Regulations and agrees to comply with the Regulations as they may be amended from time to time. Lessee further acknowledges that it has been advised that the Authority has complied with the Regulations by obtaining coverage under the Environmental Protection Agency's Stormwater Multi-Sector General Permit for Industrial Activities (the "Multi-Sector Permit"). Lessee may be able to become a co-permittee under such Multi-Sector Permit by filing separately in accordance with the provisions of the Regulations and the Multi-Sector Permit. Lessee shall provide to the Authority's Manager of Environmental Services copies of any such filings and such other information as the Chief Executive Officer may reasonably request with respect to Lessee's compliance with the Regulations. Lessee agrees to comply with such Multi-Sector Permit or any other permit obtained by Authority or Lessee in connection with the Regulations as they pertain to the Property, and any modifications to or renewals thereof. Such permit will not cover construction activities as defined by the Regulations and will not eliminate the need to obtain permits from state or local agencies as applicable laws, ordinances or regulations may require.

If Lessee, or its authorized agents or representatives, engages in construction activity at the Airport, including, without limitation, clearing, grading, or excavation, Lessee shall determine whether the Regulations require a permit, and if so, Lessee shall obtain the permit, send a copy of the permit to the attention of the Authority's Chief Executive Officer, and comply with the permit conditions.

Americans with Disabilities Act. As used herein, "ADA" shall mean the Americans with Disabilities Act, P.L. 101-336, 104 Stat. 327 (1990), as amended from time to time, and the regulations promulgated thereunder. Lessee shall be responsible for any actions required to comply with ADA (including, without limitation, any actions required by the Authority to enable the Authority to meet its ADA obligations with respect to Lessee's operations) as a result of (i) any Improvements or modifications which it makes to the Property, (ii) its particular use of the Property and (iii) any changes to the ADA after the Effective Date. Any modification to the Property, which Lessee is required to make under this Paragraph, shall be performed to the satisfaction of the Authority. In the event the Lessee shall fail to construct or modify any Improvements to the Property as required under this Paragraph, the Authority shall have the right to enter the Property and perform such modifications on the Lessee's behalf, without liability for any disruption to the Lessee's activities therein during the completion of or as a result of such modifications, and the cost of such modifications shall be invoiced to the Lessee and shall be promptly paid by the Lessee to the Authority as additional Rent hereunder.

Force Majeure. If either party hereto shall fail to timely perform any of its obligations under this Lease as a result of strikes, lockouts or labor disputes, inability to obtain labor or materials, government restrictions, fire or other casualty, adverse weather conditions not reasonably foreseeable at the location and time of year in question, by reason of war or other national

emergency, acts of God or other causes beyond the reasonable control of the party obligated to perform, then such failure shall be excused and not constitute a default under this Lease by the party in question, but only to the extent and for the time occasioned by such event. In the event the rights and privileges hereunder are suspended, Annual Rent and Rent under this Lease shall not abate, and Lessee shall have the right to make any claim against any third party permitted by law and to receive any award paid with respect to such claim. In no event shall this provision excuse any failure by Lessee to pay Annual Rent or Rent or any other payment obligation hereunder. Nor shall this provision apply to any inability by Lessee to procure funds or obtain financing necessary to comply with Lessee's obligations under this Lease. In the event that the airport is closed for a period greater than ninety (90) consecutive days by reason of war or other national emergency, the Authority will assist Lessee, as allowable by applicable law, in obtaining compensation for the unamortized portion of any Improvements constructed by Lessee on the Property from the authority taking such action. However, in no case shall the Authority be liable for any damages arising out of such an event.

Subordination.

This Agreement shall be subject to all restrictions of record affecting the Airport and the use thereof, all federal, state, county and city laws and regulations affecting the same, and shall be subject and subordinate to the provisions of any and all existing agreements between the Authority and third parties, including, but not limited to, those between the Authority and the United States of America, the State of Florida, or the County of Brevard, or their agencies, and to any future agreements between or among the foregoing relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal, state, county or city funds for the development of the Airport, or any part thereof. All provisions hereof shall be subordinate to the right of the United States to occupy or use the Airport, or any part thereof, during time of war or national emergency.

In the event the Federal Aviation Administration or its successors require modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for the improvement of the Airport, Lessee hereby consents to any and all such modifications and changes as may be reasonably required.

Notwithstanding the foregoing provisions of this Paragraph, in the event any such restrictions, agreements or modifications to this Lease increase the Annual Rent payable hereunder or materially and adversely affect the ability of Lessee to use the Property for the purposes permitted under this Lease, Lessee shall have the right to terminate this Lease by written notice to the Authority.

Public Entity Crimes Law. The Lessee acknowledges the following notice:

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of \$25,000 for a period of 36 months from the date of being placed on the convicted vendor list.

Tax Exempt Status of Authority Revenue Bonds. Lessee agrees to comply promptly with any applicable provisions of any federal tax statute, and all regulations or other binding authority promulgated or decided thereunder, as required to permit the Authority's capital expansion projects to be planned and constructed by Authority with revenue bonds the interest on which is generally exempted from federal income taxation, other than any applicable individual or corporate alternative minimum taxes (and other than during any period while such revenue bonds are held by a "substantial user" of the projects financed by those revenue bonds or a "related person" to a "substantial user"), including, without limitation, the execution by Lessee and delivery to Authority of an election not to claim depreciation or any investment credit with respect to any portion of such capital expansion projects or any other portion of the Airport System in the form attached hereto as Exhibit "F" simultaneously with the execution of this Lease. Such exhibit shall be deemed to be part of this Lease and shall be binding upon Lessee, its successors and assigns.

Visual Arts. Lessee shall not permit a work of visual art, as defined in 17 USC § 101, to be installed in the Property without providing Authority with a written waiver, in form acceptable to the Authority, of the artist's rights under the Visual Artists Rights Act of 1990, Pub. L. 101-650, and without obtaining the Authority's prior written approval.

EXHIBIT "G"
PAYMENT BOND FORM - EXAMPLE

KNOW ALL MEN BY THESE PRESENT that Valiant Air Command, Inc.
hereinafter referred to as Principal, and _____, a corporation/company
organized under the laws of the State of _____ and licensed to do business in the State
of Florida, hereinafter referred to as Surety, are held and firmly bound unto the Titusville-Cocoa
Airport Authority (the "Authority"), as Oblige, hereinafter referred to as Authority, in the Penal
Sum of _____ DOLLARS (\$ _____), for the payment of
which sum well and truly made, Principal and Surety bind ourselves, our heirs, personal
representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal executed Lease Agreement on _____, 20____ for property at
Merritt Island Airport, which is incorporated herein by reference, made a part hereof, and is
hereinafter referred to as the Agreement, and

WHEREAS, Principal has by written agreement dated _____, 20____
entered into a contract, hereinafter referred to as the Contract, with _____,
hereinafter referred to as Contractor, for the construction at the Airport as described in the
Agreement; and

WHEREAS, under the terms of the Agreement, Principal is required to indemnify and
hold harmless Authority from and against any and all claims of claimants, as defined in Sections
255.05(1) and 713.01(10), Florida Statutes, for installations and improvements at the Authority
as described in the Agreement, and is also required to provide a bond protecting the rights of
such claimants to payment for services, labor, materials or supplies used directly or indirectly in
the prosecution of the installations and improvements at the Authority as described in the
Agreement; and

WHEREAS, Surety is authorized to do business in the State of Florida;

NOW, THEREFORE, the condition of this obligation is such that if Principal shall
promptly make payments to all claimants as defined in Sections 255.05(1) and 713.01(16),
Florida Statutes, supplying Principal and/or Contractor with services, labor, materials, or
supplies, used directly or indirectly by Principal and/or Contractor in the prosecution of the
improvements and installations at the Authority as provided for in the Agreement and the
Contract, then this obligation shall be void; otherwise, it shall remain in full force and effect,
subject, however, to the following conditions:

1. This bond is furnished for the purpose of complying with the requirements of
Section 255.05, Florida Statutes, to the extent applicable; and for the purpose of exempting any
legal or equitable interest in real property owned by Authority or the Principal from liens, and
complying with the requirements of Section 713.23, Florida Statutes, to the extent applicable.

2. It is a specific condition of this bond that a claimant's right of action on the bond

is limited to the provisions of Sections 255.05 and 713.23, Florida Statutes, including, but not limited to, the one-year (1) time limitation within which suits may be brought.

Therefore, a claimant, except a laborer, who is not in privity with the Principal and who has not received payment for his services, labor, materials or supplies shall, within forty-five (45) days after beginning to furnish services, labor, materials or supplies for the prosecution of the work, furnish the Principal with a notice that he intends to look to the bond for protection. Any claimant who has not received payment for his services, labor, materials or supplies shall, within ninety (90) days after performance of the services or labor or completion of delivery of the materials or supplies, deliver to the Principal and to the Surety written notice of the performance of the services or labor or delivery of the materials or supplies and of the nonpayment. No action for the services, labor, materials or supplies may be instituted against the Principal or the Surety unless both notices have been given. No action shall be instituted against the Principal or the Surety on the bond after one(1) year from the performance of the services or labor or completion of the delivery of the materials or supplies.

3. The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement or Contract entered into by Authority, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or Contract granted by Authority to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Agreement or Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or (iv) any other action taken by the Authority, Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

4. Any changes in or under the Agreement or Contract and compliance or noncompliance with any formalities connected with the Agreement or Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or decrease in accordance with approved changes or other modifications to the Agreement and/or the Contract.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the ___ day of _____, 20___, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant to authority of its governing body.

Signed, sealed and delivered
in the presence of:

Principal

By: _____
Name and Title

(SEAL)

Surety

By: _____
Name and Title

(Seal)

(Countersigned by Florida Registered Agent)

EXHIBIT "H"
PERFORMANCE BOND FORM - EXAMPLE

KNOW ALL MEN BY THESE PRESENTS that Valiant Air Command, Inc., hereinafter referred to as Principal, and _____ a corporation/company organized under the laws of the State of _____ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the Titusville-Cocoa Airport Authority as Obligee, hereinafter referred to as Authority, in the Penal Sum of _____ DOLLARS (\$_____), for the payment of which sum well and truly made, Principle and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has been awarded real property at _____, in accordance with the Agreement dated _____, which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Lease; and

WHEREAS, Principal has by written agreement dated _____, 20__ entered into a contract, hereinafter referred to as the Contract, with _____, hereinafter referred to as Contractor, for the construction of improvements to the above-described real property in accordance with the plans and specifications prepared by _____, dated _____, which were approved by Authority, and which are incorporated herein by reference and made a part hereof, and which are hereinafter referred to as the Plans and Specifications; and

WHEREAS, under the terms of the Lease, Principal is permitted or required to complete the improvements to the above-described property in accordance with the Plans and Specifications and the requirements of the Lease, and is also required to provide a bond guaranteeing the faithful performance of such improvements by the Principal and the Contractor or such replacement contractors as Principal may employ; and

WHEREAS, Surety is authorized to do business in the State of Florida;

NOW, THEREFORE, the condition of this obligation is such that if Principal, by and through Contractor or such replacement contractors as Principal may employ:

1. Promptly and faithfully completes and performs such improvements in accordance with the Plans and Specifications, the Contract, and the obligations imposed upon Principal by the Lease in connection therewith, in the time and manner prescribed in the Lease and Contract,

2. Pays Authority all losses, damages (liquidated or actual), including, but not limited to, damages caused by delays in performance of the Principal or the Contractor, expenses, costs and attorney's fees, including appellate proceedings, that Authority sustains resulting directly or indirectly from failure of the Principal or the Contractor to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or from any breach or default by Principal or the Contractor under the Lease in connection therewith, and

3. Pays Authority all losses, damages, expenses, costs, attorneys' fees and other legal costs (including, but not limited to, those for investigative and legal support services), including those incurred in appellate proceedings, that the Authority sustains resulting directly or indirectly from conduct of the Principal or the Contractor, including, but not limited to, want of care or skill, negligence, patent infringement, or intentionally wrongful conduct on the part of the Principal or the Contractor, their officers, agents, employees or any other person or entity for whom the Principal or the Contractor are responsible, then this bond is void; otherwise it shall remain in full force and effect.

In the event that the Principal, individually or by and through the Contractor or such replacement contractors as Principal may employ, shall fail to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or to perform any of the terms, covenants and conditions of the Lease related to construction of such improvements during the period in which this Performance Bond is in effect, the Surety shall remain liable to the Authority for all such loss or damage, including reasonable attorneys' fees and other legal costs resulting from any failure to perform up to the amount of the Penal Sum.

In the event that the Surety fails to fulfill its obligations under this Performance Bond, then the Surety shall also indemnify and save the Authority harmless from any and all loss, damage, cost and expense, including reasonable attorneys' fees and other legal costs for all trial and appellate proceedings, resulting directly or indirectly from the Surety's failure to fulfill its obligations hereunder. This paragraph shall survive the termination or cancellation of this Performance Bond. The obligations set forth in this paragraph shall not be limited by the Penal Sum of this Bond.

The Surety's obligations hereunder shall be direct and immediate and not conditional or contingent upon Authority's pursuit of its remedies against Principal, and shall remain in full force and effect notwithstanding (i) amendments or modifications to the Lease or the Contract entered into by Authority, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or the Contract granted by Authority to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Lease or the Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceedings, or (iv) any other action taken by Authority or Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

The institution of suit upon this Bond is subject to a statute of limitations of four (4) years for claims arising out of the actual construction of improvements and five (5) years for all other claims arising out of this written contract, as set forth in Section 95.11, Florida Statutes.

Any changes in or under the Lease or the Contract and compliance or noncompliance with any formalities connected with the Lease or the Contract or the changes therein shall not affect Surety's obligations under this bond, and Surety hereby waives notice of any such changes. Further, Principal and Surety acknowledge that the Penal Sum of this bond shall increase or

decrease in accordance with approved changes or other modifications to the Lease and/or the Contract.

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their seals on the _____ day of _____, 20__, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant, authority of its governing body.

Signed, sealed and delivered
in the presence of:

(Seal)

Principal
By: _____
(Official Title)

(Seal)

Surety
By: _____
(Official Title)

(Countersigned by Florida Registered Agent)

Note: If Principal and Surety are corporations, the respective corporate seals shall be affixed and attached.

Surety shall execute and attach a certified copy of Power of Attorney Appointing Individual Attorney-In-Fact for execution of Performance Bond on behalf of Surety.

EXHIBIT "I"

**THIS INSTRUMENT PREPARED BY
AND SHOULD BE RETURNED TO:**

For Recording Purposes Only

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT ("Memorandum") is effective this _____ day of _____, 20____, by and between TITUSVILLE-COCOA AIRPORT AUTHORITY, as governing body of the Titusville-Cocoa Airport Authority, a special taxing district existing under the laws of the State of Florida, whose mailing address is 355 Golden Knights Boulevard, Titusville, Florida 32780 ("**Authority**"), and VALIANT AIR COMMAND, INC., a Florida not-for-profit corporation with its principal place of business located at 6600 Tico Road, Titusville, FL 32780 ("**Lessee**").

WITNESSETH

1. **Lease.** Authority and Lessee entered into that certain Lease Agreement effective as of _____, 20____ ("**Lease**"), with respect to the lease of certain real property and improvements thereon located in Brevard County, Florida, more particularly described on the attached **Exhibits "A" and "B"** (the "**Property**").
2. **Term.** The Term of the Lease begins on the Effective Date hereof and the Term of the Lease will end, unless sooner terminated in accordance with the terms of the Lease, 20 years after the opening of Lessee's facilities on the Property, which in no event will be later than _____, 20____.
3. **Lessee's Improvements.** Pursuant to the terms of the Lease, Authority's interest in the Property shall not be subject to any liens or claims of lien for any improvements made by or on behalf of Lessee.
4. **Election Not to Claim Depreciation.** Neither Lessee nor any successor-in-interest to Lessee shall claim depreciation or an investment credit with regard to any Improvements constructed by the Authority at the Property.
5. **Definitions.** TERMS NOT SPECIFICALLY DEFINED IN THIS MEMORANDUM SHALL HAVE THE SAME RESPECTIVE MEANINGS AS ARE ASCRIBED THERETO IN THE LEASE.

6. Lessee's Address. A copy of the Lease is maintained at Lessee's office located at the following address:

and at the offices of the Authority.

7. Lease Governs. This Memorandum is executed for the sole purpose of giving public notice of certain terms and provisions of the Lease and shall not create, expand, modify or affect in any way the respective rights, interests, estates, obligations or remedies of Authority or Lessee. This Memorandum shall not be considered or taken into account in connection with the construction or interpretation of the Lease or any provision thereof.

8. Counterparts. This Memorandum may be executed in counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum effective as of the day and year first above written.

WITNESSES:

Print

Name: _____

Print

Name: _____

Lessee:

VALIANT AIR COMMAND, INC.

By: _____

Print

Name: _____

Title: _____

WITNESSES:

Print

Name: _____

Print

Name: _____

Authority:

TITUSVILLE-COCOA AIRPORT AUTHORITY

By: _____

Name: Michael D. Powell, C.M., ACE
As Its: Chief Executive Officer

Approved as to Form and Legality this _____ day of _____, 20____

Approved as to Form and Legality this _____ day of _____, 20____

WhiteBird, PLLC

By: _____

By: _____

Legal Counsel for: Lessee

Legal Counsel / Titusville-Cocoa Airport Authority

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, who is [] personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

Signature of Notary Public

Print Name: _____

My Commission Expires: _____

Commission No.: _____

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by MICHAEL D. POWELL, as Chief Executive Officer of **TITUSVILLE-COCOA AIRPORT AUTHORITY**. He is [] personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

Signature of Notary Public

Print Name: _____

My Commission Expires: _____

Commission No.: _____

EXHIBIT "J"
OTHER LESSEE OBLIGATIONS

Lessee agrees to surrender Property and all improvements to the Titusville - Cocoa Airport Authority at the end of the Lease term, however said term terminates or expires.

EXHIBIT "K"
ELECTION FORM

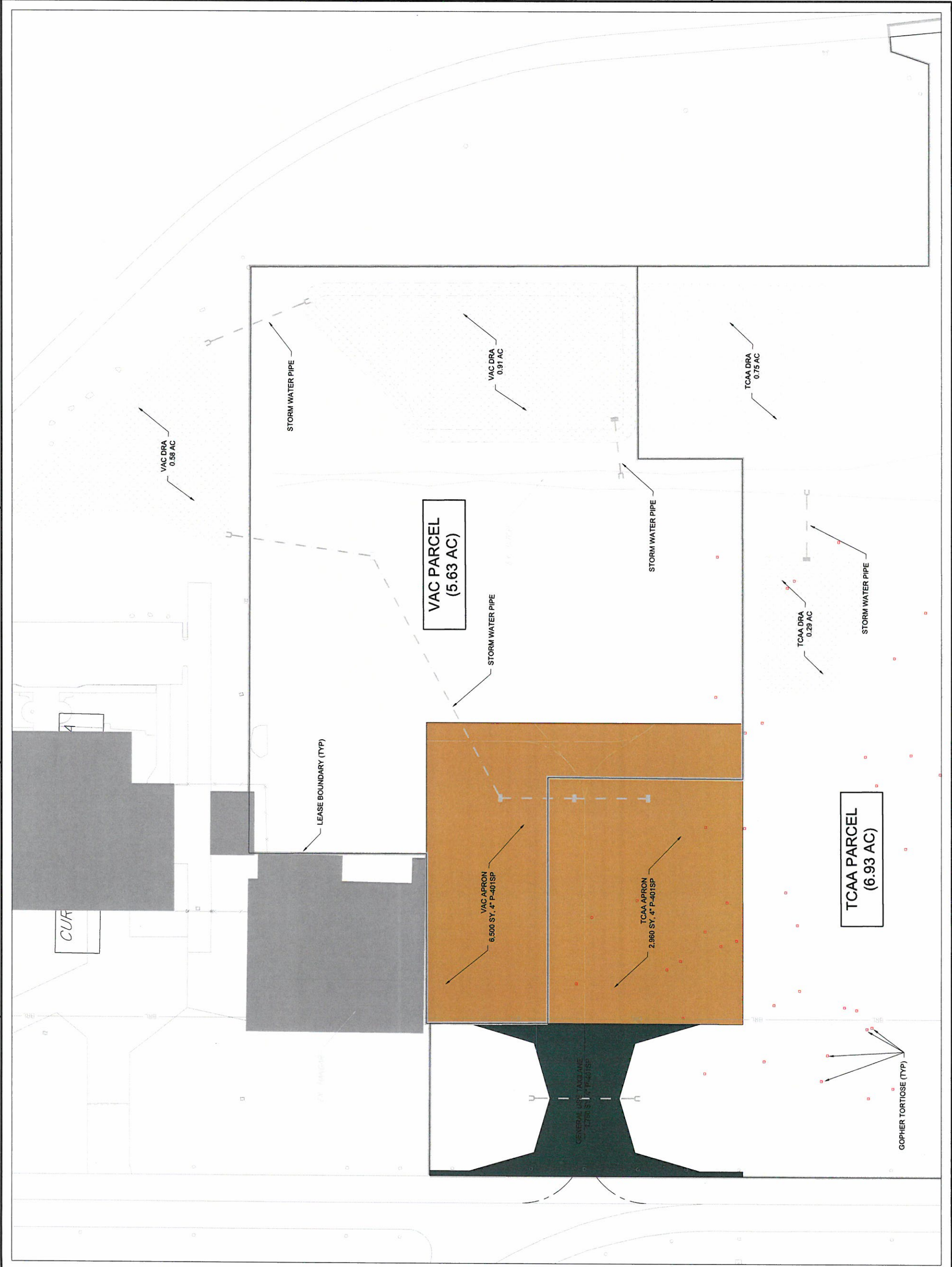
The undersigned, a duly authorized official of the Contracting Party, hereby elects (pursuant to Section 142(b)(1)(B)(i) of the Code) not to claim depreciation or an investment credit with respect to the Property described above. This Election is being made in connection with the execution of the lease, service contract, management contract or other contract (the "Contract") pertaining to the Property.

Contracting Party understands that this Election is irrevocable, and that this Election is binding on all successors in interest under the Contract regardless of whether the obligations issued to provide the Property remain outstanding. Furthermore, the Contract and any publicly recorded document recorded in lieu of such Contract states that neither the Contracting Party nor any successor in interest under the Contract may claim depreciation or an investment credit with respect to the Property.

In addition, Contracting Party agrees that it shall not use any portion of the Property for office space or, alternatively (and subject to the terms of its Contract with the Titusville-Cocoa Airport Authority), shall limit its use of any portion of the Property for office space so that no more than a de minimis amount [not more than five percent (5%)], if any, of the functions to be performed in such office space will not be directly related to the day-to-day operations either at the Property or more generally at Space Coast Regional Airport. Contracting Party agrees that this provision shall be binding upon any assignees, subLessees or other successors in interest.

The Issuing Authority is being provided with a copy of this Election concurrent with its execution. In addition, the Issuing Authority and the Contracting Party will retain copies of this Election in their respective records for the entire term of the Contract.

By: _____
Title: _____
Date: _____





Date: 4/24/2020
MBI Project Number: FDOT FIN:
Prepared by: A. MCDANIEL

FUNDS AVAILABLE

ESTIMATED	VAC ADMINISTRATIVE FEE	\$15,066.94
	FDOT SHARE (VAC APRON)	\$376,673.44
	FDOT SHARE (TCAA NW APRON)	\$677,364.29
	LOCAL MATCH (VAC APRON)	\$376,673.44
	LOCAL MATCH (TCAA NW APRON)	\$169,341.07
		\$1,615,119.18

PROFESSIONAL SERVICES

ESTIMATED	DESIGN	\$129,946.32
	BIDDING	\$6,500.00
	C.A., INSPECTION & TESTING	\$95,749.92
		\$232,196.24

TOTAL PROJECT COSTS

ESTIMATED	TCAA ADMINISTRATIVE COSTS	\$15,066.94
	PROFESSIONAL SERVICES	\$232,196.24
	CONSTRUCTION	\$1,367,856.00
		\$1,615,119.18

CONSTRUCTION COSTS - VAC APRON

Item No.	Spec.	Item Description	Quantity	Unit	Engineer's Estimate	Amount	Unit Price	Low Bid
1	1000	Mobilization	1	LS	\$60,000.00	\$0.00		\$0.00
2	1030	Maintenance of Air Operations	1	LS	\$0.00	\$0.00		\$0.00
3	-	Permit Allowance	1	LS	\$15,000.00	\$0.00		\$0.00
4	P-156	Temporary Erosion and Sediment Control	1	LS	\$15,000.00	\$0.00		\$0.00
5	02000	Construction Layout and Topographic As-Built Survey	1	LS	\$15,000.00	\$0.00		\$0.00
6		Gopher Tortoise Removal	1	LS	\$10,000.00	\$0.00		\$0.00
7	P-151	Cleaning and Grubbing	4	AC	\$40,000.00	\$0.00		\$0.00
8	P-152	Unclassified Excavation	1	LS	\$20,000.00	\$0.00		\$0.00
9	P-211	Limerock Base Course (8")	7,350	CY	\$110,250.00	\$0.00		\$0.00
10	P-401	Asphalt (2-2" lifts)	4,700	SY	\$103,400.00	\$0.00		\$0.00
11	P-602	Prime Coat (0.2 Gal/SY)	1,081	TONS	\$151,340.00	\$0.00		\$0.00
12	P-603	Tack Coat (0.1 Gal/SY)	940	GAL	\$3,290.00	\$0.00		\$0.00
13	D-701	36" RCP Storm Pipe	470	GAL	\$1,645.00	\$0.00		\$0.00
14	D-751	Type D Inlet	547	LF	\$90.00	\$0.00		\$0.00
15	D-751	Type D Inlet Control Structure	2	EA	\$6,000.00	\$0.00		\$0.00
16	D-752	36" MES	4	EA	\$3,500.00	\$0.00		\$0.00
17	P-620	Pavement Marking (Reflective Yellow)	200	SF	\$3,00	\$0.00		\$0.00
18	T-904	Seeding	1,800	SY	\$3,600.00	\$0.00		\$0.00
VAC CONTINGENCY					5.0%	\$30,667.75		
VAC BASE BID TOTAL						\$644,022.75		

CONSTRUCTION COSTS - TCAA NW APRON

Item No.	Spec.	Item Description	Quantity	Unit	Engineer's Estimate	Amount	Unit Price	Low Bid
1	1000	Mobilization	1	LS	\$45,000.00	\$0.00		\$0.00
2	1030	Maintenance of Air Operations	1	LS	\$8,000.00	\$0.00		\$0.00
3	-	Permit Allowance	1	LS	\$10,000.00	\$0.00		\$0.00
4	P-156	Temporary Erosion and Sediment Control	1	LS	\$5,000.00	\$0.00		\$0.00
5	02000	Construction Layout and Topographic As-Built Survey	1	LS	\$10,000.00	\$0.00		\$0.00
6		Gopher Tortoise Removal	1	LS	\$25,000.00	\$0.00		\$0.00
7	P-151	Cleaning and Grubbing	3	AC	\$5,000.00	\$0.00		\$0.00
8	P-152	Unclassified Excavation	6,500	CY	\$97,500.00	\$0.00		\$0.00
9	P-211	Limerock Base Course (8")	6,500	SY	\$22.00	\$143,000.00		\$0.00
10	P-401	Asphalt (2-2" lifts)	1,495	TONS	\$140.00	\$209,300.00		\$0.00
11	P-602	Prime Coat (0.2 Gal/SY)	1,300	GAL	\$3.50	\$4,550.00		\$0.00
12	P-603	Tack Coat (0.1 Gal/SY)	650	GAL	\$3.50	\$2,275.00		\$0.00
13	D-701	36" RCP Storm Pipe	192	LF	\$90.00	\$17,280.00		\$0.00
14	D-751	Type D Inlet	2	EA	\$5,000.00	\$10,000.00		\$0.00
15	D-751	Type D Inlet Control Structure	1	EA	\$6,000.00	\$6,000.00		\$0.00
16	D-752	36" MES	1	EA	\$3,500.00	\$3,500.00		\$0.00
17	P-620	Pavement Marking (Reflective Yellow)	400	SF	\$3.00	\$1,200.00		\$0.00
18	T-904	Seeding	685	LF	\$16.00	\$10,960.00		\$0.00
19	L-108	Airfield Lighting Cable installed in Conduit	600	SY	\$2.00	\$1,200.00		\$0.00
20	L-108	Counterpoise Wire	770	LF	\$7.00	\$5,390.00		\$0.00
21	L-110	2-2 inch Conduit Concrete Encased (in-pavement)	85	LF	\$46.00	\$3,910.00		\$0.00
22	L-110	1-2 inch Conduit in Turf	600	LF	\$14.00	\$8,400.00		\$0.00
23	L-115	New Electrical Junction Box	2	EA	\$1,450.00	\$2,900.00		\$0.00
24	L-125	New Elevated Taxiway Edge Light (MITL)	22	EA	\$2,000.00	\$44,000.00		\$0.00
TCAA CONTINGENCY					5.0%	\$34,468.25		
TCAA BASE BID TOTAL						\$723,833.25		



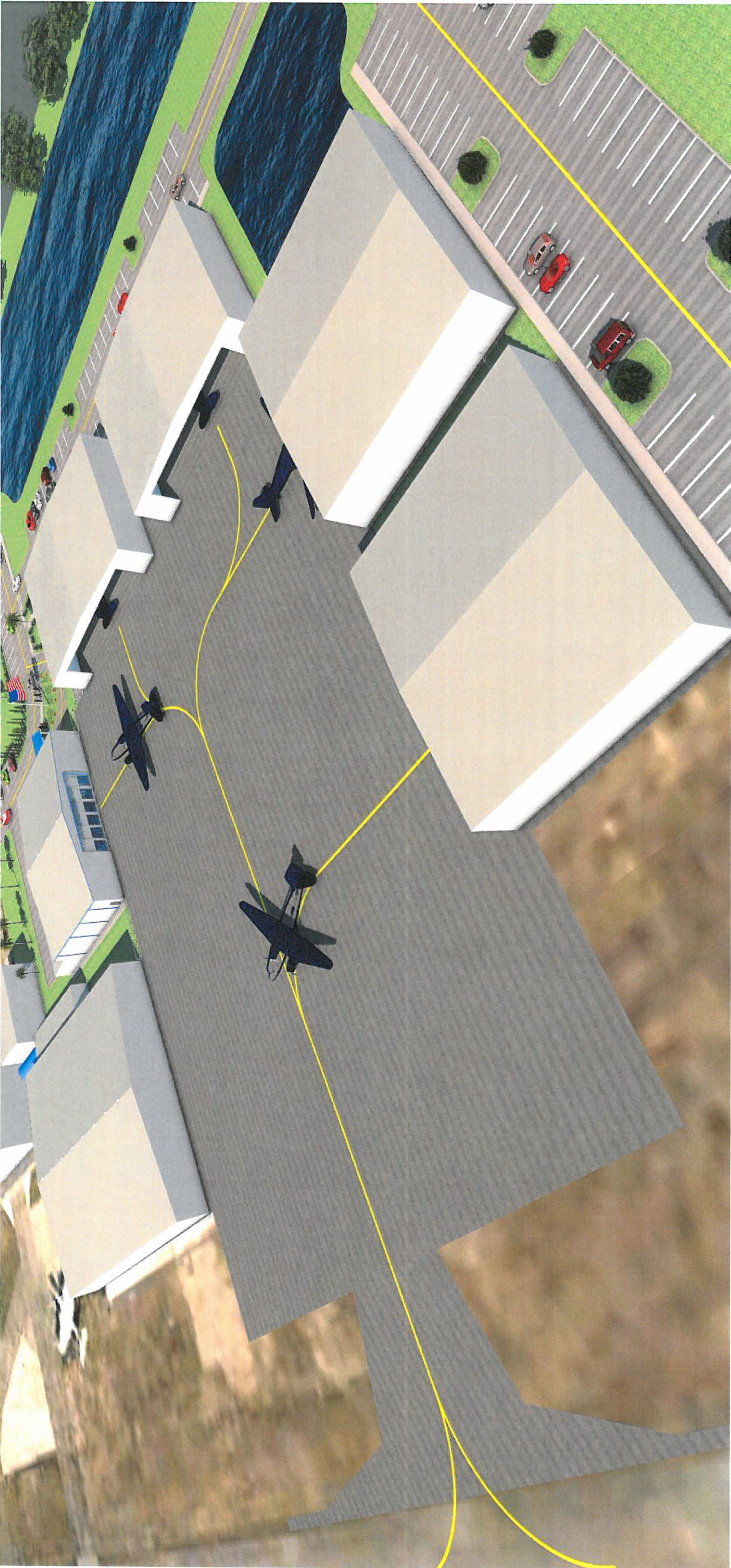
VAC CAMPUS EXPANSION STUDY

Michael Baker

INTERNATIONAL



VALIANT
AIR COMMAND^{INC.}



Michael Baker

INTERNATIONAL



VALIANT
AIR COMMAND



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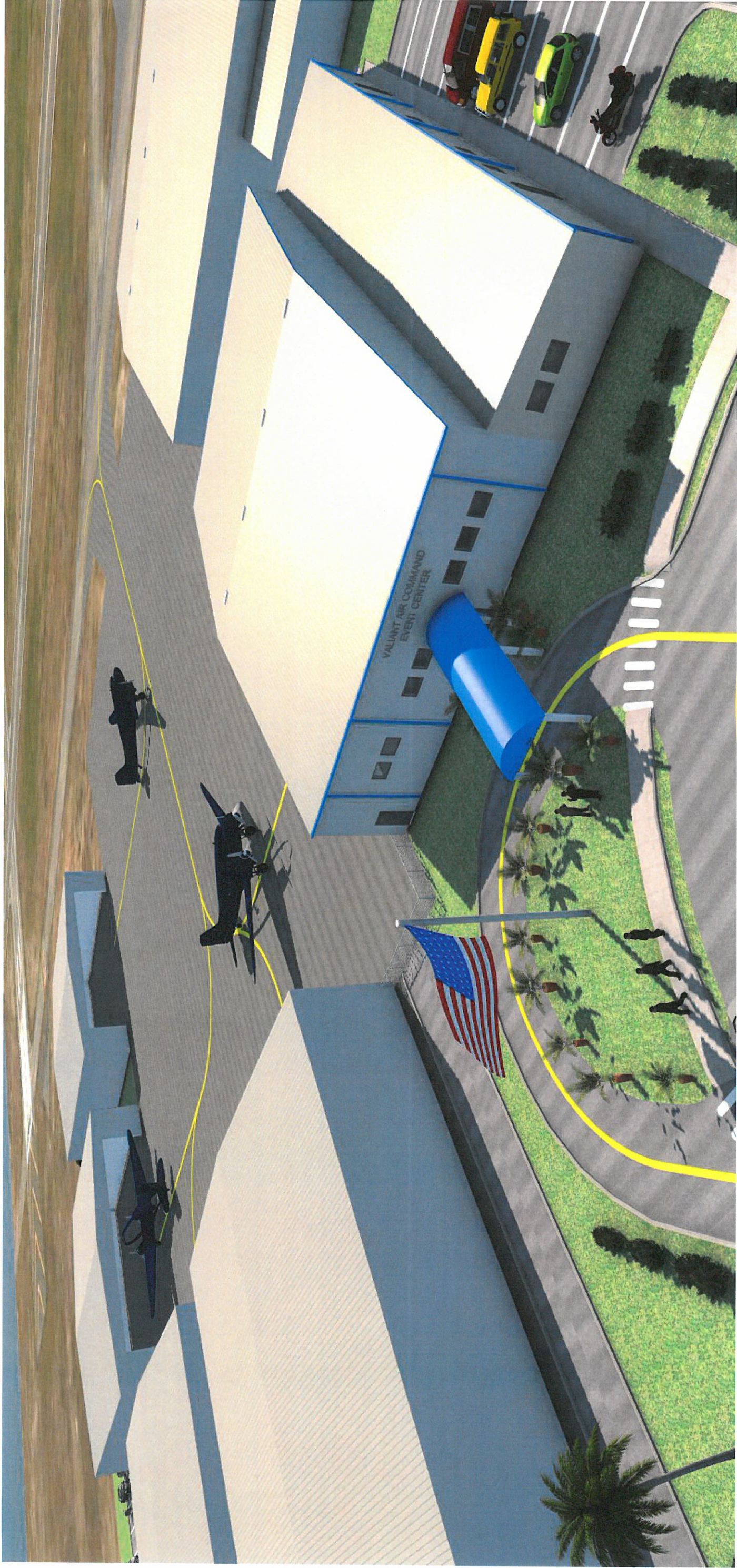


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