



Mr. Jerry Sansom, Chairman
Mr. Milo Zonka, Vice Chairman
Dr. John Leavitt, Treasurer
Mr. Harry Carswell, Secretary
Dr. Wasim Niazi
Dr. Dave Hosley
Mr. John Craig

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AGENDA
REGULAR MEETING
JULY 19, 2018 AT 8:30 A.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:
- 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. June 21, 2018 - Regular Meeting
- VII. OLD BUSINESS: None
- VIII. NEW BUSINESS:
 - a. Discussion and Consideration of a Lease at X21
 - b. Discussion and Consideration of the Proposed 2018 - 2019 Fiscal Year Budget
 - c. Discussion by Mr. Aaron McDaniel of Recent Invoiced Costs by Michael Baker International and Contractors Regarding Current Projects

NEXT REGULARLY SCHEDULED AUTHORITY MEETING IS TENTATIVELY SCHEDULED FOR
August 16, 2018 AT 4:00 P.M.
ADDITIONAL INFORMATION ON AGENDA ITEMS CAN BE OBTAINED BY CONTACTING 267-8780.

d. Discussion and Consideration of a Ground Lease at TIX

XI. INFORMATION SECTION:

a. Chief Executive Officer Report

b. Attorney Report

c. Check Register & Budget to Actual

d. Project Reports

X. AUTHORITY MEMBERS REPORT

XI. PUBLIC AND TENANTS REPORT

XII. ADJOURNMENT

Respectfully submitted,

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

Jerry Sansom
Chairman

TITUSVILLE – COCOA AIRPORT AUTHORITY

The Regular Meeting of the Titusville - Cocoa Airport Authority was held on June 21, 2018 at 8:30 a.m. at the Titusville - Cocoa Airport Authority Office at 355 Golden Knights Boulevard, Titusville, FL. The following members were present: Mr. Jerry Sansom, Chairman; Mr. Harry Carswell, Secretary; Dr. Wasim Niazi; Dr. David Hosley; Mr. John Craig; Mr. Michael D. Powell, C.M., ACE, CEO; Mr. Adam Bird, Attorney. Mr. Milo Zonka and Dr. John Leavitt were absent.

Call to Order

Mr. Sansom called the meeting to order. Mr. Bird officially swore in new Board member, Mr. John Craig.

Approval of the Agenda

Mr. Sansom asked if there were any changes or additions to the Agenda. Mr. Powell stated that due to a last second conflict, he would like to move Item C to the beginning of New Business. Mr. Sansom called for a motion to approve the Agenda as amended. Mr. Craig made the motion. Mr. Carswell seconded.

Mr. Sansom asked Ms. Ashley Campbell to call roll and determined that a quorum was present.

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. May 17, 2018 – Regular Meeting**

Dr. Hosley made a motion to approve the Consent Agenda as presented. Mr. Craig seconded. Mr. Sansom called the question. There were no objections. Motion passed.

Old Business – None**New Business****Item C – Discussion by Mr. Aaron McDaniel of Recent Invoiced Costs by Michael Baker International & Contractors Regarding Current Projects**

Mr. Sansom turned the floor over to Mr. McDaniel.

Mr. McDaniel presented Pay Request Number 6 in the amount of \$15,753.46 and Pay Request Number 7 in the amount of \$10,347.40, both from Michael Baker International, which were for the Runway End Identifier Lights Replacement Project at Space Coast Regional Airport. Mr. McDaniel stated that these pay requests closed out the project and it has now been submitted for closeout to the FAA.

Mr. McDaniel presented Pay Request Number 5 in the amount of \$29,121.31 from Michael Baker International, which was for the Port-o-Port Replacement Project at Merritt Island Airport.

Mr. McDaniel presented Pay Request Number 26 in the amount of \$5,332.89 from Michael Baker International and Pay Request Number 14 in the amount of \$18,900 from Sterling Enterprises, which were for the Runway Safety Area Shoreline Stabilization and Improvements Project at Merritt Island Airport. Discussion continued.

Mr. Sansom called for a motion. Dr. Niazi made a motion to approve the invoices. Mr. Carswell seconded. Mr. Sansom called the question. There were no objections. Motion passed.

Mr. McDaniel gave an update on the progress to acquire a Spaceport License, stating that some comments had been received two months ago, one of those comments being that the FAA wanted to make sure that the concept vehicles that were used in the application exactly matched what was in the environmental assessment. Mr. McDaniel stated that although the Airport Authority was not required to do this, the FAA was forcing it upon them. Mr. McDaniel stated that he and Staff made one last movement to do the risk analysis on the application document for a concept vehicle for Rocketcrafters, which was already used in the environmental assessment. Mr. McDaniel added that they turned that in earlier in the week, and the application should now be accepted since the concept vehicle now matched with the environmental assessment. Discussion continued.

Item A – Discussion & Consideration of the Exclusive Leasing Agreement With Lightle, Beckner & Robinson, Inc.

Mr. Powell gave a brief overview of the item, stating that Staff was happy to present the final version of the agreement for consideration.

Mr. Powell gave an explanation of the terms. Discussion continued.

Mr. Craig made a motion to approve the agreement. Dr. Hosley seconded. Mr. Sansom called the question. There were no objections. Motion passed.

Item B – Discussion & Consideration of an Estoppel Certificate & Assignment at Space Coast Regional Airport

Mr. Powell gave an overview of the item, stating that Mr. McCourt from North American Surveillance Systems was in attendance. Mr. Sansom turned the floor over to Mr. McCourt.

Mr. McCourt stated that he had sent a notice last week that NASS had been acquired by a large defense contractor, MAG Aerospace. Mr. McCourt stated that this would increase the size of NASS by about ten times. Mr. McCourt gave a brief overview of the business and stated that there would essentially be no changes and he felt it would be very good for the Airport Authority. Mr. McCourt also stated that he would still be running things and the integration was about 70% complete.

Mr. Powell stated that a copy of the Estoppel Certificate had been presented to the Board, in which NASS had asked to verify the leases, lease dates and amounts. Mr. Powell explained that this was information NASS needed to finalize the acquisition. Mr. Powell stated that the lease assignment from NASS to MAG Aerospace had also been presented to the Board, adding that because everything happened so quickly Staff would still have to get all the documentation that was required for commercial operators. Mr. Powell stated that if the Board was okay with moving forward, Staff would be sure to get the proper signatures. Discussion continued.

Mr. Sansom called for a motion. Dr. Hosley made a motion to approve the addition to the leasehold. Mr. Craig seconded. Discussion continued.

Mr. Sansom called the question. There were no objections. Motion passed.

Information Section

CEO Report

Mr. Powell reported that there had been a microburst at Space Coast Regional Airport, which was the biggest and most wide-spread microburst the Staff had seen. Mr. Powell stated that there were sheared off trees behind the maintenance facility, a ripped off canopy and three aircraft damaged. Mr. Powell explained how the tied-down aircraft were damaged. Mr. Powell explained that there were no fuel leaks and the crew in Facilities and Emergency Staff did an excellent job assessing the damage. Mr. Powell stated that a door had been torn off one of the t-hangars, but Staff was able to get the tenant moved to another hangar within an hour. Mr. Powell stated that Dr. Leavitt, who was absent, asked him to thank the Facilities Staff for doing such an outstanding job. Discussion continued.

Mr. Powell reported that there was a group that had just started an aviation charter school in Kissimmee that had shown interest in coming to this area to do the same thing. Mr. Powell stated that he had two meetings with them and he would keep the Board updated on that.

Mr. Powell stated that Staff had met with three developers that were interested in the possibility of building some spec buildings in the county industrial park, and they also wanted to know what the possibilities of what they could do at Space Coast Regional Airport.

Mr. Powell reported that Staff had been working on getting a commercial property at Arthur Dunn Airpark rented, but the FAA had gotten more restrictive and had told the Airport Authority to tear it down. Mr. Powell stated that the City of Titusville's Public Works Department proposed to use the building and a small piece of property for storage, which was amenable to the FAA. Mr. Powell stated that it happened very quickly, so he would bring that agreement back to the Board at the next meeting for an August 1 start date. Mr. Powell stated that it would bring the Airport Authority an additional \$30,000 plus.

Mr. Powell reported that all projects were on schedule and moving forward. Discussion continued.

Mr. Powell reported that Staff had worked out a deal with the County in regards to the retention pond that had to be dug on the far north-east side at Merritt Island Airport. Mr. Powell stated that the County had damage to some of their berms during Hurricane Irma and they were going to dig out the retention pond at the airport and transport the dirt to repair their berms, which would save the Airport Authority money. Discussion continued.

Mr. Powell concluded his report.

Attorney Report

Mr. Bird commended Staff on the lease at Arthur Dunn with the City of Titusville because there was only a 24 hour turnaround on it and Staff met that deadline.

Mr. Bird reported that Ms. Ashley Campbell, Manager of Finance & Grant Administration, was keeping on top of all of the tenants who were questionable or non-payers. Mr. Bird also stated that he and Staff were looking to recover as much as possible through abandoned property as well. Discussion continued regarding an abandoned aircraft in a t-hangar at Space Coast Regional Airport.

Mr. Bird concluded his report.

Check Register & Budget to Actual

Mr. Powell stated that financial reports had been provided and would be happy to answer any questions.

Administration & Project Reports

Mr. Powell stated that the report had been provided and that the only update was to the PAPIs at Merritt Island Airport and Arthur Dunn Airpark. Mr. Powell stated

that Staff added it to the report to get to the next step to qualify for grant funding. Mr. Powell stated that after a lot of troubleshooting, everyone concurred that there needed to be a complete replacement. Mr. Powell stated that Staff tried to get the project fast-tracked with the FAA, who was in agreement with the Airport Authority's assessment, but they did not give a definite answer as to whether or not they would fund it. Mr. Powell stated that the total project cost would be around \$100,000 - \$130,000. Discussion continued.

Dr. Niazi asked about the broken camera pole at Merritt Island. Mr. Powell stated that the company that installed the cameras was not responding his correspondences regarding that issue. Discussion continued.

Authority Members Report – None

Public & Tenants Report

Mr. Don White from the EAA at Merritt Island Airport asked about the progression of the securing of the hangar doors at Merritt Island. Mr. White stated that he spoke with Mr. Richard Jones, Facilities Director, who told them it would have to be engineered. Mr. White stated that he just wanted to know where the Airport Authority was in that process. Mr. Powell stated that the report from multiple engineering sources was that something could be done, but to do it right it would cost around \$2,500-\$3,000 per hangar. Mr. Powell added that the engineers also stated that they weren't sure trying to fix one spot wouldn't create a weak spot somewhere else, and that they didn't know of anyone who would sign off on that. Mr. Powell stated that it took so long because three different engineers looked at it, but they weren't completely comfortable with it. Discussion continued.

Dr. Niazi stated that he was still finding a lot of the sheet metal screws that came out during Hurricane Irma. Mr. Powell stated that the engineers stated that they didn't see anything that they thought created an unsafe situation. Discussion continued.

Mr. White asked if a private tenant were to secure their own doors from the outside, could they do it and were there any recommendations on how that could be done. Mr. Powell answered that he would have to get back with the engineering team. Mr. Powell stated that he had asked for specs, but they didn't want to put anything in writing because of the liability issue. Discussion continued.

Adjournment

Mr. Sansom adjourned the meeting at 9:41 a.m.

JERRY SANSOM, CHAIRMAN

HARRY CARSWELL, SECRETARY



TIX → SPACE COAST REGIONAL AIRPORT
COI → MERRITT ISLAND AIRPORT
X21 → 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: July 19, 2018

ITEM DESCRIPTION - NEW BUSINESS ITEM A

Discussion and Consideration of a Lease at X21

BACKGROUND

In working diligently to try and find a way to regain the lost revenue from 385 N. Singleton Avenue at X21 after the FAA took a stronger stance regarding allowable uses for that facility due to its proximity to the grass strip at X21, Staff was able to work with the City of Titusville's Public Works Department on using the facility for storage, which the FAA will allow.

ISSUES

In addition to the facility, the City will also lease 22,099 sq.ft. of land for storage as well.

ALTERNATIVES

The Airport Authority Board could approve or disapprove the proposed lease as presented and request a modification.

FISCAL IMPACT

The annual lease rate will be \$30,885.12 (comprised of \$26,907.30 for the building itself and \$3,977.82 for the ground lease), or \$2,573.76 monthly.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the lease with the City of Titusville, and (2) authorize an Authority Officer or the CEO to execute the necessary documentation upon satisfactory review by legal counsel.

TITUSVILLE-COcoa AIRPORT AUTHORITY

LEASE AGREEMENT

Arthur Dunn Airpark

Titusville, Florida

Effective Date

Lessee:

City of Titusville

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**TITUSVILLE-COCOA AIRPORT AUTHORITY
LEASE AGREEMENT**

THIS LEASE AGREEMENT (“Lease” or “Agreement”) is made to be effective as of the ____ day of _____, 2018 (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 (the “Authority”), and the CITY OF TITUSVILLE, a municipal corporation, whose mailing address is 555 S. Washington Ave., Titusville, FL 32796 (“Lessee”).

WITNESSETH:

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, Authority hereby demises and leases to Lessee and Lessee hereby leases from Authority, that certain land, and any buildings, structures, fixtures, fences, utility installations, parking facilities, landscaping and irrigation systems currently existing or hereafter located thereon at Arthur Dunn Airpark, as more particularly described on **Exhibit “A”** hereto (“Premises”). 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” last revised November 2, 2002, as the same may be amended from time to time (“Minimum Standards”), and (iv) the Arthur Dunn Airpark Master Plan dated 2005 (the “Master Plan”).

1.2 Condition of Premises.

Except as agreed to in Paragraph 1.3 herein, Lessee accepts the Premises “AS-IS”. 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 Commencement 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 by Lessee.

Lessee shall have sole responsibility for construction of the remaining improvements within the Premises, which improvements shall include but not be limited to those items described in **Exhibit "C"** hereto (the "Improvements"). Any construction by Lessee on the Premises shall be in accordance with local building codes and shall also be governed by **Exhibit "D"** hereto, which is incorporated herein by reference. Any Improvements Lessee wishes to construction the Premises, apart from those specifically listed on **Exhibit "C"** hereto, 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.

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 for storage (the "Permitted Uses").

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.

ARTICLE II
TERM OF LEASEHOLD

2.1 Term.

The Initial Term of this Lease is defined as the period beginning on _____, 2018 ("Commencement Date") and shall run for a period of three (3) years, unless sooner terminated in accordance with the terms and provisions hereof. Either the Lessee or the Authority upon one hundred and eighty (180) days written notice to the other party may terminate this Lease for any reason, whether with or without cause.

ARTICLE III
ANNUAL RENT

3.1 Annual Rent and Fees.

Lessee shall pay to the Authority annual rent for the Premises (hereinafter referred to as the "Annual Rent") for each twelve (12) month period or portion thereof during the Term of this Lease, beginning with the Commencement Date, in the amount detailed below, which Annual Rent shall be payable on or before the first day of each calendar month (or partial calendar month) thereafter, in amounts equal to one-twelfth (1/12) of the Annual Rent then due, plus any sales or rent taxes due on that installment, in advance, in lawful money of the United States, without deduction or set-off, at the office of the Authority. Annual Rent for a partial month during the Term of this Lease shall be prorated based on the number of days in such month.

3.2 Calculation of Annual Rent and Fees.

The "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers, U.S. Average, All Items (1982-84=100) as compiled and published by the United States Department of Labor, Bureau of Labor Statistics, or any comparable successor index.

The Annual Rent and Fees shall consist of the following to be paid to the Authority:

The Annual Rent to be paid to the Authority for the period beginning with the Commencement Date and ending on August 31, 2019 shall be **\$30,885.12** for the Premises (comprised of \$26,907.30 for the building itself and \$3,977.82 for the ground lease). Based upon this Annual Rent, the monthly rental rate due Authority from Lessee for the period beginning with the Commencement Date and ending one year thereafter is \$2,573.76 (the "Monthly Base Rent").

The Annual Rent shall be increased upon each anniversary of the Commencement Date based on the Consumer Price Index ("CPI") to account for inflation and other economic factors. However, without regard to any other provision hereof, in no event shall the Annual Rent for each year (from September 1 to August 31) be less than the previous year's Annual Rent such that if the application of the CPI adjustment identified in this paragraph would require a reduction in Annual Rent, no such adjustment shall be made. Additionally, the sales tax charged as part of the Annual Rent, if any, shall be adjusted automatically to match the prevailing sales tax rate to which the Premises and payment of rent thereon are subject.

3.3 Delinquent Rent.

Any installment of Annual Rent, Rent, or other amounts due from Lessee under this Lease, that is not received within five (5) business days after it is due, shall bear interest from the date when the same was due until paid by Lessee at the maximum interest rate allowable by law.

ARTICLE IV **MAINTENANCE AND UTILITIES**

4.1 Maintenance.

During the entire Term of this Lease, Lessee shall, at its sole cost and expense, keep and maintain the Premises, including, without limitation, the roof, exterior walls and foundation of any buildings, the electrical, HVAC, plumbing and security systems, fixtures, trade fixtures, machinery, furnishings, signage, and all other portions of the Improvements, in good repair and working order (reasonable wear and tear excepted), and in a clean, neat, attractive, properly maintained and safe condition. All maintenance, repairs and replacements shall be of quality at least equal to the original in materials and workmanship. Lessee shall promptly repair, at its expense and in a manner reasonably acceptable to Authority, any damage to Authority's property or to the property of others caused by Lessee or its officers, agents, employees, and contractors. The Authority shall have the right to enter the Premises at any reasonable time to determine whether or not Lessee is complying with its maintenance obligations hereunder.

4.2 Trash and Garbage.

During the entire Term of 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.

During the entire Term of 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 except the construction and maintenance of Improvements detailed in Exhibit "B" hereto, if any. Lessee agrees that 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 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 Authority unless such acts were authorized by 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 ad valorem property taxes) 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 Term of this Lease expires or is earlier terminated prior to the close of the tax year for which any such tax is payable, or if the Term of this Lease 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 dividing the number of days that this Lease was in effect during such tax year by the total number of days that the Premises was leased to tenants (excluding any tenant engaging in a use of the Premises which results in the Premises being exempt from taxation) during such 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 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 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, if any, with respect to all Annual Rent, Rent, and other payments 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 Term of this Lease, property 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 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. For any insurance related to any property, whether real or personal, in which the Authority has an interest, the Authority shall be expressly named as an additional insured, if possible.

6.2 Liability Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout the Term of 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 Permitted Uses, 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. For any insurance related to any property, whether real or personal, in which the Authority has an interest, the Authority shall be expressly named as an additional insured, if possible.

6.3 Workers' Compensation.

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 throughout the term of this Lease 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 Commencement Date of this Lease, and within thirty (30) days after the expiration of any policy or policies provided by Lessee hereunder, Lessee shall furnish an original certificate of insurance to Authority evidencing such coverage, identifying the Authority as an additional insured on any policy for which the Authority is required to be named as an additional insured as set forth above, 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 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 herein 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. Additionally, at any time Lessee shall furnish proof of obtaining and maintaining any insurance required under this Agreement upon reasonable request by Authority.

ARTICLE VII
CONTRACT BOND, LETTER OF CREDITOR OR CASH DEPOSIT

7.1 Contract Bond, Letter of Credit or Cash Deposit. (Cash Deposit equivalent to one month's rent.)

Lessee shall provide to Authority on the execution of this Agreement, a Cash Deposit, a Contract Bond or, at the option of Lessee (and subject to certain additional requirements as

described below), an irrevocable standby Letter of Credit ("Letter of Credit") in the form attached hereto as Exhibits "G" and "H." Such Cash Deposit, Contract Bond or Letter of Credit shall be effective as of the Commencement Date hereof and shall be maintained by Lessee throughout the term of this Agreement in an amount equal to one (1) month of the Annual Rent (the amount of the Cash Deposit, Contract Bond or Letter of Credit shall be rounded to the nearest One Thousand Dollars (\$1,000.00)). Any Contract Bond shall be on a form to be provided by Authority and shall be written by a surety licensed to do business in the State of Florida, which is acceptable to the Authority's Chief Executive Officer (CEO). Any Letter of Credit provided hereunder shall be on a form provided by the Authority and shall be issued by a bank, acceptable to the CEO, which is located within Brevard County, Florida (unless the CEO waives such requirement in writing). In the event that any Contract Bond or Letter of Credit provided under this section shall be for a period of less than the full term of this Agreement, or in the event the amount of the Contract Bond or Letter of Credit is to be increased or decreased, Lessee shall provide a renewal or replacement Contract Bond or Letter of Credit which complies with the requirements of this section at least one hundred eighty (180) days prior to the date on which the previous Contract Bond or Letter of Credit expires. The Letter of Credit must contain a condition that it shall be deemed automatically extended without amendment for one (1) year from the expiration date herein, or any future expiration date, unless thirty (30) days prior to any expiration date the Bank on which the Letter of Credit is drawn, shall notify the Authority by Registered Mail that such Bank elects not to consider the Letter of Credit renewed for any such additional period. Lessee's failure to timely provide a replacement Contract Bond or Letter of Credit hereunder shall constitute a default under this Agreement and the Authority shall be entitled to any remedies provided hereunder, and may, without limitation, proceed to recover under Lessee's existing Contract Bond or draw on the full amount of its existing Letter of Credit. If Lessee provides Authority with a Letter of Credit, Lessee shall maintain such Letter of Credit in effect for at least one (1) year after the expiration or earlier termination of the term hereof in the amount required for the last Agreement term. However, the Authority shall release any existing Letter of Credit provided by the Lessee upon the Authority's receipt of a replacement Letter of Credit that complies with the requirements of this section.

ARTICLE VIII **ENVIRONMENTAL**

8.1 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 any rules or regulations concerning 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 any term of this Agreement, 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 subparagraph (a) above. Lessee shall pay all costs associated with said investigation if such investigation shall disclose any such breach by Lessee.

Within thirty (30) days prior to the expiration or termination of this Lease, Lessee shall commence a Phase I Environmental Assessment ("Phase I EA") in accordance with ASTM Standard ASTM E-1527, or such other commonly recognized standard as may be in effect at that time. If the Phase I EA reveals any areas of environmental concern that, in the Authority's sole discretion, warrant further investigation, Lessee shall commence an appropriate Phase II Environmental Assessment ("Phase II EA") including sampling and analysis of soil and groundwater necessary to determine whether or not contamination has occurred. Copies of the EAs shall be provided to the Authority upon completion and shall be certified to be for the benefit of the Authority by the environmental consultant performing the EA. Lessee shall promptly undertake and pursue diligently to completion any remedial measures indicated by the above-described environmental assessments.

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

ARTICLE IX **INDEMNIFICATION**

9.1 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 person 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, and/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. In carrying out its obligations under this section, Lessee shall use counsel reasonably acceptable to the Authority. The provisions of this section shall survive the expiration or earlier termination of this Lease with respect to any acts or omissions occurring during the term of this Lease. Nothing in this section is intended to or shall be construed to limit or otherwise affect the Authority's ability to assert any and all forms of governmental and/or sovereign immunity available to it, including without limitation the immunity afforded the Authority under section 768.28, Florida Statutes.

ARTICLE X
DESTRUCTION OF IMPROVEMENTS

10.1 Obligations of Lessee.

In the event the Improvements are damaged or destroyed in whole or in part by fire or other casualty, Lessee shall give prompt written notice thereof to Authority, and Lessee, at its own expense, shall promptly repair, replace and rebuild the same, at least to the same extent as to the value and as nearly as practical to the character of the Improvements existing immediately prior to such time. Damage to the Improvements shall cause an abatement of Lessee's obligation to pay Annual Rent to Authority or to make any other payments required to be made by Lessee under this Lease in proportion to the area of the premises affected as long as said damage is sufficient to actually or constructive evict Lessee or substantially impair Lessee's ability to utilize the affected portion of the Premises as reasonably determined by Authority.

10.2 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 such repair, replacement and rebuilding. Lessee shall receive and hold such proceeds (and any interest earned thereon) in trust for such work, and Lessee 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 Improvements, Lessee shall pay any additional sums required, 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. Notwithstanding the language of this section, 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 XI
CONDEMNATION

11.1 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.

11.2 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. In no event shall Lessee have any claim to any proceeds related to a Taking related to compensation for the underlying real property owned by Authority and leased by Lessee hereunder. Any portion of proceeds related to a Taking that concern Lessee's leasehold interest and/or Lessee's personal property related to the Premises shall be addressed as set forth in this Article.

11.3 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").

11.4 Obligations of Lessee under Partial Taking.

It is understood and agreed that all condemnation proceeds for any Partial Taking of the Premises shall be paid to Lessee to be held by it in trust and used for the repair and reconstruction of the Premises and replacement of the equipment, with any portion of such proceeds not needed for such repair, reconstruction and replacement to be distributed in accordance with the terms of Section 11.6.

11.5 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 Term nor the Rent shall be reduced or affected in any way and Lessee shall be entitled to any award for the use or estate taken. If a result of the Taking is to necessitate expenditures for reconstruction of the Improvements 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. Upon the completion of the work and the discharge of the Premises and

Improvements from all liens or claims arising therefrom, Lessee shall be entitled to any surplus and shall be liable for any deficiency related to its property including without limitation the Improvements.

11.6 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.

11.7 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, 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 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 of such sums.

ARTICLE XII
DEFAULT

12.1 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 make any payment of Annual Rent, Rent, or any other payment required to be made by Lessee hereunder when due which failure is not remedied within ten (10) days of the payment due date; (ii) the failure of Lessee to keep, observe or perform any other material covenants or agreements herein, and the continued failure to observe or perform any such covenant or agreement after a period of thirty (30) days after written demand; (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 subsection (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; 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, or any levy under any such lien.

12.2 Remedies for Default.

Upon the occurrence of an Event of Default, the Authority may in its sole discretion pursue any of the following remedies, or 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; or

(b) Authority may, without terminating this Lease, terminate Lessee's right to possession of the Premises, retake possession of the Premises, accelerate all rent due from Lessee in the current Lease term and recover immediately from the Lessee damages calculated as follows:

(i) all unpaid Annual Rent and other payments due from Lessee, together with

(ii) the amount by which the unpaid Annual Rent and other payments due from Lessee earned after the date of termination of Lessee's right to possession of the Premises until the time of award exceeds the amount of the loss of Annual Rent and other payments due from Lessee that Lessee proves has been or could have reasonably been avoided, together with

(iii) the worth, at the time of the award, of the amount by which the unpaid Annual Rent and other payments due from Lessee for the balance of the Term after the time of award exceeds the amount of the loss of Annual Rent and other payments due from Lessee that Lessee proves could reasonably be avoided. (For purposes of this subparagraph (iii), the worth, at the time of award, of such amount shall be determined by discounting such amount in accordance with accepted financial practice to its present worth at a rate of interest of four percent (4%) per year less any credit for subsequent re-rental of the subject premises.

For purposes of the calculation of damages described above, and in subsection (c) below, payments other than Annual Rent due from Lessee after the termination of Lessee's right to possession of the Premises shall be based upon the average of such payments payable during the thirty-six (36) month period prior to the termination of possession (or, if shorter, the prior period of the Term of the Lease).

Upon entry of judgment for such damages, as described above, this Lease shall be deemed to be terminated; or

(c) Authority may, without terminating this Lease, terminate Lessee's right to possession of the Premises, retake possession of the Premises and re-let the Premises, or any part or parts thereof, for the account of Lessee, for a term which may, at Authority's option, be less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease. In such event, Lessee shall pay to Authority any deficiency between the Annual Rent and other charges herein reserved and the net amount of the rents and other charges collected on account of any other lease of the Premises for each month of the period which would otherwise have constituted the balance of the

Term of this Lease. Authority may recover such deficiency from Lessee at the time each payment becomes due under the Lease, or, at Authority's option, upon the expiration of the Term of this Lease.

Irrespective of the exercise of either of the above-referenced options, Authority shall have the right to recover all unpaid Annual Rent, Rent and other payments earned by 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 reletting the Premises, such as all necessary repairs and renovations, 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 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.

12.3 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, then the same shall be deemed Rent and shall be paid to Authority in accordance with Article III herein.

12.4 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 Annual Rent, 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 XIII
MISCELLANEOUS

13.1 Additional Provisions.

The Parties hereby agree that this Lease shall be subject to the provisions of **Exhibit "E"** hereto, which is incorporated herein by reference.

13.2 Fees.

If the Lessee obtains approval for the operation of a fuel delivery system and fueling of aircraft, fuel flowage fees will be assessed and may be changed at any time and in Authority's sole discretion. Provided, however that any change in fuel flowage fees shall be based on then prevailing market factors.

13.3 Recording.

Neither this Lease or any portion or mention thereof shall be recorded except as set forth in Section 1.5, above.

13.4 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 so long as Authority does not interfere with Lessee's quiet 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 that do not interfere with Lessee's quiet enjoyment of the Premises. 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.

13.5 Leasehold Encumbrances.

Lessee may encumber only its leasehold estate and its interest in the Improvements by the execution and delivery of a Mortgage. Authority will not subordinate its interest in the Premises or this Lease to any Mortgage. In the event of foreclosure by any Mortgagee, the purchaser at the foreclosure sale or the person acquiring Lessee's interest in lieu of foreclosure, shall succeed to and be bound by all of Lessee's rights, interests, duties and obligations under this Lease. Notwithstanding the foregoing, no person other than the mortgagee or an affiliate thereof shall have the right to become Lessee under this Lease, and the interest of Lessee under this Lease shall not be conveyed to the purchaser at a foreclosure sale or to a person acquiring Lessee's interest in lieu of foreclosure, without complying with the requirements of Section 13.6 below. Other than a leasehold mortgagee through foreclosure, any other tenant or potential tenant who Lessee and/or any mortgagee intend to install as a tenant on the Premises is subject to approval by Authority in its sole discretion with approval of such successor tenant not to be unreasonably withheld.

13.6 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 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. In the event Lessee assigns all or any portion of the Premises to an individual or entity that is not an Affiliate of Lessee, Lessee shall pay to Authority fifty percent (50%) of the Net Profit (as hereinafter defined) from the assignment, such payment to be paid along with Lessee's monthly Annual Rent payments or when otherwise received by Lessee. The Net Profit from an assignment shall be all rent and other consideration paid by the assignee in excess of the Annual Rent and other consideration payable by Lessee to Authority for the Premises or portion thereof assigned or subleased and less the amortization of any Improvements installed by and at the expense of Lessee at the Premises or portion thereof which is assigned. In the event the consideration for such assignment also includes consideration for other assets, a portion of such consideration shall be allocated to the assignment as equitable under the circumstances; provided, however, that no Net Profit shall be payable to the Authority in connection with the sale of all of the shares of Lessee. 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, which is not in strict compliance with the terms and conditions of this paragraph, may, in the Authority's sole and absolute discretion, be declared void ab initio and, if that occurs, shall be of no force or effect whatsoever.

(b) Lessee agrees to reimburse the Authority for its Attorneys' Fees, up to \$500.00, 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.

13.7 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 Lessee: _____

Any such notice shall be deemed effective upon receipt.

[This Area Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Lease to be executed in their names and their seals to be affixed hereto as of the day and year first above written.

WITNESSES:

Print Name: _____

Print Name: _____

LESSEE:

CITY OF TITUSVILLE

By: _____

Printed Name: _____

Title: _____

WITNESSES:

Print Name: _____

Print Name: _____

LESSOR:

TITUSVILLE-COCOA AIRPORT AUTHORITY

By: _____

Printed Name: Michael D. Powell, C.M., ACE

Title: Chief Executive Officer

Approved as to Form and Legality this _____ day of _____, 2018

GrayRobinson, P.A.

By: _____

Adam M. Bird, Esq.

General Counsel / Titusville-Cocoa Airport Authority

EXHIBIT "A"
PREMISES

LEGAL DESCRIPTION:

Commencing at the Southwest corner of the Southeast 1/4 of Section 32, Township 21 South, Range 35 East, Brevard County, Florida, run thence North 0°08'54" East along the West line of the Southeast 1/4 of said Section 32, a distance of 1,325.71 feet to the Northwest corner of said Southwest 1/4 of the Southeast 1/4 of Section 32, thence South 89°40'23" East along the North line of said Southwest 1/4 of the Southeast 1/4, 117.60 feet to the Easterly right-of-way line of Singleton Avenue; thence South 0°08'54" West along said right-of-way line, and parallel to said West line of the Southwest 1/4 of the Southeast 1/4, a distance of 140.00 feet to the POINT OF BEGINNING of the parcel herein described; thence South 89°40'23" East parallel to said North line of the Southwest 1/4 of the Southeast 1/4, a distance of 190.00 feet; thence South 0°08'54" West, 170.00 feet; thence North 89°40'23" West, 190.00 feet; thence North 0°08'54" East along said right-of-way line of Singleton Avenue, 170.00 feet to the POINT OF BEGINNING.

EXHIBIT "B"
AUTHORITY IMPROVEMENTS

1. **None.**

EXHIBIT "C"
TENANT IMPROVEMENTS

1. TBD.

EXHIBIT "D"
CONSTRUCTION OF IMPROVEMENTS

1. Prior to commencement of construction of any 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, 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 hereto as Attachment _____ 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 hereto as Attachment _____, 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 remain in Lessee during the Term of the Lease, but such title shall vest in Authority upon the expiration of the Term of the Lease or upon the sooner lawful termination thereof. 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, free of any liens or encumbrances.

EXHIBIT "E"
REQUIRED PROVISIONS

1. 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.

2. Discrimination Not Permitted.

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

3. Federal Aviation Administration Requirements.

a) 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.

b) 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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.

10. Miscellaneous Provisions.

a) 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.

b) 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.

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

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) **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**

k) 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.

11. 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.

12. 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.

13. Compliance with Stormwater Regulations.

a) 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.

b) 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.

14. 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.

15. 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.

16. Subordination.

a) 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.

b) 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.

c) 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.

17. 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.

18. 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.

19. 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 "F"

KNOW ALL MEN BY THESE PRESENTS: That _____, 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.

[THIS SPACE LEFT INTENTIONALLY BLANK]

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: _____

By: _____
Printed Name: _____
Title: _____

(SEAL)

"Surety" _____

Printed Name: _____

Printed Name: _____

By: _____
Printed Name: _____
Title: _____

(SEAL)

Countersigned by Florida Registered Agent
Printed Name _____

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-Army appointing individual Attorney-in-Fact for execution of Payment Bond on behalf of Surety.

EXHIBIT "G"

_____ [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 your 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 "H"

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 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 _____, 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:

(SEAL)

(Countersigned by Florida)

Principal

By: _____
Name and Title

Surety

By: _____
Name and Title

EXHIBIT "I"

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 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 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 "J"

IN WITNESS WHEREOF, the undersigned hereby execute(s) this instrument.

_____, Guarantor

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by _____, as Guarantor. 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.: _____

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 _____ 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: _____



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: July 19, 2018

ITEM DESCRIPTION - NEW BUSINESS ITEM B

Discussion and Consideration of the Proposed 2018 - 2019 Fiscal Year Budget

BACKGROUND

The Titusville-Cocoa Airport Authority annually submits a tentative fiscal year budget to Brevard County as part of the budget process. The Board was initially provided the Budget at the May 17th meeting for review. The Board will also be presented the Budget in August and September.

ISSUES

The Titusville-Cocoa Airport Authority operates on an Operations and Maintenance Budget (O & M) and is self-sustaining for daily operations. The Airport Authority receives no Ad Valorem taxes.

ALTERNATIVES

The Airport Authority Board could approve or disapprove the proposed Budget as presented and request a modification.

FISCAL IMPACT

The 2018 - 2019 Fiscal Year Budget is a total of \$2,578,890.

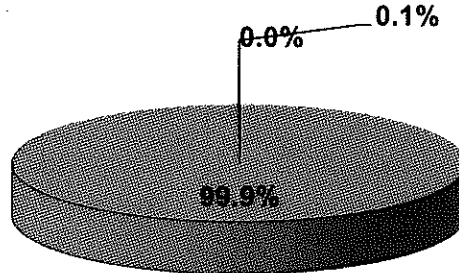
RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the proposed 2018 - 2019 Fiscal Year Budget, which excludes any Ad Valorem taxes, for submittal to the County, and (2) authorize an Authority Officer or the CEO to execute the necessary documentation upon satisfactory review by legal counsel.

**TITUSVILLE-COCOA AIRPORT AUTHORITY
PROPOSED BUDGET SUMMARY
FISCAL YEAR 2018/2019**

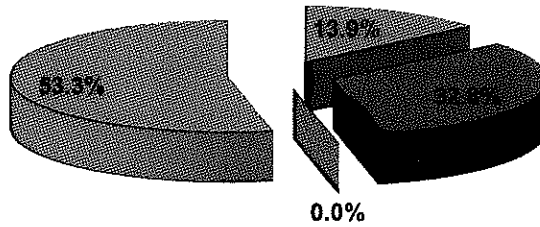
	<u>Arthur Dunn</u>	<u>Merritt Island</u>	<u>Space Coast</u>	<u>Total</u>
Operating Revenue				
T'Hangars	\$ 176,750	\$ 589,839	\$ 344,511	\$ 1,111,100
Service Centers	77,030	46,921	315,842	439,793
Building Leases	48,854	185,520	542,965	777,339
Land Leases	15,786	17,733	170,799	204,318
Other Leases	39,840	3,888	113	43,841
Total Operating Revenue	<u>\$ 358,260</u>	<u>\$ 843,901</u>	<u>\$ 1,374,230</u>	<u>\$ 2,576,390</u>
Non-Operating Revenue				<u>\$2,500</u>
Requested Ad Valorem Taxing Authority				\$0
Total Revenue Budget				<u>\$ 2,578,890</u>
Transfer to Other Funds				
Debt Service Fund				\$ 174,445
Renewal and Replacement Fund				35,000
Operating Fund				<u>2,369,445</u>
Total				<u>\$ 2,578,890</u>

**Airport Authority
Revenues
FY 2018/2019**



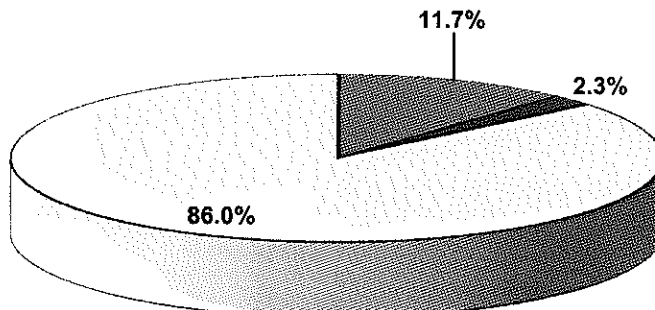
■ Operating Revenue ■ Non-Operating Revenue ■ Ad Valorem Revenue

**Airport Authority
Operating Revenue
FY 2018/2019**



■ Arthur Dunn ■ Merritt Island ■ Space Coast Regional

**Airport Authority
Revenue Allocation
FY 2018/2019**



■ Debt Service Fund ■ R & R Fund ■ Operating Fund

TITUSVILLE-COCOA AIRPORT AUTHORITY
REVENUE ANALYSIS FOR FISCAL YEAR 2018 / 2019

<u>Revenue Sources</u>	Budget FY 2016-17	Budget FY 2017-18	Proposed Budget FY 2018-19	Difference In Budget FY 2017-18 to FY 2018-19	Percentage Change	NOTES
T-Hangars						
Arthur Dunn						
T-7	29,626	30,426	31,095	669	2.2% *	
T-9	19,751	20,284	20,730	446	2.2% *	
T-8	23,043	23,665	24,185	521	2.2% *	
T-1	29,626	30,426	31,095	669	2.2% *	
T-2	33,435	34,337	35,093	755	2.2% *	
T-3	32,918	33,807	34,550	744	2.2% *	
Subtotal with Vacancy Rate	168,398	172,945	176,750	3,805	2.2%	
Merritt Island						
T-1	58,547	60,128	61,450	1,323	2.2% *	
T-2	36,455	37,434	38,263	829	2.2% *	
T-3	34,637	35,572	36,354	783	2.2% *	
T-4	54,042	55,502	56,723	1,221	2.2% *	
T-5	46,922	48,189	49,249	1,060	2.2% *	
T-6	32,918	33,807	34,550	744	2.2% *	
T-8	33,461	34,364	35,120	756	2.2% *	
T-9	56,162	57,678	58,947	1,269	2.2% *	
T-7	45,086	46,303	47,322	1,019	2.2% *	
T-11	27,745	28,494	29,121	627	2.2% *	
Port-a-Port	16,224	16,662	17,000	338	2.0% *	
T-12	48,554	49,865	50,962	1,097	2.2% *	
T-10	28,921	29,702	30,355	653	2.2% *	
T-14	42,323	43,466	44,422	956	2.2% *	
Subtotal with Vacancy Rate	561,995	577,165	589,839	12,674	2.2%	
Space Coast Regional						
T-9	42,051	43,187	44,136	950	2.2% *	
T-5	37,033	38,033	38,869	837	2.2% *	
T-4	37,033	38,033	38,869	837	2.2% *	
T-3	37,033	38,033	38,869	837	2.2% *	
T-2	37,033	38,033	38,869	837	2.2% *	
T-8	38,796	39,844	40,720	877	2.2% *	
T-7	42,676	43,828	44,792	964	2.2% *	
T-10	50,307	51,665	52,802	1,137	2.2% *	
Port-a-Port	6,216	6,384	6,584	200	3.1% *	
Subtotal with Vacancy Rate	328,177	337,038	344,511	7,474	2.2%	
Total T-Hangars	1,058,570	1,087,147	1,111,100	23,953	2.2%	
Service Centers						
Arthur Dunn						
Bldgs. 9,10, & 24	73,321	74,159	76,130	1,971	2.7% *	
Fuel Flowage Fee	900	900	900	-	0.0% *	
Subtotal	74,221	75,059	77,030	1,971	2.6%	

TITUSVILLE-COCOA AIRPORT AUTHORITY
REVENUE ANALYSIS FOR FISCAL YEAR 2018 / 2019

Revenue Sources	Budget FY 2016-17	Budget FY 2017-18	Proposed Budget FY 2018-19	Difference In Budget FY 2017-18 to FY 2018-19	Percentage Change	NOTES
Merritt Island						
Bldg. 25	38,221	38,983	39,921	938	2.4% *	
Fuel Flowage Fee	7,000	7,000	7,000	-	0.0% *	
Subtotal	45,221	46,983	46,921	938	2.0%	
Space Coast Regional						
Bldgs. 52	68,351	52,033	52,688	655	1.3%	
Fuel Flowage Fee	4,000	7,000	7,000	-	0.0%	
Bldg. 29 (Bristow)	187,678	192,484	196,797	4,313	2.2% *	
Bldg. 1	45,228	47,316	48,357	1,041	2.2%	
Fuel Flowage Fee	15,000	11,000	11,000	-	0.0%	
Subtotal	320,257	309,833	315,842	6,009	1.9%	
Total Service Centers	439,699	431,876	439,793	8,917	2.1%	
Building Leases						
Arthur Dunn						
Bldg. 20 Driving Range	23,485	23,753	24,385	631	2.7% *	
Bldg. 11	469	494	505	11	2.2% *	
Bldg. (Parks & Rec)	8,083	8,233	8,434	201	2.4% *	
Bldg (385 Singleton)	26,603	26,907	0	(26,907)	-100.0%	Vacant per FAA
Skydive	8,424	8,520	8,747	226	2.7% *	
T-Hangar Offices	6,072	6,236	6,784	548	8.8% *	
Subtotal	73,136	74,143	48,854	(25,289)	-34.1%	
Merritt Island						
Bldg. 2	12,906	13,072	13,413	342	2.6% *	
Bldg. 4	13,075	13,225	13,576	351	2.7% *	
Bldg. 5	2,573	5,829	5,971	143	2.4%	
Bldg. 21/22	14,740	14,951	14,951	-	0.0% *	
T-Hangar Offices	11,293	11,598	12,608	1,010	8.7% *	
Airport Storage	125,000	125,000	125,000	-	0.0% *	
Subtotal	179,588	183,674	185,520	1,846	1.0%	
Space Coast Regional						
Bldg. 9	61,228	62,622	64,077	1,454	2.3% *	
Bldg 27		20,516	21,008	491	2.4%	
Bldgs. 40 & 41	75,860	75,860	75,860	0	0.0% *	
Bldg. 43	74,398	81,774	83,606	1,832	2.2%	
Bldg. 51	0	30,000	30,000	-	0.0%	
Bldg 60	48,040	48,589	49,880	1,291	2.7%	
Bldg 5	124,356	126,447	129,700	3,253	2.6%	
Admin - NASS	19,867	20,281	20,655	374	1.8% *	
Admin - NASS	18,924	26,990	27,504	515	1.9%	
Admin - Bristow	32,519	32,849	33,627	777	2.4% *	
T-Hangar Offices	6,714	6,896	7,048	152	2.2% *	
Subtotal	461,906	533,080	542,965	10,140	1.9%	
Total Building Leases	714,630	790,898	777,339	(13,304)	-1.7%	
Land Leases						
Arthur Dunn						
Sheltair (T-Hangars)	15,070	15,434	15,786	352	2.3% *	
Subtotal	15,070	15,434	15,786	352	2.3%	

TITUSVILLE-COCOA AIRPORT AUTHORITY
REVENUE ANALYSIS FOR FISCAL YEAR 2018 / 2019

Revenue Sources	Budget FY 2016-17	Budget FY 2017-18	Proposed Budget FY 2018-19	Difference In Budget FY 2017-18 to FY 2018-19	Percentage Change	NOTES
Merritt Island						
Space Coast Aviation	6,551	6,682	6,843	161	2.4% *	
Voyager	6,519	6,584	6,656	72	1.1% *	
Servant Air Ministries	4,045	4,137	4,233	96	2.3% *	
Subtotal	17,115	17,403	17,733	329	1.9%	
Space Coast Regional						
Runway Wind Profiler	1,012	1,050	1,073	23	2.2% *	
PAA Development	30,928	30,928	30,928	(0)	0.0% *	
Air America Foundation	2,338	2,368	2,430	62	2.6% *	
Global Aviation	30,000	30,000	30,000	-	0.0%	
Sheltair (T-Hangars)	7,474	7,753	7,930	177	2.3% *	
Bristow Academy Land Lease	94,616	96,509	98,439	1,930	2.0% *	
Subtotal	167,096	169,256	170,799	2,192	1.3%	
Total Land Leases	199,281	202,094	204,318	2,873	1.4%	
Other Leases						
Arthur Dunn						
Houses						
925 N. Singleton Ave.	9,600	9,600	9,600	-	0.0% *	
115 N Williams Ave.	0	0	0	-	0.0% *	
965 Luna Terrace	0	0	0	-	0.0% *	
712 Old Dixie Ave.	8,400	0	0	-	0.0% *	
901 N. Singleton Ave.	0	0	0	-	0.0% *	
Sheltair Investment Fee	30,240	30,240	30,240	-	0.0% *	
Subtotal	48,240	39,840	39,840	-	0.0%	
Merritt Island						
Aerial Sign North (Banner Towing)	3,712	3,802	3,888	87	2.3%	
Subtotal	3,712	3,802	3,888	87	2.3%	
Space Coast Regional						
Webb Honey	107	110	113	2	2.2%	
Subtotal	107	110	113	2		
Total Other Leases	52,059	43,752	43,841	89	0.2%	
Total Operating Revenue						
Arthur Dunn	379,065	377,422	358,260	(19,162)	-5.1%	
Merritt Island	807,631	829,027	843,901	15,874	1.9%	
Space Coast Regional	1,277,543	1,349,317	1,374,230	25,817	1.9%	
Total Operating Revenue	2,464,239	2,555,765	2,576,390	22,529	0.9%	
Interest & Misc Income	2,500	2,500	2,500	-	0.0%	
Total Revenue	2,466,739	2,558,265	2,578,890	22,529	0.9%	

**TITUSVILLE-COCOA AIRPORT AUTHORITY
PROPOSED OPERATING BUDGET w/ ALLOCATIONS
FISCAL YEAR 2018/2019**

	Proposed Budget Allocation FY 2018/2019				Proposed Budget FY 2018/2019	Difference	Percentage change +/-
	Budget FY 2017/2018	Arthur Dunn	Merritt Island	Space Coast			
PERSONNEL SERVICES							
Regular Salaries	826,560	20%	35%	45%	813,006	(13,554)	-1.6%
Payroll Taxes	63,232	162,601	284,552	365,853	62,195	(1,037)	-1.6%
Workmans Compensation Insurance	26,000	12,439	21,768	27,988	26,000		
Allocated Benefits	259,511	5,200	9,100	11,700	275,980	16,469	6.3%
TOTAL PERSONNEL SERVICES	1,175,303	235,436	412,013	529,731	1,177,181	1,878	0.2%
OPERATING EXPENSES/CAPITAL OUTLAY							
Professional Services							
Appraisals/Surveys							
General Consultant	10,000	2,000	3,500	4,500	10,000	-	
Legal Fees	45,000	10,000	17,500	22,500	50,000	5,000	11.1%
Accounting and Auditing							
Accounting and Auditing	34,000	6,800	11,900	15,300	34,000	-	
Other Contractual Services							
Computer Technical Support	1,000	600	1,050	1,350	3,000	2,000	200.0%
Janitorial Services	7,000	1,400	2,450	3,150	7,000	-	
Other Contractual Services	-	-	-	-	-	-	
Travel and Training							
Travel & Per Diem	15,000	1,500	2,625	3,375	7,500	(7,500)	-50.0%
Employee Development	9,000	2,400	4,200	5,400	12,000	3,000	33.3%
Communications and Freight							
Telecommunications	35,490	7,098	12,422	15,971	35,490	-	
Postage	3,500	700	1,225	1,575	3,500	-	
Utility Services							
Utility Services	166,500	36,000	63,000	81,000	180,000	13,500	8.1%
Rentals and Leases							
Rentals & Leases	8,200	1,640	2,870	3,690	8,200	-	
Insurance							
Property & Casualty							
General Liability	241,808	48,360	84,630	108,810	241,799	(9)	0.0%
Other Insurance & Bonds	44,575	9,340	16,345	21,015	46,700	2,125	4.8%
Repairs and Maintenance							
Maintenance Contracts	13,000	2,600	4,550	5,850	13,000	-	
Other Repairs & Maintenance	160,000	47,000	82,250	105,750	235,000	75,000	46.9%
Printing & Binding							
Printing & Binding	300	60	105	135	300	-	
Promotional Activities							
Marketing/Advertising	15,000	3,000	5,250	6,750	15,000	-	
Other Promotional Activities	7,000	1,400	2,450	3,150	7,000	-	
Other Current Charges and Obligations							
Legal Notices & Advertising	1,800	760	1,330	1,710	3,800	2,000	111.1%
Other Current Charges & Obligations	13,000	3,600	6,300	8,100	18,000	5,000	38.5%
Office Supplies							
Office Supplies	9,000	1,800	3,150	4,050	9,000	-	

**TITUSVILLE-COCOA AIRPORT AUTHORITY
PROPOSED OPERATING BUDGET w/ ALLOCATIONS
FISCAL YEAR 2018/2019**

	Budget FY 2017/2018	Proposed Budget Allocation FY 2018/2019			Proposed Budget FY 2018/2019	Difference	Percentage change +/-
		Arthur Dunn	Merritt Island	Space Coast			
Operating Supplies							
Operating Supplies	60,000	12,000	21,000	27,000	60,000	-	
Operating Furniture, Fixtures, Equipment and Software	7,500	1,500	2,625	3,375	7,500	-	
Uniforms	6,500	1,300	2,275	2,925	6,500	-	
Books, Publications, Subscriptions and Memberships							
Publications & Subscriptions	300	60	105	135	300	-	
Dues & Memberships	10,000	2,000	3,500	4,500	10,000	-	
Capital Outlay	175,000	20,000	35,000	45,000	100,000	(75,000)	-42.9%
Contingency	64,282	13,476	23,583	30,321	67,379	3,097	4.8%
TOTAL OPERATING EXPENSES/CAPITAL OUTLAY	\$1,164,051	\$238,453	\$417,292	\$536,519	\$1,192,264	\$79,556	6.8%
TOTAL PERSONNEL, OPERATING EXPENSES/CAPITAL OUTLAY	\$2,339,354	\$473,889	\$829,306	\$1,066,250	\$2,369,445	\$81,434	3.5%

X21	COI	TIX
20%	35%	45%

Expense Allocation Table

**TITUSVILLE-COCOA AIRPORT AUTHORITY
PROPOSED OPERATING BUDGET
FY 2018 / 2019**

Account Description	Budget FY 2017 / 2018	Proposed Budget FY 2018 / 2019	Difference	Percentage Change +/-
PERSONNEL SERVICES				
Regular Salaries	826,560	813,006	(13,554)	-1.6%
Payroll Taxes	63,232	62,195	(1,037)	-1.6%
Workmans Compensation Insurance	26,000	26,000	-	0.0%
Allocated Benefits	259,511	275,980	16,469	6.3%
Retirement Insurance	94,603	107,677		
Retirement Insurance	161,908	165,303		
Education	3,000	3,000		
TOTAL PERSONNEL SERVICES	1,175,303	1,177,181	1,878	0.2%
OPERATING EXPENSES/CAPITAL OUTLAY				
Professional Services				
Appraisals	-	0	-	
Land/Building Appraisals				
General Consultant	10,000	10,000	-	0.0%
Architectual & Engineering Design	10,000	10,000	-	
Legal Fees	45,000	50,000	5,000	11.1%
Attorney Fees	45,000	50,000	-	
Accounting and Auditing				
Accounting and Auditing	34,000	34,000	-	0.0%
Audit & Misc Accounting Fees	34,000	34,000	-	
Other Contractual Services				
Temporary Help				
Temp Service		0	-	
Federal Consulting Services				
Legislative Services		0	-	
Computer Technical Support	1,000	3,000	2,000	200.0%
Tech Support	1,000			
Landscaping				
Maintenance Contract		0	-	
Janitorial Services	7,000	7,000	-	0.0%
Cleaning Services	7,000	7,000	-	
Other Contractual Services				
Employee Testing				
Travel and Training				
Travel & Per Diem	15,000	7,500	(7,500)	-50.0%
Aviation Related Meetings and Conferences	15,000	7,500	-	
Training & Education	9,000	12,000	3,000	33.3%
Employee Training & Development	9,000	12,000	-	
Communications and Freight				
Telecommunications	35,490	35,490	-	0.0%
Telephone	7,150	7,150	-	
Telephone - Arthur Dunn	2,000	2,000	-	
Telephone - Merritt Island	4,500	4,500	-	
Telephone - Space Coast	12,100	12,100	-	
Cellular Phones	7,500	7,500	-	
Cable	1,500	1,500	-	
Internet Fees	740	740	-	
Postage	3,500	3,500	-	0.0%
Postage	3,000			
Express Mail Delivery	500			
Utility Services				
Utility Services	166,500	180,000	13,500	8.1%
Water/Sewer	15,750	16,000	-	
Irrigation/Water				
Electricity	117,750	140,000	-	
Storm Water Fees	25,000	10,000	-	
Solid Waste & Recycling	8,000	14,000	-	
Rentals and Leases				
Rentals & Leases	8,200	8,200	-	0.0%
Equipment Rental	3,475	2,500	-	
Postage Machine	725	700	-	
Copy Machine	2,000	2,000	-	
Phone System	2,000	3,000	-	

**TITUSVILLE-COCOA AIRPORT AUTHORITY
PROPOSED OPERATING BUDGET
FY 2018 / 2019**

Account Description	Budget FY 2017 / 2018	Proposed Budget FY 2018 / 2019	Difference	Percentage Change +/-
Insurance				
Property & Casualty	241,808	241,799	(9)	0.0%
Liability	44,575	46,700	2,125	4.8%
Buildings & Equipment	241,808			
Fuel Tanks	3,200	2,600		
General Liability	10,000	8,500		
Auto Liability	18,025	22,000		
Housing	7,850	8,000		
Officers Liability	5,500	5,600		
Other Insurance & Bonds	296	296		0.0%
Employee Bond	296	296		
Repairs and Maintenance				
Maintenance Contracts	13,000	13,000		0.0%
Service Contracts	9,000	9,000		
Recycling	-	-		
Pest Control	1,600	1,600		
Lift Station	2,400	2,400		
Other Repairs & Maintenance	160,000	235,000	75,000	46.9%
T-Hangar Maintenance	-	75,000		
Auto Repair	10,000	10,000		
Equipment & Buildings	145,000	145,000		
Office Equipment	5,000	5,000		
Printing & Binding				
Printing & Binding	300	300		0.0%
General Printing and Binding	300			
Promotional Activities				
Advertising	15,000	15,000		0.0%
Marketing	15,000	15,000		
Website & Yellow Pages				
Other Promotional Activities	7,000	7,000		0.0%
NBAA Annual Conference				
AOPA Annual Conference				
General Promo Activities	7,000	7,000		
Presentation/Promo Material				
Other Current Charges and Obligations				
Legal Notices & Advertising	1,800	3,800	2,000	111.1%
Legal Notices (RFP/RFB)	1,500	3,500		
Board Meeting Dates	300	300		
Other Current Charges & Obligations	13,000	18,000	5,000	38.5%
Redevelopment Fees				
Real Estate Taxes	13,000	18,000		
Tax Appraiser Fees				
Tax Collector Fees				
Office Supplies				
Office Supplies	9,000	9,000		0.0%
Office Supplies	9,000	9,000		
Operating Supplies				
Operating Supplies	60,000	60,000		0.0%
Fuel Products	60,000	60,000		
Operating Furniture, Fixtures, Equipment and Software	7,500	7,500		0.0%
Software	1,500	1,500		
Computer Equipment	6,000	6,000		
Uniforms	6,500	6,500		0.0%
Maintenance Uniforms	6,500	6,500		
Books, Publications, Subscriptions and Memberships				
Books, Publications, Compact Disks, Videos & Subscriptions	300	300		0.0%
Airport Publications	300	300		
Dues & Memberships	10,000	10,000		0.0%
AAAE, FAC, SEC, etc		5,000		
FAC Airport Mem., Chambers, EDC, etc.	10,000	5,000		
Capital Outlay	175,000	100,000	(75,000)	-42.9%
Capital Outlay (Vehicles & Equipment)	175,000	100,000		
Contingency	64,282	67,379	3,097	4.8%
Contingency	64,282	67,379		
TOTAL OPERATING EXPENSES/CAPITAL OUTLAY	\$1,164,051	\$1,192,264	\$28,213	2.4%
GRAND TOTAL	\$2,339,354	\$2,369,445	\$30,091	1.3%



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: July 19, 2018

ITEM DESCRIPTION - NEW BUSINESS ITEM C

Discussion by Mr. Aaron McDaniel of Recent Invoiced Costs by Michael Baker International and Contractors Regarding Current Projects

BACKGROUND

Michael Baker International is currently conducting the engineering and oversight work for contractors on current projects.

The invoice review is to keep the Board informed and ensure we meet FDOT compliance requirements.

ISSUES

All projects are moving forward.

ALTERNATIVES

If anything regarding the numbers is unclear during the discussion, the Airport Authority Board may ask questions about the costs to ensure everyone is comfortable with the invoices as presented.

FISCAL IMPACT

The current Invoiced Costs for the invoices will be covered by Mr. Aaron McDaniel, of Michael Baker International, in detail at the Board Meeting. The back-up documentation is provided for the Board's convenience of reference.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) Concur with approval of the invoiced costs by Michael Baker International and (2) authorize an Authority Officer or the Chief Executive Officer to execute the necessary documentation upon satisfactory review by legal counsel.

Michael Baker
INTERNATIONAL

MICHAEL BAKER INTERNATIONAL, INC.
12740 Gran Bay Parkway West
Suite 2110
Jacksonville, FL 32258
904-380-2500
Billing (803) 231-4014

JUNE 25, 2018

TITUSVILLE-COCOA AIRPORT AUTHORITY
355 GOLDEN KNIGHTS
TITUSVILLE, FL 32780

INVOICE NO. 1017660
BAKER PROJECT NO. 161439
REQUEST NO. 07 - FINAL

RE: PORT-A-PORT HANGAR REPLACEMENT

FOR FEES BILLED THROUGH FEBRUARY 26, 2018 THROUGH JUNE 06, 2018

CONTRACT VALUE	\$131,100.00	<u>INVOICED THIS PERIOD</u>	<u>INVOICED TO DATE</u>
<u>BASIC SERVICES</u>			
PHASE 1 - 60% DESIGN			
100% COMPLETE OF	\$82,066.00	\$0.00	\$82,066.00
PHASE 2 - BID SET			
100% COMPLETE OF	\$26,798.00	\$2,679.80	\$26,798.00
PHASE 3 - BIDDING PHASE			
100% COMPLETE OF	\$4,736.00	\$4,736.00	\$4,736.00
PHASE 4 - SPECIAL SERVICES			
100% COMPLETE OF	\$7,000.00	\$7,000.00	\$7,000.00
SUB - CONSULTANT - KEITH AND ASSOCIATES			
TOPOGRAPHIC AND UTILITY SURVEY	\$5,500.00	\$0.00	\$5,500.00
SUB - CONSULTANT CAL-TECH			
GEOTECHNICAL INVESTIGATION	\$5,000.00	\$0.00	\$5,000.00
TOTAL EARNINGS		<u>\$14,415.80</u>	<u>\$131,100.00</u>
AMOUNT DUE THIS INVOICE			\$14,415.80

Electronic Remittance
MICHAEL BAKER INTERNATIONAL, INC.
CITIZENS BANK
ABA: 036-076-150
Account No.: 6101710975
SWIFT: CTZIUS33

Check Remittance
PO BOX 536408
PITTSBURGH, PA 15253-5906

Michael Baker
6/29/18

Michael Baker
INTERNATIONAL

MICHAEL BAKER INTERNATIONAL, INC.
12740 Gran Bay Parkway West
Suite 2110
Jacksonville, FL 32258
904-380-2500
Billing (803) 231-4014

JUNE 18, 2018

TITUSVILLE-COCOA AIRPORT AUTHORITY
355 GOLDEN KNIGHTS
TITUSVILLE, FL 32780

INVOICE NO. 1017012
BAKER PROJECT NO. 165693
REQUEST NO. 01

RE: MERRITT ISLAND AIRPORT - RUNWAY 11-29 REHABILITATION

FOR FEES BILLED THROUGH FEBRUARY 20, 2018 THROUGH MAY 31, 2018

CONTRACT VALUE		<u>INVOICED THIS PERIOD</u>	<u>INVOICED TO DATE</u>
<u>BASIC SERVICES</u>			
PHASE 1 - 60% DESIGN 100% COMPLETE OF	\$33,143.00	\$33,143.00	\$33,143.00
PHASE 2 - BID SET 30.3% COMPLETE OF	\$22,491.00	\$6,825.00	\$6,825.00
PHASE 3 - BIDDING PHASE 0.0% COMPLETE OF	\$4,922.00	\$0.00	\$0.00
PHASE 4- SPECIAL SERVICES 93.1% COMPLETE OF	\$4,500.00	\$4,191.00	\$4,191.00
TOTAL EARNINGS		<u>\$44,159.00</u>	<u>\$44,159.00</u>
AMOUNT DUE THIS INVOICE			<u>\$44,159.00</u>

Michael Bull
6/18/18

Electronic Remittance
MICHAEL BAKER INTERNATIONAL, INC.
CITIZENS BANK
ABA: 036-076-150
Account No.: 6101710975
SWIFT: CTZIUS33

Check Remittance
PO BOX 536408
PITTSBURGH, PA 15253-5906

Michael Baker
INTERNATIONAL

MICHAEL BAKER INTERNATIONAL, INC.
12740 Gran Bay Parkway West
Suite 2110
Jacksonville, FL 32258
904-380-2500
Billing (803) 231-4014

MARCH 30, 2018

TITUSVILLE-COCOA AIRPORT AUTHORITY
355 GOLDEN KNIGHTS
TITUSVILLE, FL 32780

INVOICE NO. 1009230
BAKER PROJECT NO. 161439
REQUEST NO. 06

RE: PORT-A-PORT HANGAR REPLACEMENT ✓

FOR FEES BILLED THROUGH FEBRUARY 01, 2018 THROUGH FEBRUARY 25, 2018

CONTRACT VALUE		<u>INVOICED THIS PERIOD</u>	<u>INVOICED TO DATE</u>
<u>BASIC SERVICES</u>			
PHASE 1 - 60% DESIGN			
100% COMPLETE OF	\$82,066.00	\$0.00	\$82,066.00
PHASE 2 - BID SET			
90% COMPLETE OF	\$26,798.00	\$24,118.20	\$24,118.20
PHASE 3 - BIDDING PHASE			
0% COMPLETE OF	\$4,736.00	\$0.00	\$0.00
PHASE 4 - SPECIAL SERVICES			
0% COMPLETE OF	\$7,000.00	\$0.00	\$0.00
SUB - CONSULTANT - KEITH AND ASSOCIATES			
TOPOGRAPHIC AND UTILITY SURVEY	\$5,500.00	\$0.00	\$5,500.00
SUB - CONSULTANT CAL-TECH			
GEOTECHNICAL INVESTIGATION	\$5,000.00	\$865.00	\$5,000.00
TOTAL EARNINGS		\$24,983.20 ✓	\$116,684.20
AMOUNT DUE THIS INVOICE			\$24,983.20

Electronic Remittance

MICHAEL BAKER INTERNATIONAL, INC.
CITIZENS BANK
ABA: 036-076-150
Account No.: 6101710975
SWIFT: CTZIUS33

Check Remittance

PO BOX 536408
PITTSBURGH, PA 15253-5906

Michael Baker
MB



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: July 19, 2018

ITEM DESCRIPTION - NEW BUSINESS ITEM D

Discussion and Consideration of a Ground Lease at TIX

BACKGROUND

TIX Ventures, LLC respectfully requests to develop two (2) approximately 11,900 sq. ft. hangars with associated ramp area(s), two (2) separate structures for office space and a paved parking area at TIX.

Proposed tenant desires to develop the improvements in two phases, (1) lease of an approximately 66,100 sq. ft. parcel of property which shall include construction of one approximately 11,900 sq. ft. hangar, one structure for office space, half of a paved parking lot and a portion of the apron immediately adjacent; and (2) lease of a second parcel of property immediately adjacent and to the south of that consisting of approximately 61,600 sq. ft. to include construction of a second approximately 11,900 sq. ft. hangar, a second structure for office space, the other half of a paved parking lot and a portion of the apron immediately adjacent to said second hangar and immediately adjacent and to the south of the portion of the apron.

ISSUES

Due to the need to demolish and old existing hangar and the construction time to complete the proposed development, there are two construction clauses offered until CO is issued or a maximum of twelve months each phase. The option for the second proposed development site must be exercised within five years.

ALTERNATIVES

The Airport Authority Board could approve or disapprove the proposed ground lease as presented and request a modification.

FISCAL IMPACT

The annual base rental rate for the first phase consisting of 66,100 sq. ft. at the rate of \$.23 per square foot shall be \$15,203.00. The annual base rent for second phase consisting of 61,600 sq. ft. at \$0.23 per sq. ft. for a total initial Annual Base Rent of \$14,168.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the lease with the City of Titusville, and (2) authorize an Authority Officer or the CEO to execute the necessary documentation upon satisfactory review by legal counsel.

TITUSVILLE-COCOA AIRPORT AUTHORITY



GROUND LEASE AGREEMENT

Space Coast Regional Airport

Titusville, Florida

Effective Date

Lessee:

TIX Ventures LLC

GROUND LEASE AGREEMENT

THIS AGREEMENT (the "Lease" or "Agreement") made and entered into this ____ day of _____, 2018 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, hereinafter referred to as the "Lessor," and TIX VENTURES LLC, hereinafter referred to as the "Lessee."

WITNESSETH:

WHEREAS, Lessor owns and operates airports known as Arthur Dunn Airpark (X21), Space Coast Regional Airport (TIX), and Merritt Island Airport (COI), and Lessor 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 develop two (2) approximately 11,900 sq. ft. hangars with associated ramp area(s), two (2) separate structures for office space and a paved parking area on said property and will use said property only for such purposes as specifically set forth;

WHEREAS, Lessee desires to develop the above improvements in two phases, as more specifically set forth on Exhibit A hereto: (1) lease of an approximately 66,100 sq. ft. parcel of property which shall include construction of one approximately 11,900 sq. ft. hangar, one structure for office space, half of a paved parking lot and a portion of the apron immediately adjacent to said hangar ("Phase 1A Lease Area"); and (2) lease of a second parcel of property immediately adjacent and to the south of that identified in Phase 1A consisting of approximately 61,600 sq. ft. to include construction of a second approximately 11,900 sq. ft. hangar, a second structure for office space, the other half of a paved parking lot and a portion of the apron immediately adjacent to said second hangar and immediately adjacent and to the south of the portion of the apron identified in Phase 1A ("Phase 1B Lease Area").

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

ARTICLE I
LEASED PREMISES

Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor the real property described as "Phase 1A Lease Area" on the schedule attached hereto as Exhibit "B", describing **1.51745** acres of land, more or less, located at the Space Coast Regional Airport, and made a part hereof, hereinafter referred to as the "Leased Premises."

Section 1.01 -Conditions.

- A. Lessee hereby accepts the Leased Premises in their "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 Leased Premises, and (ii) any covenants, easements and restrictions of record.
- B. Lessee acknowledges that Lessor has made no representations or warranties respecting the suitability of the Leased Premises for Lessee's purposes and that Lessor has no obligation whatsoever to repair, maintain, renovate or otherwise incur any cost or expense with respect to the Leased Premises, the Leasehold (as hereafter defined), or any leasehold improvements, fixtures, furnishing or equipment installed in or used on the Leased Premises, except as otherwise set forth in this Lease.
- C. Lessee agrees that it shall provide sufficient facilities and/or accommodation on the Leased Premises 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 Leased Premises 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 **August, 2018** (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 Lessor 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 Leased Premises of any kind shall revert to Lessor.

- B. 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 Lessor in its discretion to ensure Lessor is receiving fair market rental value for the Leased Premises 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 Lessor 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 premises will be delivered to Lessor in the same or better condition than when Lessee received possession, reasonable wear and tear accepted. Reasonable wear and tear shall be determined at the sole discretion of the Lessor upon inspection of the premises from time to time.

- D. In the event Lessee shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without Lessor'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, Lessor and Lessee agree that the Leased Premises is comprised of **1.51745** acres, more or less. The annual base rental rate for the Leased Premises consisting of **66,100** sq. ft. at the rate of **\$.23** per square foot shall be **\$15,203.00** (the "Annual Base Rent"). Annual Base Rent increases based on the Consumer Price Index ("CPI") shall be applied annually throughout the term, with the exception of the five-year fair market value readjustments set forth in sections 2.01(B) and 3.03.

Section 3.02 -Commencement of Annual Base Rent.

Subject to any Construction Period as set forth below, payment of the Annual Base Rent by Lessee to Lessor as aforesaid shall commence on the Commencement Date.

Section 3.03 -Adjustment of Annual Base Rent.

The Annual Base Rent payable to Lessor by Lessee shall be thereafter 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 Leased Premises excluding improvements. The value of the Leased Premises will be established by an MAI appraisal which shall be secured and paid for by Lessor at least one hundred eighty (180) 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 Lessor 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 Lessor 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 Lessor that it does not accept the appraisal obtained by Lessor 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 Lessor at the rate established on the basis of Lessor'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 paid by Lessee to Lessor in twelve (12) equal monthly installments of **\$1,266.92**, 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 Lessor 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 Lessor 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 Lessor 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, 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 Leased Premises 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 Leased Premises. None of the terms, covenants or conditions of this Lease Agreement shall be construed as a release or waiver on the part of Lessor, 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.

ARTICLE IV

USES AND PRIVILEGES

Section 4.01 -Rights of Lessee.

Lessor hereby grants to Lessee and Lessee hereby accepts the following rights and privileges in connection with its use of the Leased Premises 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 Leased Premises as set forth generally on **Exhibit "A"** and described in the "WHEREAS" clauses to this Lease at its sole cost and expense. Sub-leasing space in the building is allowed contingent upon the terms of Article 4.02 Subjugation and subject to review

and approval of any sublease and sublessee by Lessor in its sole discretion, said approval not to be unreasonably conditioned, withheld or delayed.

Section 4.02 -Subjugation.

All provisions of this agreement 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 Lessor hereunder, including termination rights and shall require the prior written approval of the Lessor. 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 Lessor, if applicable.

Section 4.03 -Access.

Lessee, its employees and invitees shall have the right of ingress and egress from the Leased Premises, 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 Lessor as respecting such use and subject to law. Where access is through a controlled gate, Lessee shall be held responsible for sub-Lessees 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 Leased Premises, including sewer benefit fees, when due;

- (c.) To keep and maintain the Leased Premises and the Leasehold 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, Lessor, the Leased Premises, the Leasehold 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 Lessor 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 Leased Premises, upon Lessee's interest in the Leased Premises, 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 Agreement all necessary occupational licenses and permits as are required by law for the operation of the Leasehold.
- (g.) To use the Leased Premises and the Leasehold only for the uses and purposes hereinabove described;
- (h.) To grant Lessor and its authorized agents free access to the Leased Premises and the Leasehold 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 Leased Premises 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 Leased Premises and the Leasehold to Lessee upon termination of this Lease Agreement 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 Lessor 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 Lessor's right to terminate Lessee's use of the Leased Premises and the Leasehold 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 the Leasehold and any other leasehold improvements on the Leased Premises, or for any of Lessee's operations thereon.
- (k.) 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 Lessor.
- (m.) To develop the Leased Premises in a fashion, timeframe, manner and quality consistent with Lessee's representations to Lessor and, generally, with the sketch attached hereto as **Exhibit "A."**

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 Leased Premises; with prior approval of the Lessor.

- A. Construction of such improvements previously approved by the Lessor, shall begin no later than ninety (90) days after the Commencement Date and shall be completed by no later than twelve (12) months hence provided, however, such completion date shall be extended by a period equal to any delays caused by matters not within the control of Lessee and provided Lessee informs Lessor of such delays as they occur. Presenting record of delays at the end of the allotted period without Lessor 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 Lessor in writing as soon as the same is discovered or reasonably should have been discovered, and Lessor may in its discretion extend the deadline for Lessee

to complete construction, said extension not to be unreasonably conditioned, withheld or delayed.

- B. The Lessor 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.

Section 5.02 -Plan Approval.

- A. Prior to commencing construction of any improvements on the Leased Premises, and prior to commencing to renovate, enlarge, demolish or modify any leasehold improvement now or hereafter existing on the Leased Premises, Lessee shall submit to Lessor plans and specifications for such work (including plans for landscaping and drainage), and Lessor shall approve or disapprove such plans and specifications in its sole discretion. Upon Lessee's receipt of Lessor 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.
- B. Lessor's approval of any plans and specifications submitted to it by Lessee shall not constitute the assumption of any liability by Lessor 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. Lessor's approval of such plans and specifications shall not constitute a waiver of Lessor'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 Leased Premises 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 Leased Premises and/or any improvements thereon.

Section 5.04 -Liens.

Lessee hereby warrants to Lessor that all improvements on the Leased Premises shall remain free and clear of all liens, claims and encumbrances and agrees to indemnify and hold Lessor 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 Leased Premises shall be filed against the Leased Premises 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 Lessor a surety performance and payment bond from a company acceptable to Lessor 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 Lessor 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 Lessor shall have the option to either require removal of all or part of the improvements to the Leased

Premises 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 Leased Premises, Lessee shall present to Lessor 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 Lessor a complete set of "as built" drawings including, but not limited to, architectural renderings, specifications, plumbing and electrical plans.

Section 5.07 -Mortgage of Leasehold Interest.

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

ARTICLE VI

MAINTENANCE AND OPERATION

Lessor agrees to, with reasonable diligence, prudently develop, improve and at all times, maintain and operate with adequate, efficient and qualified personnel, the Lessor-owned property with exception of Leased Premises 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 Leased Premises and any and all improvements thereon in order to keep the Leased Premises 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 Lessor.

- B. If Lessee fails to fulfill any of its obligations under this paragraph, and fails to correct such failure within ten (10) days after Lessor's written demand, then in addition to all of its other remedies under this Lease, Lessor 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 Lessor. 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 Lessor, those areas a part of and directly adjacent to the Leased Premises.

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 Leased Premises and of extending such services within said boundaries, all in accordance with plans and specifications approved Lessor. All utility lines and mains constructed by Lessee shall be placed underground as required by Lessor. Lessee acknowledges that Lessor 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 Leased Premises, 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 Lessor's knowledge be temporarily interrupted to the Leased Premises 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 Leased Premises, or an election by Lessor to terminate this Lease. Lessor shall not be held liable in any way to Lessee as a result of such action. However, upon being notified prior to an interruption, Lessor 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 Leased Premises 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 Leased Premises.

Section 6.04 -Area Security.

- A. Lessor 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 Lessor, 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 Leased Premises 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 Lessor, obtain and maintain throughout the term of this Lease and any extension(s) hereof, Comprehensive General Liability Insurance protecting Lessee, Lessor, 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 Leased Premises, including without limitation construction of any improvements thereon, in such form and with such company or companies as Lessor 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 Lessor, with a waiver of all rights of subrogation that the issuers of such policies might have against Lessor and with contractual liability coverage for the covenants and indemnification hereunder of Lessor 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 Lessor evidencing such coverage, and such certificate shall provide that Lessor 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 Lessor.

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 Lessor as their interests may appear, fire and extended coverage insurance on the full insurable value of the any improvements on the Leased Premises, on a replacement cost basis, in such form and with such company or companies as Lessor shall approve with a deductible which does not exceed an amount approved in writing by the Lessor, and with a waiver of all rights of subrogation that the issuers of such policies might have against Lessor. Prior to completion of any construction on the Leased Premises 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 Lessor evidencing such coverage, and such certificate shall provide that Lessor is named as additional insured. If Lessee shall not comply with its covenants made in this section, Lessor 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 Lessor. Lessee shall provide Lessor with such information and supporting documents pertaining to the cost and replacement value of any improvements on the Leased Premises as Lessor may from time to time request.

Section 7.03 -Indemnity.

- A. Lessee agrees to indemnify, defend and hold harmless Lessor 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 Leased Premises 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 Lessor's negligence or by the joint negligence of Lessor 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 Lessor's right to assert any form of governmental or sovereign immunity against any claim, including without limitation Lessor's rights and privileges under section 768.28, Florida Statutes.
- B. In the event of any loss or damage to any improvement on the Leased Premises, 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 Lessor, and Lessee, on behalf of itself and its insurer, hereby waives right of subrogation it might otherwise have against Lessor for any such loss or Lessee's obligation to pay rent to Lessor 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 Lessor 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 Lessor, said excess insurance proceeds shall be paid to Lessee.

Section 7.04 –Non-Liability of Authority.

- A. Lessor 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. Lessor 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 Lessor.
- C. Lessor 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 Leased Premises.

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 Lessor 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 Lessor; shall guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and shall guarantee Lessor 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 Lessor, said approval not to be unreasonably conditioned, withheld or delayed and recognizing that Lessor is aware Lessee may wish to sublease some or all of the improvements it is to construct on the Leased Premises; Lessee may, with the prior written consent of Lessor, assign this Lease, but in such event, Lessee shall remain liable to Lessor for the remainder of the term of the Lease to pay to Lessor 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 Lessor 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 receipt by Lessee of Lessor's written demand;

- (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 Lessor'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 Leased Premises at any time prior to the expiration of this Lease without the prior written consent of Lessor;
- (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 Lessor hereunder, by giving Lessor 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 Lessor 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 Lessor

In the event Lessee commits one or more Event of Default as defined in Article IX, above, Lessor 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 Leased Premises or shall be subject to eviction proceedings together with all other legal rights and remedies available under Florida law or otherwise available to Lessor. In addition, termination of the Lease under this section shall also trigger the reversion of title to any improvements on the Leased Premises, whether constructed by Lessee or otherwise, to Lessor.

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 Lessor in good condition, reasonable wear and tear excepted. Lessor shall have the right to take possession of the Leased Premises 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 Leased Premises without the written consent of Lessor and agrees to reimburse Lessor for any costs incurred in the removal of Lessee's property by Lessor.

Any holding over by Lessee after termination of this Lease or the expiration of its term without written consent of Lessor shall create a month-to-month term only, unless Lessor holds over and remains in possession of the Leased Premises after receiving notification from Lessor to vacate the same, in which event Lessee shall become a tenant at sufferance and double rent shall be due Lessor 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 -Lessor's Reserved Rights

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

- B. Lessor 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. Lessor also reserves the right to establish such fees and charges for the use of the Airport, excluding the Leased Premises unless set forth in this Lease, by Lessee and all others as Lessor may deem advisable.

Section 11.02 -Quiet Enjoyment.

Lessor 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 Leased Premises.

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 Lessor and the United States Government relative to the operation or maintenance of Airport.

- A. In such event, Lessor shall furnish a true copy of such agreement to Lessee.
- B. Lessor 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, Lessor shall have the right to terminate this Lease and to re-enter and repossess said Leased Premises and any improvements thereon. The right granted to Lessor 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 11.05 -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 11.06 -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 Leased Premises 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 Lessor, at the perimeter of its Leasehold.
- B. Lessor 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 Leased Premises 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 Leased Premises in compliance with the requirements of Federal Aviation Regulations, Part 77.
- D. Lessee agrees to require any lights on the Leased Premises 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 Leased Premises 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 Leased Premises or a change in the use of the Leased Premises 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 11.07 -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 11.08 -“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 Lessor hereunder.

Section 11.09 -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 Leased Premises, the rights granted under this Lease Agreement are non- exclusive.

Section 11.10 -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 11.11 -Time of Essence.

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

Section 11.12 -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 11.13 -Material Interest

Lessee represents and warrants to Lessor that, except as may be disclosed in an Addendum hereto, no officer, employee or agent of Lessor 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 11.14 -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 11.15 -Consent of the Parties

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

Section 11.16 -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 11.17 -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 Lessor to enter into this Lease and as consideration therefore, Lessee shall be obligated to improve and otherwise construct improvements upon the Leased Premises in a form, size, extent and configuration identical or substantially similar to those improvements identified and depicted on Exhibit “A” hereto.

- B. Lessee shall be solely responsible for all costs, expenses, fees and any other charges related to construction of any improvements on the Leased Premises and shall indemnify and hold harmless Lessor from the same.
- C. As a material part of its obligations to Lessor in relation to any construction performed by Lessee on the Leased Premises, 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 Lessor with a certified copy of the recorded Bond prior to commencing construction on the Leased Premises, 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 Lessor and its officers, directors, employees and agents from any and all liability, losses or damages, including reasonable attorneys' fees and costs of defense, that Lessor 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 Premises 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 Lessor, 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 Lessor 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 Lessor'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 Lessor under section 768.28, Florida Statutes.

D. 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

Beginning on the Commencement Date and continuing until the earlier of (a) issuance of a Certificate of Occupancy for each of the improvements to be conducted by Lessee or at its direction on the Leased Premises for any improvements for which a Certificate of Occupancy may be issued or, alternatively substantial completion of construction of the improvements on the Leased Premises to the extent a Certificate of Occupancy cannot be issued, or (b) 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 Lessor. 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 Annual Base Rent will immediately become due and owing to Lessor from Lessee to be paid as set forth in the Lease. 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 Leased Premises.

ARTICLE XIII OPTIONS TO LEASE ADDITIONAL PARCEL

Section 13.01 –Option to Lease Phase 1B Lease Area

- A. Beginning on the Commencement Date and continuing for a period of five (5) years thereafter, Lessee shall have the option to lease Phase 1B Lease Area as that term is defined by this Lease’s “WHEREAS” clauses and **Exhibits “A” and “B”** hereto. Lessee may exercise this option by providing clear, written notice of its exercise of this option to Lessor. Lessor may not exercise this option if it is in default of any material provision of this Lease, including without limitation the non-payment of rent.
- B. Should Lessee validly and properly exercise its option to lease Phase 1B Lease Area, on that date the term “Leased Premises” as defined and used in the Lease shall be automatically amended without further writing to include Phase 1B Lease Area. Additionally, the term “Annual Base Rent” as used and defined in the Lease shall be appended to include all additional base rent due Lessor from Lessee in relation to Phase 1B Lease Area as set forth in this section.
- C. The Annual Base Rent for Phase 1B Lease Area shall be calculated as follows:
 - (a) initial Annual Base Rent for Phase 1B Lease Area shall be established based on its approximate size of **61,600** sq. ft. at \$0.23 per sq. ft. for a total initial

Annual Base Rent as of the Commencement Date of the Lease of **\$14,168**; (b) then, the initial Annual Base Rent shall be adjusted to account for all annual CPI adjustments and fair market value adjustments, if any, as would have occurred if Phase 1B Lease Area had been leased by Lessee beginning on the Commencement Date and subject to the Lease terms; (c) then, the resulting figure shall be established as the then-current Annual Base Rent for Phase 1B Lease Area, and one-twelfth (1/12) of said Annual Base Rent for Phase 1B Lease Area, plus applicable sales tax, shall be paid by Lessee to Lessor on or before the 1st of each month and subject to all other terms of the Lease that apply to the term "Annual Base Rent."

- D. Additionally, from the date Lessee delivers valid, written notice of exercising its option to lease Phase 1B Lease Area, it shall be entitled to a Construction Period as that term is defined and outlined in Article XII, above, for construction of improvements on the Phase 1B Lease Area, with the term "Commencement Date" as used in Article XII for purposes of this paragraph only meaning and being defined as the date Lessee delivers to Lessor valid, written notice of its exercise of its option to lease Phase 1B Lease Area. In addition, any rent abatement related to the Construction Period available to Lessee under this paragraph shall only be for rent related to Phase 1B Lease Area. For instance, if Lessee does not exercise its option to lease Phase 1B Lease Area until 2 years after the Lease Commencement Date, then only rent due as to Phase 1B Lease Area can be abated during the Construction Period, and rent due Lessor from Lessee in relation to Phase 1A Lease Area (for which the Construction Period would have already expired) shall not be abated.
- E. Lessor may, in its sole discretion and with written notice to Lessee, extend said option to lease Phase 1B Lease Area beyond the five (5) year time limit provided in this section but shall not be obligated to do so.

(Signature Page and Exhibits Follow)

[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:
GRAYROBINSON, P.A.

APPROVED:

Lessor: **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:

Witnesses as to Lessor:

Printed Name: _____

Printed Name: _____

Printed Name: _____

Printed Name: _____

EXHIBIT "A"
LESSEE'S SKETCH OF LEASE AREAS AND IMPROVEMENTS

EXHIBIT "B"
LEGAL DESCRIPTIONS

PHASE 1A LEASE AREA:

PHASE 1B LEASE AREA:

EXHIBIT "C"
AUTHORITY IMPROVEMENTS

- 1. The Authority will be solely responsible for demolition of the hangar currently in existence on the premises identified in the Lease.**

EXHIBIT "D"
LESSEE IMPROVEMENTS

1. Lessee shall be responsible at its sole cost and expense for the improvements identified in the Lease and on Exhibit "A" to the Lease.

EXHIBIT "E"
CONSTRUCTION OF IMPROVEMENTS

1. Prior to commencement of construction of any improvements on the Leased Premises, and prior to commencing to renovate, enlarge, demolish or modify any improvements now or hereafter existing on the Leased Premises, 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 Leased Premises 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 Leased 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 Leased 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 Executive Director: (i) a surety payment bond for the benefit of Authority in the form attached hereto as Attachment _____ 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 hereto as Attachment _____, 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 Leased 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 Leased Premises or in this Lease. All persons dealing with the Leased Premises and with Lessee are hereby put on notice that Lessee does not have the power to deal with the Leased Premises in such a manner as to authorize the creation of construction liens, by implication or otherwise; and all persons making improvements to the Leased 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 Leased Premises or any part thereof or to this Lease for the payment of all services, labor or materials performed upon or delivered to the Leased Premises.

8. Title to all improvements now or hereafter constructed by Lessee on the Leased 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 "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 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 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 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, 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 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 "G"
PAYMENT BOND FORM - EXAMPLE

KNOW ALL MEN BY THESE PRESENT that TIX Ventures LLC 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 Obligee, hereinafter referred to as Lessor, 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 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

(Seal)

(Countersigned by Florida Registered Agent)

EXHIBIT "H"
PERFORMANCE BOND FORM - EXAMPLE

KNOW ALL MEN BY THESE PRESENTS that TIX Ventures LLC, 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 Lessor, 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 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 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 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 TIX VENTURES LLC, a Florida limited liability company, whose mailing address is _____ ("**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 Premises.
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:

TIX VENTURES LLC

By: _____

Print
Name: _____

Title: _____

WITNESSES:

Print
Name: _____

Print
Name: _____

Lessor:

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____

GRAYROBINSON, P.A.

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 _____. He 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 Leased Premises 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: _____

Titusville-Cocoa Airport Authority
Check Register
For the Period From Jun 1, 2018 to Jun 30, 2018

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
36865	6/8/18	AG-PRO Companies	101000	1,659.88
36866	6/8/18	Allen Enterprises, Inc.	101000	413.40
36867	6/8/18	A T & T	101000	249.26
36868	6/8/18	AT&T Mobility	101000	32.82
36869	6/8/18	BR90-Bennett Auto Supply	101000	68.67
36870	6/8/18	Boggs Gases	101000	155.89
36871	6/8/18	Cintas Corp., Loc. 149	101000	311.34
36872	6/8/18	Cintas Fire Protection	101000	552.00
36873	6/8/18	Cocoa Paper Company	101000	225.97
36874	6/8/18	City Of Titusville	101000	756.00
36875	6/8/18	Energywize A/C	101000	2,450.00
36876	6/8/18	Florida Boy Enterprises, Inc.	101000	30.00
36877	6/8/18	Florida Power & Light	101000	1,506.57
36878	6/8/18	Home Depot Credit Services	101000	121.63
36879	6/8/18	ICMA Retirement Trust	101000	1,060.00
36880	6/8/18	Marie's Coffee Service	101000	77.00
36881	6/8/18	Merritt Department Store	101000	530.90
36882	6/8/18	Nix Pest Management	101000	215.00
36883	6/8/18	ServiceMasterClean	101000	510.00
36884	6/8/18	S.F. Travis Co.	101000	49.46
36885	6/8/18	Watkins Fuel Oil	101000	3,751.49
36886	6/8/18	Phil Jones	101000	189.00
36887	6/8/18	Ryan Sporcich	101000	91.00
36888	6/8/18	David Webb	101000	124.25
36889	6/8/18	Cathy McGee	101000	30.54
36890	6/8/18	Matt Tatarian	101000	50.00
36891	6/8/18	Michael Baker International	101000	15,753.46
36892	6/8/18	Michael Baker International	101000	29,121.31
36893	6/8/18	Sterling Enterprises, LLC	101000	18,900.00
36894	6/8/18	Michael Baker International	101000	5,332.89
36895	6/22/18	AG-PRO Companies	101000	320.62
36896	6/22/18	Allen Enterprises, Inc.	101000	1,508.28

Titusville-Cocoa Airport Authority
Check Register
For the Period From Jun 1, 2018 to Jun 30, 2018

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
36897	6/22/18	A T & T	101000	533.55
36898	6/22/18	AT&T Mobility	101000	478.91
36899	6/22/18	Brevard County Utility Resources	101000	100.00
36900	6/22/18	Bright House Networks	101000	58.28
36901	6/22/18	Cintas Corp., Loc. 149	101000	403.57
36902	6/22/18	Cintas Fire Protection	101000	85.00
36903	6/22/18	City Of Titusville	101000	322.09
36904	6/22/18	Dept. Of Environmental Protection	101000	125.00
36905	6/22/18	Express Signs	101000	350.00
36906	6/22/18	Florida Power & Light	101000	6,693.07
36907	6/22/18	Globenet Global Computer Solutions	101000	634.90
36908	6/22/18	Graphic Press	101000	354.00
36909	6/22/18	Gray Robinson Attorneys At Law	101000	2,601.50
36910	6/22/18	Home Depot Credit Services	101000	46.46
36911	6/22/18	ICMA Retirement Trust	101000	1,060.00
36912	6/22/18	Konica Minolta Business Solutions	101000	232.45
36913	6/22/18	Lowe's	101000	43.69
36914	6/22/18	MITEL Leasing	101000	102.71
36915	6/22/18	Preferred Governmental Insurance	101000	5,756.50
36916	6/22/18	Spaceport Avionics Services, Inc.	101000	2,803.00
36917	6/22/18	Standard Insurance Company	101000	312.84
36918	6/22/18	Staples	101000	128.89
Total				109,375.0

Titusville-Cocoa Airport Authority
Budget to Actual
June 2018

Revenues	Budget	Month	YTD	Budget %
Revenues	\$2,555,765	\$200,875.09	\$1,890,160.99	73.96%
Interest Income	\$0	\$4.79	\$61.07	0.00%
Ad Valorem	\$0	\$0.00	\$0.01	0.00%
Misc. Income	\$2,500	\$895.19	\$92,293.90	3681.76%
TOTAL	\$2,558,265	\$201,775.07	\$1,982,515.97	77.49%

Expense	Budget	Arthur Dunn	Space Coast	Merritt Island	G & A	Unallocated	Total	% Budget
Personnel Services								
Salaries	\$826,560	\$26,718.07	\$168,110.45	\$73,603.33	\$263,053.62	\$31,620.49	\$563,105.96	68.13%
Payroll Tax	\$63,232	\$1,832.54	\$9,004.04	\$3,053.77	\$25,039.94	\$445.39	\$39,375.68	62.27%
Workman's Compensation	\$26,000	\$0.00	\$0.00	\$0.00	\$0.00	\$17,469.50	\$17,469.50	67.19%
Florida Retirement	\$94,603	\$2,194.43	\$11,257.63	\$3,793.13	\$55,741.94	\$4,583.03	\$77,570.16	82.00%
Employee Insurance	\$161,908	\$0.00	\$0.00	\$0.00	\$31,432.60	\$74,247.46	\$105,680.06	65.27%
Employee Education	\$3,000	\$0.00	\$0.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	100.00%
Operating Expense								
Professional Services								
Land Appraisal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
General Consultant	\$10,000.00	\$0.00	\$0.00	\$0.00	\$4,393.85	\$0.00	\$4,393.85	43.94%
Legal Service	\$45,000.00	\$0.00	\$0.00	\$0.00	\$43,921.67	\$0.00	\$43,921.67	97.60%
Accounting/Auditing	\$34,000.00	\$0.00	\$0.00	\$0.00	\$25,346.92	\$0.00	\$25,346.92	74.55%
Contract Services								
Computer Tech Support	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$0.00	\$1,000.00	100.00%
Janitorial Service	\$7,000.00	\$0.00	\$0.00	\$0.00	\$5,100.00	\$0.00	\$5,100.00	72.86%
Investigation/Testing	\$0.00	\$0.00	\$0.00	\$0.00	\$55.00	\$0.00	\$55.00	0.00%
Travel & Training								
Travel & Per Diem	\$15,000.00	\$0.00	\$0.00	\$0.00	\$421.36	\$0.00	\$421.36	2.81%
Training & Education	\$9,000.00	\$0.00	\$0.00	\$0.00	\$1,354.86	\$0.00	\$1,354.86	15.05%
Communications & Freight								
Telecommunications								
Telephone	\$25,750.00	\$680.30	\$3,826.60	\$3,664.99	\$11,875.49	\$0.00	\$20,047.38	77.85%
Cell Phones	\$7,500.00	\$0.00	\$0.00	\$0.00	\$4,654.60	\$0.00	\$4,654.60	62.06%
Cable Service	\$1,500.00	\$0.00	\$0.00	\$0.00	\$1,080.54	\$0.00	\$1,080.54	72.04%
Postage								
Postage	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Express Mail	\$800.00	\$0.00	\$0.00	\$0.00	\$83.54	\$0.00	\$83.54	10.44%
Online Services	\$740.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Utility Services								
Water/Sewer	\$15,750.00	\$3,061.16	\$6,446.27	\$1,790.36	\$0.00	\$0.00	\$11,297.79	71.73%
Electricity	\$117,750.00	\$6,114.79	\$40,385.30	\$22,817.62	\$0.00	\$0.00	\$69,317.71	58.87%
Storm Water Fees	\$25,000.00	\$71.58	\$12,393.89	\$3,524.11	\$0.00	\$0.00	\$15,989.58	63.96%
Solid Waste	\$8,000.00	\$8,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,000.00	100.00%

Titusville-Cocoa Airport Authority
Budget to Actual
June 2018

Expense	Budget	Arthur Dunn	Space Coast	Merritt Island	G & A	Unallocated	Total	% Budget
Rentals & Leases								
Equipment Rental	\$3,475.00	\$0.00	\$0.00	\$0.00	\$734.05	\$0.00	\$734.05	21.12%
Postage Machine	\$725.00	\$0.00	\$0.00	\$0.00	\$725.00	\$0.00	\$725.00	100.00%
Copy Machine	\$2,000.00	\$0.00	\$0.00	\$0.00	\$1,088.66	\$0.00	\$1,088.66	54.43%
Phone System	\$2,000.00	\$0.00	\$0.00	\$0.00	\$924.39	\$0.00	\$924.39	46.22%
Insurance								
Property/Casual								
Buildings & Equipment	\$241,808.00	\$0.00	\$0.00	\$0.00	\$655.00	\$98,238.50	\$96,893.50	40.90%
Fuel Tank	\$3,200.00	\$0.00	\$0.00	\$1,002.00	\$0.00	\$0.00	\$1,002.00	31.31%
Housing/Liability	\$7,850.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Airport Liability	\$10,000.00	\$1,243.00	\$0.00	\$0.00	\$0.00	\$4,077.00	\$5,320.00	53.20%
Auto Liability	\$18,025.00	\$0.00	\$0.00	\$1,280.00	\$0.00	\$8,711.50	\$9,991.50	55.43%
Officers Liability	\$5,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Employee Bond	\$296.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Repairs & Maintenance								
Service Contracts	\$13,000.00	\$0.00	\$0.00	\$4,336.83	\$727.00	\$0.00	\$5,063.93	38.95%
Repairs/Maintenance	\$160,000.00	\$3,080.76	\$116,458.92	\$15,454.32	\$0.00	\$10,997.57	\$145,992.57	91.25%
Printing/Binding								
General Printing	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Promotional Activities								
Advertising								
Marketing	\$15,000.00	\$0.00	\$0.00	\$0.00	\$1,429.36	\$0.00	\$1,429.36	9.53%
Promotional	\$7,000.00	\$0.00	\$0.00	\$0.00	\$1,200.06	\$0.00	\$1,200.06	17.14%
Other Charges/Obligations								
Legal Notices	\$1,800.00	\$0.00	\$0.00	\$0.00	\$1,800.00	\$0.00	\$1,800.00	100.00%
Real Estate Taxes	\$13,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Brevard Court Indirect Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Supplies								
Office Supplies	\$9,000.00	\$0.00	\$0.00	\$0.00	\$6,799.07	\$0.00	\$6,799.07	75.55%
Operating Supplies	\$60,000.00	\$2,076.90	\$44.99	\$0.00	\$3,751.49	\$20,423.28	\$26,296.66	43.83%
Furniture & Fixtures	\$7,500.00	\$0.00	\$0.00	\$0.00	\$670.99	\$6,829.01	\$7,500.00	100.00%
Maintenance Uniforms	\$6,500.00	\$0.00	\$277.50	\$0.00	\$560.90	\$2,926.31	\$3,764.71	57.92%
Books, Publications, Subscriptions								
Books & Publications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Memberships								
Dues & Memberships	\$10,000.00	\$0.00	\$0.00	\$375.00	\$3,394.18	\$0.00	\$3,769.18	37.69%
Capital Outlay								
Vehicles/Equipment	\$175,000.00	\$0.00	\$0.00	\$0.00	\$245.08	\$72,122.00	\$72,367.08	41.35%
Contingency								
Contingency	\$64,282.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Debt Service	\$185,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Renewal & Replacement	\$35,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Total	\$2,339,354.00	\$55,073.53	\$368,205.59	\$134,695.56	\$502,261.16	\$352,691.04	\$1,412,927.88	60.40%

Financial Review
Cash Position, Commitments, Reserves
as of June 30, 2018

1) Cash On Hand:

a) Cash per Operating Fund Balance Sheet	\$1,101,809
b) Cash per Revenue Fund Balance Sheet	\$229,595
c) Cash per R & R Fund Balance Sheet	\$35,000
d) Cash per Debt Service Fund Balance Sheet	\$42,823
e) Cash per Development Fund Balance Sheet	\$630,936
Total Cash on Hand	<u>\$2,040,163</u>

2) Plus Grants Receivable	<u>\$271,577</u>
Total Cash and Grants Receivable	<u>\$2,311,740</u>

3) Less Restricted Cash

a) FDOT Advances	\$0
b) State Board LGIP B	\$0
Total Unrestricted Cash	<u>\$2,311,740</u>

4) Less Funds Committed for Operations

a) Operations Reserve	\$0
b) Renewal & Replacement Fund	\$35,000
c) Escrow Account	\$229,595
Total Funds Committed for Operations	<u>\$264,595</u>

5) Less Funds Committed for Projects
(Analyzed as of 07/31/17)

Projects		Funded
a) TIX Spaceport Launch Site Operators License	\$0	TCAA
b) COI RSA Construction	\$0	2/24/2015
c) COI North Area Security & Infrastructure	\$167,986	6/23/2015
d) COI Construct Eight (8) Box Hangars	\$3,933	6/15/2017
e) COI Runway 11-29 Settlement Rehabilitation	\$38,960	
f) TIX Design & Construction of Airfield Lighting	\$97,800	
g) TIX Demolition of Building 52	\$26,000	
h) X21 PAPIs	\$15,000	
i) COI PAPIs	\$16,000	
Total Committed Funds	<u>\$365,679</u>	

6) Total Uncommitted Cash	<u><u>\$1,681,466</u></u>
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CURRENT CAPITAL IMPROVEMENT PROJECT GRANT SUMMARY SHEET

Proposed New Projects

<u>Airport</u>	<u>Project Name</u>	<u>Total Cost</u>	<u>Grant Type</u>	<u>Date Funded</u>	<u>Federal</u>	<u>FDOI</u>	<u>Authority</u>	<u>EXPENSE To Date</u>	<u>BALANCE OF Commitment</u>
TIX	Spaceport Operators License	\$550,865	50/50		\$0	\$0	\$279,584	\$279,584	\$0
TIX	Runway End Identifier Lights	\$301,767	90/5/5	3/30/2017	\$271,590	\$15,088	\$15,088	\$211	\$14,877
TIX	Design & Construction of Airfield Lighting	\$1,956,000	90/5/5	Future	\$1,760,400	\$97,800	\$97,800	\$0	\$97,800
TIX	Demolition of Building 52	\$130,000	80/20	Future	\$0	\$104,000	\$26,000	\$0	\$26,000
TIX Total:		\$2,938,632			\$2,031,990	\$216,888	\$418,472	\$279,795	\$138,677
COI	RSA Embankment Stabilization-Construction	\$3,975,432	90/5/5	2/24/2015	\$3,729,485	\$242,684	\$242,684	\$221,486	\$21,198
COI	North Area Security & Infrastructure	\$949,000		6/23/2015	\$0	\$759,200	\$189,800	\$21,814	\$167,986
COI	Construct Eight (8) Box Hangars	\$131,100	80/20	6/15/2017	\$0	\$104,880	\$26,220	\$22,287	\$3,933
COI	Runway 11-29 Settlement Rehabilitation	\$779,200	90/5/5	Future	\$701,280	\$38,960	\$38,960	\$0	\$38,960
COI	Design of South Apron Rehabilitation	\$270,000	90/5/5	Future	\$243,000	\$13,500	\$13,500	\$0	\$13,500
COI	Replace PAPIs	\$80,000	80/20	Future	\$0	\$64,000	\$16,000	\$0	\$16,000
COI Total:		\$6,184,732			\$4,673,765	\$1,223,224	\$527,164	\$265,587	\$261,577
X21	Rehabilitation of Fuel Farm	\$250,000	80/20	Future	\$0	\$200,000	\$50,000	\$0	\$50,000
X21	Replaces PAPIs	\$75,000	80/20	Future	\$0	\$60,000	\$15,000	\$0	\$15,000
X21 Total:		\$325,000			\$0	\$260,000	\$65,000	\$0	\$65,000
Grand Totals		\$9,448,364			\$6,705,755	\$1,700,112	\$1,010,636	\$545,382	\$465,254



Project Reports June 2018

Airport	COI
Year	2018
Project Name	PAPIs
Project Description	Replace PAPIs.
Start Date	TBD
Completion Date	TBD
Project Cost	\$80,000.00
Current Status	
<hr/>	
Airport	X21
Year	2018
Project Name	PAPIs
Project Description	Replace PAPIs.
Start Date	TBD
Completion Date	TBD
Project Cost	\$75,000.00
Current Status	
<hr/>	
Airport	TIX
Year	2018
Project Name	Runway End Identifier Lights
Project Description	Replace 4 REIL Systems for RW 9-27 and 18-36.
Start Date	January 10, 2018
Completion Date	Mar-18
Project Cost	\$301,767.00
Current Status	Project closed. Final FAA draw paperwork submitted on 6/19/2018.
<hr/>	
Airport	COI
Year	2018
Project Name	Runway 11-29 Settlement Rehabilitation - "Dip"
Project Description	Design and Construction of the area subsiding near the RW 29 aiming point.
Start Date	2018
Completion Date	
Project Cost	\$779,200.00
Current Status	Pre-Bid meeting held on 6/26/2018.
<hr/>	



Project Reports

June 2018

Airport	COI
Year	2017
Project Name	Eight (8) Box Hangars
Project Description	Design and construct 8 Box Hangars to Replace Port-A-Ports.
Start Date	2018
Completion Date	
Project Cost	\$131,100.00
Current Status	Pre-Construction meeting held on 6/26/2018.
<hr/>	
Airport	COI
Year	2014
Project Name	Runway 11-29 Safety Area Improvements
Project Description	Extend the RSA and Stabilize the Eroding Shoreline.
Start Date	May 1, 2015
Completion Date	
Project Cost	\$3,576,426.00
Current Status	Project complete. Mitigation maintenance continues.
<hr/>	
Airport	COI
Year	2018 / 2019
Project Name	Design and Construction of South Apron
Project Description	
Start Date	
Completion Date	
Project Cost	
Current Status	Future Project
<hr/>	
Airport	X21
Year	2019
Project Name	Grass Strip Stabilization
Project Description	
Start Date	Estimated 2019
Completion Date	
Project Cost	
Current Status	Future Project
<hr/>	



Project Reports

June 2018

Airport	X21
Year	2020
Project Name	Rehabilitation of Signage and Electrical Vault
Project Description	
Start Date	Estimated 2020
Completion Date	
Project Cost	
Current Status	Future Project

Airport	COI
Year	2023
Project Name	Runway 11-29 Rehabilitation
Project Description	
Start Date	Estimated 2023
Completion Date	
Project Cost	\$1,956,000.00
Current Status	Future Project