

DEED OF LEASE

This Deed of Lease (the "Lease"), which shall be deemed to be dated as of the date of the last party executing this agreement, by and between the **PENINSULA AIRPORT COMMISSION**, an independent body corporate and politic existing under the laws of the Commonwealth of Virginia (the "Commission"), and _____ ("Tenant").

RECITALS:

1. The Commission owns and operates the Newport News/Williamsburg International Airport located at 900 Bland Blvd., Newport News, Virginia 23602 (the "Airport").

2. The Commission and Tenant desire to enter into a lease for a portion of the Airport more specifically described herein for the Tenant's use of an aircraft hangar, all on the terms and conditions set forth therein.

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

ARTICLE I PREMISES

1.1 Lease of Premises

The Commission hereby leases to Tenant, and Tenant hereby leases from the Commission, for the Term (hereinafter defined) upon the terms and conditions set forth herein, Commission-owned Hangar Number ____ consisting of approximately _____ square feet specifically designated in **Exhibit A** attached hereto and incorporated herein by this reference ("Premises").

1.2 Condition of the Premises.

The Premises are leased in their present condition, and Lessee acknowledges that it has examined and accepts same, is fully aware of the physical condition of the Premises, and leases same "as is" in such condition, without any representations or warranties on the Commission's part whatsoever, provided, however that the Commission is responsible for the maintenance obligations set forth in Section 5.2.

1.3 Common Areas.

Tenant shall have the non-exclusive right, in common with other duly authorized users, to use the common areas of the Airport for general aviation purposes, consisting of roadways, runways, taxiways, aprons, all aids to air navigation for the Airport, except when the Airport is closed to the public. Tenant shall not knowingly do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Premises or in any streets or roadways or access gates near the Premises.

1.4 Commission's Reserved Rights in the Premises.

The following rights are hereby reserved by the Commission, in addition to any right or privilege not specifically granted to Tenant for the use of and operations at the Premises hereunder:

(a) rights to air or space above the top level of the Premises, for purposes of aircraft flyover and passage, and for such other easements as the Commission may require, including but not limited to, for the use and benefit of the public, a right of flight for passage of aircraft in the air and a right to cause such noise as may at any time be inherent in the operation of aircraft;

(b) to access the Premises for the purpose of inspecting the same, or for examining the same to ascertain if Tenant is performing its obligations under this Lease, and for conducting tests and inspections for any other reason deemed reasonably necessary by the Commission under this Lease; and

(c) the right , but not the obligation, for its own benefit or for the benefit of Tenant and others at the Airport, to maintain, replace, repair, construct, or reconstruct existing and future utility, mechanical, electrical, and other systems or portions thereof on the Premises, including, without limitation, systems for the supply of heat, water, gas, fuel, electricity, and for the furnishing of sprinkler, sewerage, drainage, stormwater, and telephone service, including all related lines, pipes, mains, wires, conduits, and equipment related thereto, and to make such repairs, replacements or alteration as, in the opinion of the Commission, may be deemed necessary or advisable and, from time to time, to construct or install over, in or under the Premises new systems or parts thereof, including lines, pipes, mains, wires, conduits and equipment. If the Commission is performing any such activity on the Premises the Commission shall provide not less than twenty-four (24) hours advance notice to Tenant (except in the event of an emergency).

ARTICLE II TERM

2.1 Initial Term.

The initial term of this Lease shall begin on _____ (“Commencement Date”) and end at 11:59 p.m. on the day prior to the first (1st) anniversary of the Commencement Date (“Expiration Date”) subject to all of the terms and conditions of this Lease, unless earlier terminated as provided in this Lease. The initial term shall include the period (the “Partial First Month”) from the Commencement Date to the last day of the month in which the Commencement Date occurs (the “Term” and such term shall include any properly exercised Extension Term).

2.2 Extension Term(s).

Provided Tenant is not then in default beyond any applicable cure period under this Lease or this Lease has not been otherwise terminated, the Term of this Lease shall be extended for a self-renewing twelve (12) month term (“Extension Term”) unless (a) Commission provides written notice to Tenant of change in terms of this Lease sixty (60) days or more before the expiration date of the Term (other than increases in Rent as provided in Section 3.1(b)), or (b) this Lease is terminated in accordance with any other applicable provision of this Lease or in accordance with applicable Virginia law. All terms and conditions of this Lease shall remain in effect during any exercised Extension Term, except that Rent shall be increased as set forth in Section 3.1(b).

2.3 Termination.

Commission may terminate this Lease at any time, without cause, upon sixty (60) days' prior written notice to Tenant. Tenant also may terminate this Lease at any time, without cause, upon sixty (60) days' prior written notice to Commission. Tenant shall, at the termination of this Lease for any reason, yield up immediately possession of the Premises to Commission.

**ARTICLE III
RENT**

3.1 Rent

(a) During the Term, Tenant shall pay to the Commission rent ("Fixed Rent") for the Premises, as follows:

(i) *Initial Term:* For the period commencing on the Commencement Date and ending on the Expiration Date, Fixed Rent shall be _____ Dollars (\$ ___) per month. If the Lease Commencement Date falls on a day other than the first day of a month, the first month's Fixed Rent will be equitably prorated on a per-diem basis; and

(ii) *Extension Term:* Fixed Rent shall be increased on each anniversary of the Commencement Date by a maximum of three percent (3%). Commission and Tenant agree that, the foregoing notwithstanding, if the Commencement Date is other than the first day of a month, the first adjustment of the Fixed Rent pursuant hereto shall be made on the first day of the month in which the Commencement Date falls and annual adjustment of the Fixed Rent thereafter shall be made on each anniversary of the date of such first adjustment date.

(b) *Additional Rent:* From the Commencement Date, Tenant shall also pay, as additional rent, all Impositions and all costs, late charges, and payments that Tenant assumes or agrees to pay hereunder, whether payable to the Commission or to a third party pursuant to the terms of this Lease (collectively, "Additional Rent"). In the event of any non-payment of Additional Rent by Tenant, the Commission shall have (in addition to all other rights and remedies) all of the rights and remedies provided for herein or by law in the case of non-payment of Fixed Rent. (Fixed Rent and Additional Rent are referred to hereinafter, collectively, as the "Rent").

3.2 Payments; Late Charges

Commencing on the Commencement Date and each month thereafter, Tenant shall pay Fixed Rent in equal monthly installments in advance on the first day of each calendar month. Except as specifically provided otherwise, Tenant shall pay all Additional Rent within thirty (30) days after receipt of an invoice. Until the Commission has provided notice otherwise to Tenant, Tenant shall pay all Rent to the Commission at the address set forth in Section 13.2 hereof. All Rent and other payments due the Commission hereunder shall be paid by Tenant to the Commission without notice, demand, abatement, deduction or offset except as expressly set forth herein. Tenant's default in the due and punctual payment of Rent or other sums due and payable under this Lease, for five (5) days after the same shall become due and payable, shall obligate Tenant, (i) to pay as an administrative fee an amount equal to fifty dollars (\$50), and (ii) to pay on all amounts past due interest at eighteen

percent (18%) per annum (the “Default Rate”) from five (5) days after the date such payment was due and payable.

ARTICLE IV TAXES AND UTILITIES

4.1 Impositions

If charged to all other similar users of the Airport facilities, Tenant shall pay or cause to be paid as Additional Rent, all taxes, payments in lieu of taxes, assessments, rates and charges, levies, license and permit fees and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, that at any time during the Term may be assessed, levied, confirmed, imposed upon, or grow or become due and payable out of or in respect of, or become a lien upon, the Premises or the leasehold, or any part thereof as a result of this Lease and/or Tenant’s leasehold interest whether such charges are made directly to Tenant or through or in the name of the Commission (all such taxes, payments in lieu of taxes, assessments, rates and charges, levies, license and permit fees and other governmental charges being hereafter referred to collectively as “Impositions” and individually as “Imposition”); provided, however, that (a) if, by law, any Imposition may at the option of the taxpayer be paid in installments, Tenant may pay the same in such installments over such period as the law allows, and Tenant shall only be liable for such installments as shall become due during the Term, and (b) all Impositions for the fiscal years in which the Term shall begin and end shall be apportioned so that Tenant shall pay only those portions thereof that correspond with the portion of said year as is within the Term.

Tenant, upon request of the Commission, shall furnish to the Commission within thirty (30) days of the date when any Imposition would become delinquent, official receipts of the appropriate taxing authority, or other evidence reasonably satisfactory to the Commission, evidencing the payment thereof.

4.2 Utilities

Unless the Premises are served by separately-metered utilities, electrical, water and sewer services are provided in connection with Tenant’s payments of Fixed Rent. The Commission reserves the right, upon prior notice therefor, to implement and assess a utility charge or charges for similarly-situated users at the Airport, including general aviation users. Should the Commission determine to implement such a separate charge for electrical, water, stormwater, or sewer, based upon proportionate use or other fair and reasonable allocation, Tenant agrees to pay for same as Additional Rent. If the Premises are served by separately-metered utility, including but not limited to electricity, water or sewer, Tenant shall pay all charges for such separately-metered utility or utilities to the appropriate utility or service companies.

4.3 Abatements; Contests by Tenant

Tenant may seek a reduction in the valuation of the Premises or its leasehold interest therein assessed for tax purposes, and may contest in good faith by appropriate proceedings, at Tenant’s sole cost and expense, the amount or validity in whole or in part of any Imposition, and may defer payment thereof if allowed by law, provided that (a) Tenant shall provide the Commission with security

reasonably satisfactory to the Commission to assure payment of contested items, and (b) Tenant shall immediately pay such contested item or items if the protection of the Premises or of the Commission's interest therein from any lien or claim shall, in the reasonable judgment of the Commission, require such payment, and (c) the Commission shall not be required to join in any proceedings referred to herein unless the provisions of any Legal Requirements at the time in effect shall require that such proceedings be brought by or in the name of the Commission. The Commission shall not be subject to any liability for the payment of any costs or expenses in connection with any such proceedings, and Tenant shall indemnify and save harmless the Commission from any such costs and expenses.

**ARTICLE V
MAINTENANCE AND ALTERATIONS OF PREMISES**

5.1 Access

The Commission reserves the right to access the Premises at any time for any lawful purpose, upon notice reasonable under the circumstances. The Commission shall issue a lock and key to the Tenant, which shall be used to secure the Premises. Use of an unapproved lock shall be deemed to constitute an Event of Default under Section 10.2.

5.2 Maintenance.

The Commission shall maintain and repair the structure and roof of the Premises, provided, however, that the cost of repair for any damages to same caused by Tenant or any of Tenant's employees, agents, licensees, operators, occupants, invitees or others on or at the Premises (singularly, a "Tenant Party" and collectively, "Tenant Parties") shall be the sole responsibility of Tenant. Tenant acknowledges and accepts that the Commission may terminate this Lease under Section 2.3 should the Commission determine, in its sole and absolute discretion, that the costs to maintain and repair the Premises exceed the value or the benefit thereof.

5.3 Fire Extinguisher Requirements for Group III Aircraft Hangars

Tenant shall at its own cost and expense install a National Fire Protection Agency (NFPA) approved hand held portable fire extinguisher as required in Exhibit B, which Exhibit B is subject to amendment from time to time by the Commission (i) as may be necessary or appropriate in light of then-existing fire protection standards and (ii) pursuant to changes in the Airport Rules and Regulations, in each case as may be applicable to similar users of the Airport.

5.4 Other Requirements Pertaining to Tenant's Use of the Airport and the Premises:

(a) Tenant shall not perform, or allow to be performed, any alteration or construction to the Premises except with the express written consent of the Commission, which may be withheld at the sole discretion of the Commission;

(b) Tenant shall remove and dispose of trash, waste and debris from all areas of the Premises in accordance with all Legal Requirements and in a prompt and sanitary manner, and shall maintain all such areas in a reasonably clean condition;

(c) Tenant's signs and proposed changes to signs on or at the Premises shall be subject to the review and approval by the Commission under its written design review procedures for the Airport, as such procedures may be modified from time to time, and all local permits and approvals; and

(d) Tenant shall comply with any recycling program instituted by the Commission or required by the municipality.

ARTICLE VI INSURANCE AND INDEMNITY

6.1 Insurance Requirements

Tenant shall procure and maintain, at Tenant's own expense during the Term, the insurance coverages and requirements specified in this Section 6.1, insuring all operations related to this Lease.

(a) Insurance to be provided by Tenant.

(i) *Aircraft Liability.* Aircraft Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) combined liability coverage for bodily injury, personal injury with a sublimit of \$100,000 each passenger. The Commission and its managers, members, officers, and agents and employees are to be named as an additional insured under the policy. Such additional insured coverage shall be provided on ISO form CG 2010 or a similar additional insured form acceptable to the Commission. The additional insured coverage must not have any limiting endorsements or language under the policy such as but not limited to, Tenant's sole negligence or the additional insured's vicarious liability. Tenant's insurance shall be primary without right of contribution by any other insurance or self-insurance maintained by or available to the Commission.

If the Aircraft is owned by a business, the business is to be named as additional insured under the policy.

(ii) *Automobile Liability.* Automobile Liability Insurance with limits of not less than Two Hundred and Fifty Thousand Dollars (\$250,000) per occurrence for bodily injury, personal injury and property damage including a MCS90 endorsement, when applicable.

(b) Other Provisions.

(i) Upon execution of this Lease, Tenant must furnish the Commission, original certificates of insurance and all applicable endorsements evidencing the required coverage to be in force on the date of this Lease, and renewal certificates of insurance and endorsements, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Lease. The receipt of any certificate does not constitute agreement by the Commission that the insurance requirements in this Lease have been fully met, or that the insurance policies indicated on the certificate are in compliance with all requirements set forth in this Lease. The failure of the Commission to obtain certificates or other insurance evidence from Tenant does not be deemed to be a waiver by the Commission of any requirements for

the Tenant to obtain and maintain the specified coverages. Tenant must advise all insurers of the provisions of this Lease relating to required insurance coverages. Non-conforming insurance does not relieve Tenant of the obligation to provide insurance as specified herein and may constitute a default under this Lease.

(ii) Tenant must provide for 30 days prior written notice to be given to the Commission in the event required coverage is substantially changed, canceled, or non-renewed.

(iii) Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Tenant.

(iv) If the Tenant maintain higher limits than the minimums shown above, the Commission requires and shall be entitled to coverage for the higher limits maintained by the Tenant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Commission.

(v) Any insurance or self-insurance programs maintained by the Commission do not contribute with insurance provided by the Tenant under this Lease.

(vi) The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Lease or any limitation placed on the indemnity in this Lease given as a matter of law and obligations regarding indemnification and duty to defend are independent from, and not limited by, the required insurance herein.

(vii) If Tenant is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

(ix) Tenant shall observe and comply with, and shall cause all Tenant Parties and others on or at the Premises to comply with, the requirements of all policies of public liability, casualty and all other policies of insurance required to be supplied by Tenant at any time in force with respect to the Premises if such observance or compliance is required by reason of any condition, event or circumstance arising after the commencement of the Term.

(x) The Commission maintains the right to modify, delete, alter or change these requirements.

6.2 Indemnification

Except for claims for environmental matters (which are the subject of the indemnification obligation under Section 9.1, Tenant shall release, indemnify, defend and hold the Commission and its commissioners, officers, employees, contractors, agents, servants, or licensees (collectively, the "Indemnified Parties") harmless from and against all claims, actions, costs, obligations, charges, expenses, damages and liabilities (including without limitation reasonable attorneys' fees) that may be imposed upon or incurred by or asserted against the Indemnified Parties arising out of or related to or in any way connected with: (i) any use, non-use, possession, occupation, condition, maintenance or management of the Premises, or any part thereof, by Tenant and any Tenant Party or any other

party or the operations, conduct or activities on the Premises by Tenant and any Tenant Party; (ii) any work or thing done in, on or about the Premises or any part thereof by Tenant or any other party other than the Indemnified Parties; (iii) any negligence on the part of Tenant or any Tenant Party; (iv) any accident, injury or damage to any person or property occurring in, on or about the Premises or any part thereof; (v) any third-party claims arising from any failure by Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations contained in this Lease; (vi) uncured default by Tenant hereunder; (vii) Tenant's failure to comply with any requirements of any governmental authority affecting the Premises or Tenant's use or occupancy thereof; and (viii) any liens, judgments or security agreements filed against the Property as a result of or in any way connected with Tenant's use or occupancy of the Premises. Tenant authorizes the Commission (although expressly recognizing that the Commission is under no obligation to do so) to defend, settle or compromise any claims, demands, suits, proceedings or the like which may represent an indemnifiable obligation of Tenant hereunder. Such action or inaction by the Commission shall in no way affect Tenant's indemnity obligations as provided herein. Tenant's indemnity obligations under this Section 6.2 and elsewhere in this Lease shall survive the expiration or earlier termination of this Lease. Tenant agrees that the Indemnified Parties shall not be liable to Tenant for, and Tenant waives any claim against the Indemnified Parties with respect to, any loss by theft or any other property damage, personal injury or death suffered or incurred by Tenant or any Tenant Party in connection with any unauthorized entry onto the Premises or other acts, whether or not criminal or willful, of third parties.

If any action or proceeding is brought against the Indemnified Parties by reason of any claim arising out of any of the occurrences that Tenant is required, pursuant to this Section 6.2, to release, indemnify, defend and hold the Indemnified Parties harmless against and from, Tenant upon written notice from the Commission shall, at Tenant's sole cost and expense, defend such action or proceeding using legal counsel reasonably satisfactory to the Commission. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Commission that would exist at common law or under any other provision of this Lease. The indemnification and other obligations under this Section 6.2 shall survive expiration or earlier termination of this Lease.

ARTICLE VII USE OF PREMISES

7.1 Permitted Uses

(a) Tenant may use the Premises solely for the storage of active aircraft owned and controlled by Tenant and other uses accessory thereto (collectively, "Permitted Uses"). It is acknowledged and agreed by the parties that the sole purpose for Tenant's agreement to enter into this Lease and lease the Premises from the Commission is to exercise the Permitted Uses. Uses accessory thereto include and are limited to: (i) shelter for maintenance, repair, or refurbishment of aircraft owned by Tenant and performed by Tenant or its full-time employee who is employed on a regular work week of forty (40) hours, but not the indefinite storage of non-operational aircraft; (ii) construction of amateur-built or kit-built aircraft provided that activities are conducted safely; (iii) storage of aircraft handling equipment e.g., tow bar, glider tow equipment, workbenches, and tools and materials used to service, maintain, repair or outfit aircraft; items related to ancillary or incidental

uses that do not affect the hangars' primary use; (iv) storage of material related to an aeronautical activity, e.g. balloon and skydiving equipment, office equipment, teaching tools, and materials related to ancillary or incidental uses that do not affect the hangars' primary use; (v) non-aeronautical items that do not interfere with the primary aeronautical purpose of the hangar, subject to Airport Rules and Regulations (for example, televisions, furniture); and (vi) a vehicle parked at the hangar while the aircraft usually stored in that hangar is flying, subject to Airport Rules and Regulations.

(b) In conjunction with Tenant's use of the Premises, Tenant shall not: (i) cause substantial (e.g., relative to other general aviation aircraft hangar facilities) noise, vibration, fumes, debris, electronic interference, or other nuisance on or adjacent to the Premises; (ii) create any condition that is a safety hazard; or (iii) interfere in any way with Airport operations. Without limiting the generality of any other provision of this Lease, Tenant shall not, without the Commission's express written consent: (a) provide any facilities, services, commodities or supplies, now or hereafter made available at or through the Airport, other than Permitted Uses; (b) operate any airline flight kitchen or other facilities providing meal services to aircraft crews or passengers or the public (non-aircraft); (c) offer lodging facilities, or facilities for storage or distribution of merchandise for sale or consumption aboard aircraft; (d) use any portion of the Premises for parking for passengers or customers of the Airport; or (e) use any portion of the Premises for the installation or operation of any antennae, satellite dish or other system for third party transmission, reception or relay of voice or data communications that is not directly related to the flight operations of Tenant. Tenant shall comply with FAA regulations pertaining to the use of any such electronic communication equipment. Tenant agrees that it will not rent to or permit the use of space by third parties wanting to place cellular sites on the Premises.

7.2 Prohibited Uses.

(a) Without limiting the provisions of Section 7.1, Tenant shall not use or occupy the Premises or any part of the Premises, and neither permit nor suffer the Premises, to be used or occupied, for any of the following (collectively, "Prohibited Uses"): (i) use as residence; (ii) operation of a non-aeronautical business, e.g. limo service, car and motorcycle storage, storage of inventory, non-aeronautical business office; (iii) activities which displace the aeronautical contents of the hangar or impede access to aircraft or other aeronautical contents of the hangar; (iv) storage of household items that could be stored in commercial storage facilities (v) long-term storage of derelict aircraft and parts; (vi) storage of items or activities prohibited by local or state law; (vii) storage of fuel, and other dangerous and Hazmat materials; (viii) storage of inventory or equipment supporting a municipal agency function unrelated to the aeronautical use; (ix) for any unlawful or illegal business, use or purpose; (x) for any non-aeronautical use; (xi) for any use which is a public nuisance; or (xiii) in such a manner as may make void or voidable any insurance then in force with respect to the Premises.

(b) Tenant shall not provide any aeronautical service to any subtenant or third party including, without limitation, fueling, parking, aircraft maintenance, flight instruction, or similar services which are provided by the Airport's fixed-base operator.

(c) Immediately upon its discovery of any Prohibited Use, Tenant shall take all reasonably necessary steps, legal and equitable, to immediately discontinue such business or use, or compel discontinuance of such business or use.

7.3 Airport Conditions

The following provisions shall apply to Tenant's use and occupancy of the Premises, which provisions shall run with the land, for the benefit of the Commission and its successors and assigns in the ownership and operation of the Airport: (a) Tenant shall neither construct nor permit to stand on the Premises any building, structure, poles, trees, or other object, whether natural or otherwise, in violation of FAR Part 77, or which would otherwise interfere with the use and operation of the Airport; (b) Tenant's use of the Premises shall be compatible with noise levels associated with the operation of the Airport; and (c) Tenant shall not knowingly or negligently undertake, or knowingly or negligently permit, any activity that could create a potential for attracting birds or other wildlife that may pose a hazard to aircraft operations at the Airport.

7.4 No Waste

Tenant shall not injure, overload, deface or strip, or cause waste or damage to (ordinary wear and tear excepted), the Premises or the underlying fee or any part thereof, nor commit any nuisance or unlawful conduct; nor permit the emission of any objectionable noise or odor; nor make any use of the Premises that is improper or offensive; nor permit or suffer any Tenant Party to do any of the foregoing.

7.5 Legal Requirements

Throughout the Term, Tenant, at its expense, shall promptly comply with, and shall cause all Tenant Parties to promptly comply with, all present and future laws, ordinances, orders, rules, procedures, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and officers (including all rules, procedures, requirements and regulations currently effective and hereinafter amended, adopted or established by the Commission, applicable to similar users of the Airport and provided to Tenant, collectively, "Airport Rules"), foreseen or unforeseen, ordinary as well as extraordinary, which may be applicable to the Premises, or to the use or manner of use of the same, whether or not such law, ordinance, order, rule, procedure, regulation or requirement is specifically applicable or related to the conduct of the Permitted Uses, or shall necessitate structural changes or improvements, or shall interfere with the use and enjoyment of the Premises (collectively, "Legal Requirements", which shall be deemed to include, without limitation, all Laws, Airport Rules, and Environmental Laws). Tenant shall, in the event of any violation or any attempted violation of this Section 7.5 by Tenant or any employee, agent, licensee, contractor, architect, consultant, operator, occupant, invitee or others on or at the Premises, take steps, immediately upon knowledge of such violation, to remedy or prevent the same, as the case may be.

**ARTICLE VIII
ASSIGNMENT OF TENANT'S INTEREST**

8.1 Assignment and Sublet

(a) Tenant shall not assign or encumber this Lease in whole or in part, nor sublet all or any part of the Premises, nor grant any license, concession or lease to operate any business or department in the Premises (hereinafter collectively "Transfer").

(b) For the purposes of this Lease, the entering into of any management agreement or a change in ownership of the majority interest in Tenant's business entity shall be considered a Transfer, and shall constitute a default and breach of this Lease, unless the Commission has provided prior approval of such change of ownership or control, which may require Tenant's requalification, negotiation, and entering into a new lease agreement.

(c) Any purported Transfer made without full compliance with the provisions of this Section 8.1. shall, at the Commission's election, be void and shall confer no rights upon any third person; provided, however, that the Commission may collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the Rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the within covenant or an acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from full performance hereunder.

**ARTICLE IX
HAZARDOUS MATERIALS AND OTHER ENVIRONMENTAL MATTERS**

9.1 The Premises will not be used for the treatment, storage, use or disposal of toxic or hazardous wastes or substances, or any other substance, exposure to which is prohibited, limited or regulated by a governmental or quasi-governmental authority or which, even if not so regulated, could or does pose a hazard to the health and safety of the occupants of the Building or surrounding property (collectively "Hazardous Materials"), except to the extent Tenant uses such wastes or substances for the Permitted Use in accordance with applicable laws, rules or regulations. Tenant will indemnify and hold Landlord, Landlord's agents, employees, shareholders, members, partners, officers and directors harmless from and against any expense or liability (including reasonable attorney's fees) resulting from Tenant's use of any Hazardous Materials. This Section shall survive the expiration or earlier termination of the Lease.

**ARTICLE X
SURRENDER, TERMINATION AND DEFAULT**

10.1 Surrender

Tenant shall on the last day of the Term, or upon any earlier termination of this Lease, quit and peacefully surrender and deliver up the Premises to the possession and use of the Commission without delay and in good condition and repair, with ordinary wear and tear excepted. Tenant shall remove all signage, personal property and trade fixtures (including all equipment) of Tenant from the Premises prior to the date of termination or earlier expiration of this Lease, and shall repair any damage to the Premises caused by Tenant's removal thereof. All such removal and repair required of Tenant pursuant to this Section 10.1 shall be at Tenant's sole cost and expense. If Tenant fails to remove any items required to be removed by it hereunder, or fails to repair any resulting damage, prior to termination or earlier expiration of this Lease, then the Commission may remove said items and repair any resulting damage, and Tenant shall pay the cost of any such removal and repair, together with interest thereon at the Default Rate from and after the date such costs were incurred until the Commission's receipt of full payment therefor. Upon or at any time after the expiration or earlier termination of this Lease, the Commission may, without further notice, enter upon and re-enter the Premises and possess and repossess itself thereof, by force, summary proceedings, ejection or otherwise, and may dispossess Tenant and remove Tenant and all other persons and property from

the Premises, and may have, hold and enjoy the Premises and the right to receive all income from the same.

10.2 Events of Default

If any one or more of the following events (each, "Event of Default") shall happen:

(a) If default shall be made in the due and punctual payment of any Rent or other sums payable under this Lease or any part thereof, when and as the same shall become due and payable, and such default shall continue for a period of five (5) days from the date due for Fixed Rent, and for all other sums due hereunder for a period of fifteen (15) days after notice from the Commission to Tenant specifying the items in default; or

(b) If Tenant shall fail to maintain insurance as required by Article VI, and such default shall continue for a period of fifteen (15) days after notice from the Commission to Tenant; or

(c) If the Premises shall be abandoned, deserted, or vacated by Tenant, it being understood that the Premises shall be deemed abandoned, deserted, or vacated if the Hangar is not occupied on the Premises for a period of sixty (60) consecutive days for any reason; or

(d) If default shall be made by Tenant in the performance of or compliance with any of the agreements, terms, covenants or conditions in this Lease, other than those referred to in paragraphs (a) through (c) and (e) of this Section 10.2, for a period of thirty (30) days after notice from the Commission to Tenant specifying the items in default; or

(e) If Tenant shall initiate the appointment of a receiver to take possession of all or any portion of the Premises or Tenant's leasehold estate for whatever reason, or Tenant shall make an assignment for the benefit of creditors, or Tenant shall initiate voluntary proceedings under any bankruptcy or insolvency law or law for the relief of debtors, or if there shall be initiated against Tenant any such proceedings which are not dismissed within ninety (90) days; or

(f) If Tenant provides any aeronautical service to any subtenant or third party including, without limitation, fueling, parking, aircraft maintenance, flight instruction, or similar services which are provided by the Airport's fixed-base operator,

then, and in any such event, the Commission at any time thereafter may give written notice to Tenant specifying such Event or Events of Default and stating that this Lease and the Term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least fifteen (15) days after the giving of such notice, and upon the date specified in such notice this Lease and the Term thereby demised and all rights of Tenant under this Lease shall expire and terminate, unless prior to the date specified for termination the Event or Events of Default shall have been cured, and Tenant shall remain liable as hereinafter provided.

10.3 Relet

At any time or from time to time after any such expiration or termination, the Commission may relet the Premises or any part thereof for such term or terms (which may be greater or less than

the period which would otherwise have constituted the balance of the Term), on such conditions (which may include concessions or free rent and alterations of the Premises) and for such uses as the Commission, in its good faith discretion, may determine, and may collect and receive the rents therefor. The Commission shall in no way be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due upon any such reletting but shall use commercially reasonable efforts to relet the Premises (which shall not require the Commission to relet the Premises before any other available property at the Airport).

10.4 Commission's Right to Perform Tenant's Covenants.

(a) Performance by the Commission. If Tenant shall at any time beyond the expiration of any applicable grace periods provided under this Lease fail to pay any Imposition as defined in and in accordance with the provisions of Article IV hereof, or to take out, pay for, maintain or deliver any of the insurance policies or certificates provided for in Article VI hereof, or shall fail to make any other payment or perform any other act on its part to be made or performed, then the Commission may, but shall be under no obligation to:

(i) pay any Imposition payable by Tenant pursuant to the provisions of Article IV hereof, or

(ii) take out, pay for and maintain any of the insurance policies provided for in Article VI hereof, or

(iii) make any other payment or perform any other act on Tenant's part to be made or performed as in this Lease provided.

The Commission may enter upon the Premises for any such purpose, and take all such action thereon, as may be necessary.

(b) Reimbursement. All sums so paid by the Commission and all reasonable costs and expenses incurred by the Commission, including reasonable attorneys' fees and expenses, in connection with the performance of any such act, together with interest at the Default Rate from the date of such payment or incurrence by the Commission of such cost and expense, shall constitute Additional Rent payable by Tenant under this Lease and shall be paid by Tenant to the Commission on demand. If the Commission shall exercise its rights under paragraph (a) of this Section 10.4 to cure a default of Tenant, Tenant shall not be relieved from the obligation to make such payment or perform such act in the future, and the Commission shall be entitled to exercise any remedy contained in this Lease if Tenant shall fail to pay such Additional Rent to the Commission upon demand. All costs incurred by the Commission hereunder shall be presumed to be reasonable in the absence of a showing of bad faith, clear error, or fraud.

(c) Entry. During the progress of any work on the Premises which may under the provisions of this Section 10.4 be performed by the Commission, the Commission may keep and store in the areas in which such work is being conducted all necessary materials, tools, supplies and equipment. The Commission shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Tenant or any subtenant, guest, licensee or operator by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies

and equipment onto the Premises during the course thereof, and the obligations of Tenant under this Lease shall not be affected thereby.

10.5 Remedies

No such expiration or termination of this Lease shall relieve Tenant of its liability and obligations under this Lease, and such liability and obligations shall survive any such expiration or termination. In the event of any such expiration or termination, whether or not the Premises or any part thereof shall have been relet, Tenant shall pay to the Commission the Rent and all other charges required to be paid by Tenant up to the time of such expiration or termination of this Lease, and thereafter Tenant, until the end of what would have been the Term in the absence of such expiration or termination, shall be liable to the Commission for, and shall pay to the Commission, as and for liquidated and agreed current damages for Tenant's default, the equivalent of the amount of the Rent and charges that would be payable under this Lease by Tenant if this Lease were still in effect, less the net proceeds of any reletting after deducting all the Commission's expenses incurred in good faith in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, reasonable attorney's fees, alteration costs, and expenses of preparation for such reletting. Tenant shall pay such current damages (herein called "deficiency") to the Commission on the date(s) on which the Rent would have been payable under this Lease if this Lease were still in effect, and the Commission shall be entitled to recover from Tenant each deficiency as the same shall arise. At any time after any such expiration or termination, in lieu of collecting any further deficiencies as aforesaid, the Commission shall be entitled to recover from Tenant, and Tenant shall pay to the Commission, on demand, as and for liquidated and agreed final damages for Tenant's default, an amount equal to the net present value at the time of demand of Rent for the remainder of the then current Term, minus the amount of any rents previously received from any re-letting and any such deficiencies for such period previously recovered from Tenant.

10.6 No Waiver

No failure by the Commission to insist upon the strict performance of any agreement, term, covenant or condition hereof or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant or condition. No agreement, term, covenant or condition hereof to be performed or complied with by the Commission, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by the Commission. No waiver by the Commission of any breach shall affect or alter this Lease, but each and every agreement, term, covenant and condition hereof shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

10.7 Injunctive Relief

In the event of any breach by Tenant of any of the agreements, terms, covenants or conditions contained in this Lease, the Commission shall be entitled to enjoin such breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease.

10.8 Remedies Cumulative

Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Commission of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Commission of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

ARTICLE XI
NONDISCRIMINATION AND EQUAL OPPORTUNITY PROVISIONS

11.1 Non-Discrimination

Tenant acknowledges that the Commission has given to the United States of America, acting by and through the FAA, certain assurances with respect to non-discrimination required by Title VI of the Civil Rights Act 1964 (42 U.S.C. § 2000d et seq., 78 Stat. 252), 49 CFR Part 21, 49 CFR § 47123, 28 CFR § 50.3 and other acts and regulations relative to non-discrimination in Federally-assisted programs of the U.S. Department of Transportation (“DOT”) (collectively, and including all amendments thereto, the “Acts and Regulations”) as a condition precedent to receiving Federal financial assistance from FAA for certain Airport programs and activities. The Commission is required under the Acts and Regulations to include in this Lease, and Tenant agrees to be bound by, the following covenants and requirements:

(a) Tenant, for itself, its assignees and successors in interest, covenants and agrees that it shall assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability, be excluded from participating in any program or activity conducted with or benefitting from Federal financial assistance received by the Commission from the FAA. In the event of Tenant’s breach of any of the above Non-discrimination covenants, the Commission shall have the right to terminate this Lease.

(b) Tenant, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a DOT activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations such that no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities.

(c) In the event of Tenant’s breach of any of the Non-discrimination covenants described in subsection (b), above, the Commission shall have the right to terminate this Lease, and to enter, re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Lease had never been made or issued. This subparagraph (c) shall not become effective until the procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

(d) Tenant, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, hereby covenants and agrees, as a covenant running with the land,

that (i) no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities, (ii) in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (iii) Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.

(e) In the event of Tenant's breach of any of the Non-discrimination covenants described in subsection (d), above, the Commission shall have the right to terminate this Lease, and to enter or re-enter and repossess the Premises and the facilities thereon, and hold the same as if this Lease had never been made or issued. This subparagraph (e) shall not become effective until the applicable procedures of 49 CFR Part 21 are followed and completed, including the expiration of appeal rights.

(f) Tenant shall include these subsections (a) through (f), inclusive, in Tenant's licenses, permits and other instruments relating to the Premises, and shall require that its licensees, permittees and others similarly include these statements in their licenses, permits and other instruments relating to the Premises.

ARTICLE XII OTHER REQUIREMENTS

12.1 Contract Requirements

If performing any work related to this Lease and entering into contracts in furtherance thereof, Tenant shall at all times observe and comply, and shall require Tenant Parties (including, without limitation, requiring the inclusion of such requirements in all of Tenant's contracts or agreements with such consultants, contractors, or subcontractors and the Commission shall be expressly identified as a third party beneficiary in the contracts and granted a direct right of enforcement thereunder) to observe and comply, with all applicable federal, state, and local laws, ordinances, rules (including the Airport's Rules and Regulations, General Provisions, and Minimum Standards), regulations, and executive orders, now existing or hereinafter in effect (each, a "Law", and collectively, "Laws"), which may in any manner affect the Premises, to the same extent the Commission would be required to comply with such Laws. Tenant shall execute, and further shall cause its contractors and subcontractors to execute, any certifications required by such Laws in connection with contracts for the performance of the work. The provisions of the Airport's Rules and Regulations, General Provisions, and Minimum Standards are incorporated herein by reference.

12.2 No Exclusive Rights

Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. § 40103(e) to conduct any business (other than the exclusive right to use and occupy the Premises), and the Commission reserves the right to grant to others the privileges and right of conducting any or all activities at the Airport (other than the right to use and occupy the Premises).

12.3 Subordination of Lease to Agreements

This Lease and Tenant's use and occupancy of the Premises shall be and remain subject to the provisions of any existing or future agreements between the Commission and the United States government, the FAA, or any other governmental authority with jurisdiction over the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal or other governmental funds, including, without limitation, grant agreements or grant assurances or that is required by Legal Requirements, as a condition precedent to receiving Federal financial assistance for development of the Airport and other Airport programs and activities.

This Lease is further subject and subordinate to the provisions of any agreement heretofore or hereafter made between the Commission and the United States, the execution of which is required to enable or permit the transfer of rights or property to the Commission for airport purposes, or the expenditure of federal grant funds for Airport improvement, maintenance or development. The Commission hereby represents that no such agreements currently exist as will restrict or limit the use of the Premises for the Permitted Uses, except to the extent that the Commission discontinues Airport operations in which case the Airport property could revert to the United States of America. Tenant shall reasonably abide by the requirements of agreements entered into between the Commission and the United States and shall consent to amendments and modifications of this Lease if required by such agreements or if required as a condition of the Commission's entry into such agreements so long as other similar users of the Airport facilities are required to abide by the same requirements.

12.4 Airport Security Act

This Lease is expressly subject to 49 U.S.C. § 40101 *et seq.*, 49 U.S.C. § 44901 *et seq.*, and the rules and regulations promulgated thereunder, including, without limitation, 49 C.F.R. 1542 and 49 C.F.R. 1544, the same may be amended from time to time (collectively, the "Airport Security Act"), the provisions of which are hereby incorporated by reference. In the event that Tenant or any Tenant Party, in the performance of this Lease, has: (i) unescorted access to secured areas located on or at the Airport; or (ii) capability to allow others to have unescorted access to such secured areas, Tenant shall be subject to, and further shall conduct with respect to any Tenant Party, and the respective employees or contractors of each, such employment investigations, including criminal history record checks, as the Commission or the FAA may deem necessary or as may be required by any Legal Requirement. Further, in the event of any threat to civil aviation, as defined in the Airport Security Act, Tenant shall promptly report any information in accordance with those regulations promulgated by the Secretary of the United States Department of Transportation and by the Commission. Tenant shall, notwithstanding anything contained herein to the contrary, at no additional cost to the Commission, perform under this Lease in compliance with those guidelines developed by the Commission and the FAA with the objective of maximum security enhancement.

ARTICLE XIII MISCELLANEOUS

13.1 Quiet Enjoyment

Tenant, upon paying the Rent and other charges herein provided for and observing and keeping all covenants, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises, together with the non-exclusive right to use in common with others, all

common areas, to include without limitation all roadways, runways, taxiways, aprons and all aids to air navigation for the Airport, during the Term without hindrance by anyone claiming by, through or under the Commission as such, subject, however, to the exceptions, reservations and conditions of this Lease. The Commission covenants that it has full right and power to execute this Lease and to grant the estate demised herein.

13.2 Notices

Notwithstanding anything else in this Lease to the contrary, all notices to the Commission provided for herein shall be in writing and shall be sent by personal delivery, nationally-recognized commercial overnight delivery service, or by registered or certified U.S. mail, postage prepaid and return receipt requested, addressed to the Commission as set forth below, or to such other address(es) as the Commission may designate from time to time by notice to Tenant or as required by this Lease, and shall be deemed given upon receipt, or upon attempted delivery where delivery is refused or mail is unclaimed. All notices to Tenant provided for herein shall be in writing and shall be sent by personal delivery, nationally-recognized commercial overnight delivery service, or by registered or certified U.S. mail, postage prepaid and return receipt requested, addressed to Tenant as set forth below, or to such other address as Tenant may designate from time to time by notice to the Commission, and shall be deemed given when so deposited or mailed:

If to the Commission:

Peninsula Airport Commission
Newport News/Williamsburg International
Airport
900 Bland Blvd, Suite G
Newport News VA 23602
Attn: Executive Director

If to Tenant:

13.3 Severability

If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

13.4 Waiver

The parties hereto waive a trial by jury of any and all issues arising in any action or proceeding between them or their successors or assigns under or connected with this Lease or any of its provisions, any negotiations in connection therewith, or Tenant's use or occupation of the Premises.

13.5 No Brokers

The Commission and Tenant mutually represent that they have dealt with no broker in connection with this Lease. Tenant hereby indemnify and agree to save the other harmless from any and all loss, cost, damage or expense incurred arising from their respective dealing with a broker.

13.6 No Partnership or Joint Venture

Nothing contained under this Lease shall be construed to create a partnership or joint venture between the Commission and Tenant or to make the Commission an associate in any way of Tenant in the conduct of Tenant's business, nor shall the Commission be liable for any debts incurred by Tenant in the conduct of Tenant's business, and it is understood by the parties hereto that this relationship is and at all times shall remain that of landlord and tenant.

13.7 Consents

Tenant shall have no claim, and hereby waives the right to any claim, against the Commission for money damages by reason of any refusal, withholding or delaying by the Commission of any consent, approval or statement of satisfaction.

13.8 Accord and Satisfaction

No acceptance by the Commission of a lesser sum than the Rent then due shall be deemed to be other than on account of the earliest installment of such Rent due, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord and satisfaction, and the Commission may accept such check or payment without prejudice to the Commission's right to recover the balance of such installment or pursue any other remedies provided in this Lease.

13.9 Integration

All prior understandings and agreements between the parties in respect of the subject matter hereof, are merged within this Lease, which alone fully and completely sets forth the understanding of the parties in respect of the subject matter hereof; and this Lease may not be changed or terminated orally or in any manner other than by an agreement in writing and signed by both the Commission and Tenant.

13.10 Bind and Inure

The covenants and agreements herein contained shall bind and inure to the benefit of the Commission, its successors and assigns, and Tenant, its successors and assigns.

13.11 Enforcement of the Commission's Liability

Anything contained in this Lease to the contrary notwithstanding, but without limitation of Tenant's equitable rights and remedies, the Commission's liability under this Lease shall be enforceable to only out of the Commission's interest in the Premises, and the rents, issues and profits therefrom; and there shall be no other recourse against, or right to seek a deficiency judgment against, the Commission, nor shall there be any personal liability on the part of any member of its board of

directors, or any officer or employee of the Commission, with respect to any obligations to be performed hereunder.

13.12 Attorney's Fees

In the event any action or suit proceeding is brought to collect the rent due or to become due hereunder or any portion, thereof, or to take possession of said premises or to enforce compliance with this Agreement and Lease, the Tenant agrees to pay the Commission such sum as a court of competent jurisdiction may adjudge reasonable as attorney's fees to be allowed in such suit, action or proceeding.

13.13 No Merger

There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises by reason of the fact that the Commission may acquire or hold, directly or indirectly, the leasehold estate hereby created or an interest herein or in such leasehold estate, unless the Commission executes and records an instrument affirmatively electing otherwise.

13.14 Captions

The captions of this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

13.15 Governing Law

This Lease shall be governed exclusively by, and construed in accordance with, the laws of the Commonwealth of Virginia. The Commission and Tenant agree that any court action to be brought by either party in connection with this Lease shall be brought in a court of competent jurisdiction located within Newport News, Virginia, and each party consents to the jurisdiction of such court and hereby waives any right to remove any such action to any other forum. The parties hereto waive a trial by jury of any and all issues arising in any action or proceeding between them or their successors or assigns under or connected with this Lease or any of its provisions, any negotiations in connection therewith, or Tenant's use or occupation of the Premises.

13.16 Tenant Cooperation with Other Development

Tenant agrees not to oppose applications for governmental permits and approvals relating to any proposed development by the Commission and any other party of any portion of the remaining land owned by the Commission in the vicinity of the Premises.

13.17 Holding Over

If Tenant shall continue to occupy all or any portion of the Premises after expiration or earlier termination of this Lease for any reason without the express prior written approval of the Commission, such tenancy shall be a tenancy of sufferance. During the period of holdover tenancy, Tenant shall pay monthly Rent for the Premises at 300% per month of the monthly rate of the Rent payable during the last month falling within the Term. No occupancy by Tenant after the expiration

or earlier termination of this Lease shall be construed to extend the Term. In addition, in the event that Tenant's holdover continues for sixty (60) days or longer, Tenant shall also be liable for any and all damages, consequential as well as direct, sustained by the Commission by reason of Tenant's continued occupancy of the Premises, or any portion thereof, from and after the expiration or earlier termination of this Lease. Any holding over shall constitute a lease from month to month on the same terms and conditions as this Lease, including payment of the rent as set forth herein. Acceptance by the Commission of any Rent after expiration or early termination shall not constitute a renewal of this Lease or a consent to such holdover occupancy, nor shall it waive the Commission's right of re-entry or any other right contained in this Lease or provided by law.

13.18 Commission's Executive Director

In any case under this Lease or the exhibits attached hereto that the Commission may or shall take any action, perform any review or approval, engage or participate in any process, or otherwise perform any of its obligations or other terms hereunder, such action or performance may be undertaken by, under the supervision of, or at the direction of the Executive Director, or by such other departments, persons, officials, representatives, or contractors as may be specifically authorized by the Commission from time to time. Without limitation of the foregoing, however, it is understood and agreed that unless the Commission notifies Tenant otherwise, the Airport Executive Director shall be authorized to act on behalf of the Commission in all cases where not prohibited by the Charter or the Commission's by-laws.

13.19 Exhibits

All exhibits referred to in this Lease and which may, from time to time, be referred to in any duly executed amendment to this Lease are (and with respect to future amendments, shall be) by such reference incorporated into this Lease, and deemed a part of this Lease as fully as if set forth within it.

13.20 Counterparts

This Lease may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed and shall constitute a single, integrated original document.

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SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have set their hands and corporate seals as of the day and year first above written.

PENINSULA AIRPORT COMMISSION

By: _____
Name: Michael Giardino
Title: Executive Director

Date: _____

TENANT

By: _____
Name: _____
Title: _____

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

By: _____
Name: _____
Title: _____

Date: _____

Exhibit A



Exhibit B

Fire Extinguisher Requirements for III Aircraft Hangars

Listed below are the National Fire Protection Agency (NFPA) approved minimum fire protection requirements for Group III Aircraft Hangars.

- Hand held portable fire extinguishers
- Fire Extinguisher Size – **10 pound** stored pressure
- Fire Extinguisher Type – **A-B-C** Dry Chemical
- Fire Extinguisher Minimum Classification/UL Rating – **4-A:80-B-C**

Placement and Installation Requirements:

- Fire Extinguishers shall be conspicuously located where they are readily accessible and immediately available in the event of fire
- Fire Extinguishers shall be located so that the maximum travel distances shall not exceed 50 feet between extinguishers
- Fire Extinguishers shall be located along normal paths of travel, including exits from areas
- Fire Extinguishers shall be installed so that the top of the fire extinguisher is not more than 5 feet above the floor
- In no case shall the clearance between the bottom of the fire extinguisher and the floor be less than 4 inches
- The extinguisher's operating instruction shall be located on the front of the extinguisher and shall be clearly visible
- Fire Extinguishers shall not be obstructed or obscured from view, in large areas where visual obstructions cannot be avoided, signs shall be used to indicate the fire extinguishers location, the signs shall be located in close proximity to the fire extinguisher and visible from the normal path of travel
- Fire Extinguishers shall be maintained in a fully charged and operable condition and shall be kept in their designated place at all times when they are not being used

Fire Extinguisher Inspection Requirements:

- Fire Extinguishers shall be inspected when initially placed in service
- Fire Extinguishers shall have an operational quick check monthly for the following, Safety Seal not broken or missing, pressure needle is in the green area on the extinguishers pressure gauge, corrosion or damage and that nothing is clogged the discharge nozzle, that inspection date shall be recorded on the annual inspection tag each month.
- An Annual Certification of Inspection Tag shall be affixed to the Fire Extinguisher by a licensed certified inspector or vendor

- **Note: The Peninsula Airport Commission will be providing the required Annual Certification of Inspection for all Fire Extinguishers during the month of November each year.**

All hangar Tenants are responsible for obtaining and installing an NFPA approved fire extinguisher.

Below are listed two of many certified suppliers that can provide you with the approved Fire Extinguisher:

1. Fire-X Corporation, 3305 Croft Street, Norfolk, 757-855-0196 or www.fire-x.net
2. Cintas, Inc., 2314 60th Street, Hampton, 757-723-9111 or www.cintas.com

If you would like training on the proper use, storage and inspection of your fire extinguisher you may contact Chief Starks at dstarks@flyphf.com or stop by the Airport Fire Station.