

**CORPORATE BLOCK HANGAR
RENTAL AGREEMENT**

THIS AGREEMENT made the 30th day of AUGUST, 2010, between
THE CITY OF LEESBURG, as Landlord, and BRIAN SAPP, D/B/A
SUNAIR AVIATION, INC., as Tenant,

WITNESSETH:

That Landlord owns and operates the Leesburg Regional Airport. Tenant desires to rent a space in one of the corporate block hangars made available by Landlord for aircraft storage purposes. Landlord has agreed to rent to Tenant, and Tenant has agreed to rent from Landlord, a space within one of the hangars, subject to the terms, conditions and covenants of this Agreement.

NOW THEREFORE, the parties agree as set forth below:

1. **SPACE DESIGNATED.** The space rented to Tenant by this Agreement is designated as Hangar No. 9 by Landlord and all references herein to the "Hangar" shall refer to that designated space.

2. **PURPOSE.** The Hangar is rented to Tenant for the sole and express purpose of storing the following described aircraft: TWIN BEECHCRAFT BONANZA A, FAA Registration No. . All references to the "Aircraft" herein shall refer to this specific aircraft, or to any successor aircraft properly designated as a replacement for the Aircraft in accordance with the requirements of this Agreement.

3. **TERM.** This Agreement shall commence at 12:01 a.m. on September 1st 2010, and shall run for an initial period of one year from that date. Following the expiration of that one year, this Agreement shall continue on a month to month basis. Once this Agreement begins to run on a month to month basis, either party may terminate this Agreement by giving written notice to the other party which is received not later than 15 days prior to the end of the current calendar month.

4. **RENTAL AMOUNT.** For the use and occupancy of the Hangar the Tenant shall pay monthly rent of \$ 1000.00, PLUS applicable sales taxes. Rent shall be due on the first day of each calendar month. If rent is not paid by the 5th day of the month, a late charge of 5% of the monthly rental amount will be payable in addition to the amount of rent due. Rent not paid by the 10th day of the month will be considered delinquent and Landlord will be entitled to terminate this Agreement for nonpayment of rent in the manner specified below. Once this Agreement begins to run on a month to month basis, Landlord may adjust the monthly rental amount at any time by giving written notice to Tenant no later than 15 days prior to the end of the calendar month preceding the effective date of the adjustment in rent. Landlord will pay all utilities, however if Tenant is determined to be using an excessive amount of electricity, water or other utility service, compared to other tenants in similar hangars, Landlord may impose a utility surcharge on Tenant

until such time as Tenant's usage of utilities declines to a level commensurate with usage by other, similarly situated tenants.

5. DEPOSIT. At the time this Agreement is executed by Tenant, a security deposit has been placed by Tenant with Landlord in the amount of \$ 1,000.00. This deposit will be held in a non-interest bearing account. The security deposit is NOT considered rent and will not relieve Tenant of paying any rent due hereunder. The deposit is to insure that the Hangar is maintained properly by Tenant and upon termination of this Agreement, the deposit is to be returned to Tenant, if Tenant has complied fully with all terms of this Agreement and the Hangar is returned to Landlord in good and clean condition, without damage, ordinary wear and tear excepted. Landlord may retain such portion of the deposit as is necessary first, to pay the cost to clean or repair the Hangar once vacated by Tenant, and second, to reimburse Landlord for any rent or other amounts owed to it by Tenant which have not been paid, and third, to pay or offset any unpaid utility charges or other charges left unpaid by Tenant, and if the deposit is not sufficient to pay all such amounts then Landlord shall have recourse against Tenant for the balance remaining due.

6. USE. The Hangar shall be used solely for the storage of the Aircraft, and for such other purposes as are specifically authorized by this Agreement, and no other use whatsoever shall be made of the Hangar by Tenant. If Tenant desires to substitute another aircraft for storage in the Hangar, Tenant may do so only after advising Landlord in writing and obtaining written confirmation from Landlord approving the substitution. Such notice shall specify the make, model and FAA registration number of any proposed substitute. If the Aircraft is sold or otherwise disposed of with the intent to replace it, then it must be replaced within not more than 120 days, failing which this Agreement shall stand canceled and the Hangar shall be considered available immediately to Landlord for rental to another occupant.

In addition to storage, Tenant may perform routine maintenance, rebuilding or alterations to the Aircraft within the Hangar, but only if Tenant holds a mechanic's certificate, repairman's certificate, or pilot certificate issued by the FAA, and shall only perform such operations as are permitted for the holder of the applicable certificate(s) under Part 43 of FAA regulations. However, no washing of any aircraft will be allowed either inside or outside of the Hangar.

Specifically, and without limiting the generality of the foregoing, Tenant shall not conduct, invite or permit any commercial activities of any nature within or around the Hangar, including but not limited to air or ground instruction, aircraft maintenance, aircraft rental, aircraft sales, or charter services. No motor or aviation fuel, or other toxic, flammable or hazardous substances, shall be stored in or around the Hangar except within the fuel tanks provided for that purpose on the Aircraft itself, and all such substances shall be stored, handled, transported and disposed of in full and strict compliance with all applicable laws, rules and regulations. No fuels shall be dispensed and no aircraft or other vehicle shall be refueled within the hangar. Tenant shall not store or keep within the Hangar any boxes, crates, rubbish, paper or other trash or litter which could cause or support combustion. Tenant shall not place or erect any exterior structures of any kind on or around the Hangar nor shall any signs or other advertising displays of any nature be placed on or around the Hangar at any time, and no trailers, fuel tanks, vehicles or other items shall be stored outside the hangar.

No vehicles other than the Aircraft shall be stored in the Hangar, provided however that motor vehicles used to transport Tenant or others to the Hangar must be pulled into the Hangar

when the Tenant or other user of the Aircraft is out flying, and may not be parked in any grassy or landscaped areas or on the public roadways.

7. **MAINTENANCE.** Tenant shall maintain the Hangar in a clean and orderly condition, keep the floor clean and free of grease, oil and toxic chemicals or substances. Tenant shall be responsible for all damage to the Hangar caused by Tenant, its agents, servants, employees, invitees, and licensees, and anyone else in or around the Hangar at the invitation of, or with the express or implied consent of, Tenant. At all times Tenant will maintain one or more fire extinguishers, properly charged, so as to comply fully with applicable fire and life safety codes and the requirements of the local fire marshal. Tenant shall maintain the interior of the Hangar, including without limitation all plumbing, electrical and other systems. Landlord shall be responsible only for repair of roof leaks, and the exterior of the Hangar, excluding any damage caused by Tenant, its agents, servants, employees, invitees, and licensees, and anyone else in or around the Hangar at the invitation of, or with the express or implied consent of, Tenant.

8. **ALTERATIONS.** Tenant shall not make any alterations or improvements of any kind to the Hangar, or install any equipment in or on the Hangar, without the prior, written approval of Landlord.

9. **INSPECTIONS.** At any time during normal business hours, Landlord and the local fire marshal shall have full right and access to inspect the Hangar to determine compliance with applicable codes and the terms of this Agreement.

10. **INSURANCE; LOSS OR DAMAGE.** Landlord shall not be responsible for any loss or damage suffered by Tenant or anyone else in the Hangar or within the curtilage of the Hangar, due to death, personal injury, or theft of or damage to property, including any such loss or damage attributable in whole or in part to the negligence of Landlord. Tenant shall indemnify Landlord and hold it harmless against any claim or cause of action, loss or damage, asserted against or suffered by Landlord, due to any death, personal injury, theft or damage to property, in the Hangar or its curtilage, including any such loss or damage, claim or cause of action attributable in whole or in part to the negligence of Landlord, together with all court costs and attorneys' fee incurred in connection therewith.

Tenant shall procure and keep in force insurance of the following types:

- A. Public liability insurance with limits of not less than \$500,000.00 CSL, covering claims for death, personal injury or damage to property, with Landlord named as an additional insured, and with a waiver of subrogation in favor of Landlord. The original of each such policy of insurance, or a complete duplicate, shall be delivered to Landlord by Tenant prior to occupancy of the premises by Tenant, together with evidence that the premiums have been paid. Each policy shall contain a provision that it may not be canceled for any reason without thirty (30) days prior, written notice being given to Landlord by the insurer. All policies shall be issued by insurers of recognized responsibility, which are licensed to do business in Florida, with at least an "A" rating by A.M. Best.

- B. Such insurance as Tenant deems adequate to protect Tenant against damage to or theft of Tenant's property at the Hangar, either due to fire, windstorm or other casualty, or such other causes as Tenant deems appropriate to insure against. Tenant shall bear sole responsibility for the protection of its own property and any other personal property stored at the Hangar, and Landlord shall bear no responsibility for loss of, damage to or theft of such property.

Landlord will insure the structure of the Hangar against fire and other casualties but such insurance will be for the benefit of Landlord only and Tenant shall not be entitled to share in any proceeds of that insurance for any reason.

11. ASSIGNMENT OR SUBLETTING. Tenant may not assign this Agreement or sublet any portion of the Hangar, without the prior, written consent of Landlord, which may be granted or withheld by Landlord in its sole and unfettered discretion. Tenant may not assign, hypothecate or pledge Tenant's interests under this Agreement as security for any loan or debt. If Tenant is not a natural person, any transfer of a legal or beneficial interest in Tenant shall constitute an assignment for purposes of this Agreement, including but not limited to any consensual transfer and any transfer by devise, intestacy, or otherwise by operation of law.

12. ACCESS. Tenant, on a nonexclusive basis, in common with the public and other tenants and users of the Leesburg Municipal Airport, and in compliance with applicable laws, rules and regulations, shall have the right to pass over and across all roadways, runways, taxiways, and other such facilities and improvements at the Airport, to obtain vehicular and Aircraft access to the Hangar.

13. COMPLIANCE WITH LAWS. In all aspects of the use and occupancy of the Hangar, Tenant shall comply in full with all applicable laws, rules and regulations. Tenant shall indemnify Landlord and hold Landlord harmless against all loss or damage, claims or causes of action arising out of, or resulting in any way from, any violation by Tenant or anyone at the Hangar with the express or implied permission of Tenant, of any applicable laws, rules or regulations now in effect or hereafter promulgated or amended.

14. DEFAULT. If Tenant fails to pay any rent or other charges due Landlord hereunder, and such failure continues for more than three days after written notice to Tenant of the default, Landlord shall have the right to terminate this Agreement. If Tenant fails to observe or comply with any term, condition or covenant of this Agreement other than those pertaining to payment of rent, and such failure continues for more than seven days after written notice to Tenant of the default, Landlord shall have the right to terminate this Agreement. It shall not constitute a defense to termination of this Agreement that the written notice of default is not in any particular form, that it demands payment of amounts due hereunder other than pure rent, or that it demands compliance with both monetary and nonmonetary obligations of Tenant within a single notice.

If this Agreement is terminated due to the default of Tenant, and Tenant fails to surrender possession of the Hangar to Landlord within the time specified in the written notice of default, Landlord shall have the right to file an action to recover possession of the Hangar, and at the same time seek recovery of damages for any amounts due Landlord hereunder. Any amounts not paid when due hereunder shall bear interest at the rate of 18% per year until paid in full. In the

event of a default by Tenant, Landlord shall have the right to recover its reasonable attorneys' fees incurred due to the default whether or not a legal action is filed, and if a legal action is filed, Landlord shall also be entitled to recover its court costs. Landlord shall be entitled to recover double the amount of normal rent for any period during which Tenant holds over after the lawful termination of this Agreement.

Notwithstanding the notice provisions set forth above, if Tenant has been given notice of any breach or default hereunder, and cures that breach or default within the time allowed so as to avoid termination of this Agreement, and the same type of breach or default occurs again within one year of the first notice, Landlord may terminate this Agreement without further notice based on the recurrence of the same type of default, and in that event Tenant shall not be entitled to an opportunity to cure. Landlord may in its discretion give notice and an opportunity to cure for such repeat defaults, and shall not thereby waive its right to terminate without notice for any other repeat default or the recurrence of the same default again.

15. NATURE OF AGREEMENT; VENUE. This Agreement sets forth the entire understanding of the parties with regard to its subject matter. It supersedes and takes precedence over any and all prior negotiations, representations and agreements, oral or written, all of which are deemed to have merged into this Agreement and to have been extinguished except to the extent specifically set forth herein. This Agreement may not be amended orally, by implication, by course of conduct, or in any other manner whatsoever than by way of a written instrument signed by both parties hereto or their lawful successors. This Agreement shall be construed in accordance with the laws of Florida and venue for any action or proceeding arising out of this Agreement shall be in Lake County, Florida. This Agreement shall be binding on the parties hereto, as well as on their lawful successors and assigns. Each party represents for the benefit of the other that it has not entered into this Agreement in reliance on, or on the basis of, any promise, negotiation, representation, undertaking or agreement of the other party, oral or written, which is not specifically set forth within this Agreement. Landlord shall not be deemed to have waived any right or remedy hereunder by virtue of failure to insist on strict performance of this Agreement by Tenant or failure to exercise any right or remedy at each time it becomes possible to do so.

16. NOTICE. Notices hereunder shall be given in writing and shall be hand delivered, sent by U.S. Mail, certified with return receipt requested, properly addressed with all postage prepaid, or sent by UPS, Federal Express or other overnight courier service. Notice delivered by hand shall be effective upon delivery. Notice sent by certified mail shall be effective on the third business day after it is posted, regardless of whether it is actually received. Notice sent by overnight courier service shall be effective on the next business day after it is placed in the hands of the courier service, properly addressed, regardless of whether it is actually received. Notices shall be given to the following addresses, or in such other manner as either party may direct the other in writing hereafter:

TO THE LANDLORD:
City of Leesburg
Attention: City Manager
Post Office Box 490630
Leesburg, FL 34749-0630

TO THE TENANT:
Mr. BRIAN SAPP
8806 AIRPORT BL vcl.
Leesburg, FL 34788

With copy to:
City Attorney
Post Office Box 491357
Leesburg, Florida 34749-1357

17. RULES AND REGULATIONS. Landlord has certain rules and regulations applicable to the operation of the Leesburg Municipal Airport. Tenant agrees to abide by those rules and regulations now in effect or as hereafter promulgated or amended.

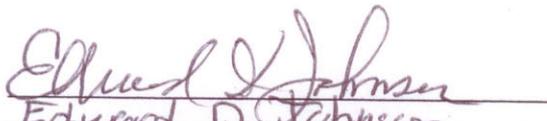
IN WITNESS WHEREOF, the parties have executed this Agreement.

THE CITY OF LEESBURG, FLORIDA

BY: _____
~~CITY MANAGER~~ Mayor

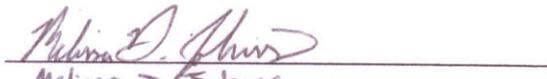
WITNESSES (two required)

TENANT:



Edward D. Johnson
(type or print name of witness)





Melissa D. Schuss
(type or print name of witness)

City Clerk

City Attorney