

LEASE AGREEMENT

THIS INSTRUMENT, made and entered into the _____ day of _____, 2014, by and between the **CITY OF LEESBURG**, a Florida Municipal corporation, hereinafter called the Lessor, and **BHI PROPERTIES OF CENTRAL FLORIDA, LLC.**, hereinafter called the Lessee,

WITNESSETH:

Lessor owns and operates the Leesburg International Airport (the "Airport"). Lessee desires to rent space at the Airport for the purposes expressed below, and Lessor has consented to lease space to Lessee under the terms and conditions of this document.

NOW THEREFORE, for and in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **PROPERTY AND TERM.** The real property which shall be subject to this Lease is located at 8846, 8850, and 8858 Airport Blvd. Leesburg, FL 34788, and is specifically described on Exhibit "A" attached hereto, consisting of two pages, the first a textual legal description, the second a sketch of the area described. All three properties listed above will be described henceforth, for purposes of this Lease, as 8850 Airport Boulevard. The size of the property is 130,949.993 square feet, as shown on Page 1 of Exhibit "A" attached. The term of this Lease shall commence on the first day of the first calendar month following the date on which this Lease is approved by the Leesburg City Commission and signed by the Mayor, and will end at midnight on the last day of the calendar month which is thirty (30) years after the date the term commences. The parties agree to enter into a Memorandum of Lease to be recorded in the Public Records of Lake County, Florida, to document the date the term actually commences.

In addition to the land described on Exhibit "A" attached, tie down spaces 35, 36, 37, 38, 39, 40, 41, 42, 43 and 44 are assigned to Lessee, which shall pay tie down rent to Lessor

commencing June 1, 2023, at the per – space rate established and adjusted from time to time by Resolution of the Leesburg City Commission for the Airport at large. These tie down spaces are to be used only for Lessee’s own operational use and shall not be rented or subleased to the public.

If Lessee is not in default under any term, condition or covenant of this Lease or any other agreement between Lessor and Lessee, then Lessee may at the end of the original term obtain a new lease for a term of twenty (20) years, upon substantially the same terms as this Lease, at the then – prevailing improved land rates at the Airport, approval of which shall not be unreasonably withheld by Lessor.

2. RENT. Rent during the term shall be paid monthly in advance, beginning as of the date the term commences. Rent during the first two years of the initial term shall be \$0.15 per square foot annually, yielding a rental amount of \$1,636.87 per month, *plus* all applicable sales tax. Every two years, on the anniversary date of the day on which payment of rent commences, rent will be adjusted as provided below. Each installment of Rent is payable in advance, on the first day of each calendar month, and shall be paid at City Hall, 501 West Meadow Street, Leesburg, Florida 34748, or in such other manner as Lessor may, from time to time, direct by written notice to Lessee.

Time is of the essence of this contract, and in particular Lessee acknowledges and agrees that it is responsible for paying the Rent promptly on the 1st day of each month, and that failure to do so within 10 days of the due date will constitute a default under this lease and entitle Lessor, after first giving three days written notice of default to Lessee, to pursue any remedy allowed by law or under this lease for a default. If at any time a check given by Lessee to Lessor is returned unpaid, thereafter Lessor may require all future payments under this lease to be made in cash or by cashier's check.

Any installment of Rent or any other charge accruing under the provisions of this Lease that is not paid within ten days of when it first falls due shall bear interest at the rate of 1.0% per month (12% per annum) from the date when the same was payable by the terms hereof, until the same is paid by Lessee.

On the date specified above, and on the same day of each two year period thereafter, the rent due hereunder shall be increased in an amount determined by multiplying the annual rent charged during the immediately preceding year of the lease term by the percentage increase in the Consumer Price Index (all Urban Consumers, U.S. City Average, 1982–84=100) published by the United States Department of Labor, over the entire immediately preceding lease year, provided however that for the first such adjustment the rent shall be increased by multiplying the rent paid during the preceding lease year by percentage increase in the Consumer Price Index since the commencement of the term. There shall be no downward adjustments in rent nor shall the CPI exceed 3 percent in any year. The CPI is capped at 3 percent annually. If the Consumer Price Index is discontinued, then rental adjustments shall be computed by a comparable or replacement index measuring annual increases in the cost of living. There shall be no downward adjustment using the replacement index and no increase exceeding 3 percent annually.

If Lessee remains in possession following the end of the term of this Lease, without having entered into a new lease, such possession shall be on a month to month basis at the rental amount established from time to time by Lessor, based on prevailing rates in effect for similar improved airport hangar space at that time, with title to all improvements having vested in Lessor at the end of the term as set forth hereafter.

3. USE. Lessee shall use the premises for operation, sales and service of helicopters and other aircraft, including aircraft maintenance and modification, avionics installations and repairs, interior refurbishment, modification and fabrication, painting, parts sales, propeller

overhauls and repairs, component overhauls and repairs, sales and brokering, training, pilot and aircraft supplies, subject to full compliance with all applicable laws and regulations, tie – down of aircraft being serviced at the facility, and sales and installation of aircraft parts and components, and no other use shall be made of the premises without the prior, written permission of the Lessor. Lessee shall make no unlawful or offensive use of the premises, nor shall any commercial or industrial use be made thereof, nor shall any activity be carried on at the premises which constitutes a nuisance to surrounding property. This facility may only be used for aircraft repair or maintenance after, and for so long as, all requirements imposed by the Fire Marshall have been met, an oil separator has been installed in accordance with the requirements of the City of Leesburg Environmental Services Department, and all measures required by law for aircraft painting have been implemented. Also, fuel may be stored at, or dispensed from, the appropriate tanker trucks, trailers, and properly approved containers on the premises as allowed by the FAA/FDOT. Storage and dispensing of fuel must comply with the Minimum Standards of the Airport as amended from time to time, including but not limited to payment of the fuel flowage fees imposed by the Minimum Standards.

Except as necessary in conjunction with its permitted activities listed above, Lessee shall not allow the production, use, handling or storage, of dangerous or toxic chemicals or substances (other than aircraft fuel and lubricants, solvents, and other ancillary chemicals commonly utilized in aircraft operation and maintenance, while stored within the tanks or containers designed for such storage aboard the aircraft itself or in the containers in which such substances are obtained from the manufacturers thereof, or in containers approved for such use), machines or equipment causing excessive noise or dust particles or anything else of any nature whatsoever which would be injurious to the building or property in the reasonable opinion of Lessor. Lessee shall indemnify Lessor against all claims for damages or other relief, plus attorney's fees and costs, due to any

production, use, handling, storage, or disposal of any hazardous or toxic wastes or substances by Lessee whatsoever, as such may be defined from time to time by any local, State or Federal agency, at the premises, excepting only claims based on conditions which existed on the property prior to the execution of this Lease. Lessee shall be responsible for the acts and behavior of its officers and employees, licensees, invitees, agents, clients, customers and anyone else on Lessee's premises, with respect to the handling, storage, transportation, use, disposal and discharge of petroleum and other toxic or hazardous substances..

No outside storage of parts, or inventory or other items shall be permitted, provided however this shall not bar Lessee from storing customer aircraft outside in tie – down spaces equipped for that purpose, or storing ground support equipment outside if kept in a clean and orderly fashion, so long as it does not obstruct public areas. All storage shall be in a fully enclosed structure.

4. INGRESS AND EGRESS. The Lessee, its employees, guests, invitees, and suppliers of materials and services shall have the nonexclusive right of ingress and egress to the premises over roadways established from time to time by Lessor, in common with other tenants at the Leesburg International Airport, and subject to all security measures now in force or hereafter enacted by the Lessor, for the purpose of permitting Lessee to enjoy the rights, uses and privileges granted by the Lessor hereunder, together with the right to joint use of the ramps, runways, taxiways, and other facilities provided for aircraft and the public at the airport.

5. UTILITIES. All utilities serving the premises, including but not limited to electricity, water, refuse and garbage service, sewage disposal and pollution abatement charges, telephone and other telecommunications, cable or satellite television service, connection and impact fees (of any type or purpose, including but not limited to water and sewer, roadways, police and fire protection, public schools, parks and recreation or otherwise) and janitorial service shall

be secured and paid for by Lessee, who shall hold Lessor harmless from any loss or damage, including attorney's fees, arising out of failure by Lessee to pay all utility charges when due. Lessee shall also bear all expenses connected with extending any utilities from their current locations to the premises so as to provide service, including but not limited to installation of mains and service lines, any necessary pumping or lift stations, and other necessary infrastructure whether on or off the premises.

6. TAXES. Lessee shall pay all sales taxes due on the rent under this lease, and all personal property taxes assessed against Lessee's property kept at the premises, together with any ad valorem or intangible personal property taxes assessed against this leasehold interest. Lessor is a tax exempt entity, therefore if any taxes or assessments are levied against Lessor by reason of this Lease or Lessee's occupancy of the premises, Lessee shall pay all such taxes when due, except that as to real property taxes only, Lessee shall pay such taxes in monthly installments, in addition to and along with the rent due hereunder. Beginning with payment of the first installment of rent under this Lease, and for every month of the term thereafter, in addition to each monthly installment of rent, Lessee shall pay an installment of real property taxes to be calculated by dividing the actual taxes due for the immediately preceding tax year by 12. When the actual tax bill for the calendar year arrives, an adjustment will be made so that by the end of that calendar year, Lessee will have paid the amount of taxes actually due for that calendar year. If the taxes for the year exceed the total of the 12 installments to be paid by Lessee based on the prior year's taxes (or, in the first year of this Lease, the actual number of installments paid), Lessee will remit the difference to Lessor with the December installment of rent. If the total of the installments Lessee will have paid in a calendar year exceeds the taxes due for that year, Lessor will refund the difference to Lessee by the end of the calendar year.

7. INSURANCE. Lessee shall at its expense insure the property and all improvements thereon against damage by fire and other casualties, with Lessor shown as the beneficiary of such policy. In the event of a covered loss, the proceeds payable under this policy shall be utilized to repair and restore the improvements on the property if Lessee is obligated, or elects, to repair and restore under the provisions of Paragraph 17 of this Lease. If Lessee has the option under Paragraph 17 to elect not to repair the damage and instead terminate this Lease, and chooses that option, the proceeds from the policy shall be applied first to payment of any loan secured by the improvements or an assignment of this Lease, with the remainder paid over to Lessor to be utilized to repair and restore, or to demolish and remove, the improvements, at Lessor's option. Lessee is responsible for insuring its own personal property on the premises, along with the property of Lessee's patrons which may from time to time be stored at the premises. Also, Lessee shall at its expense procure, and maintain in force throughout the term, personal injury and public liability insurance in the amount of \$4,000,000.00 as a single limits policy including both death or personal injury, and property damage coverage, showing Lessor as a named insured, as well as completed operations coverage of not less than \$2,000,000.00 showing Lessor as an additional insured. Proof of such insurance shall be provided to Lessor no later than the commencement of the term and upon request by Lessor thereafter for the balance of the term. If the improvements on the property are damaged by fire, windstorm or other casualty, Lessor agrees that it will permit Lessee to utilize the proceeds of the insurance policy to rebuild or repair the improvements, provided that if and to the extent the cost of repairs exceeds the available insurance proceeds, Lessee shall pay any additional costs.

8. MAINTENANCE. Lessee shall maintain any structures or other improvements on the premises, and the open space and grounds surrounding the structures, so that they are at all times safe for their intended uses and habitations, and so that they are clean and aesthetically pleasing and do not become an eyesore and are compatible with the conditions existing elsewhere

on the airport. Lessee shall maintain both the interior and exterior of all structures in such a manner that at the end of the term, the structures shall be surrendered to Lessor in good and serviceable condition, without any damage or wear other than and ordinary wear and tear a reasonable person would expect to occur over the life of the Lease term. Lessee shall also maintain the lawn and landscaping on the leased premises. If Lessee fails to maintain the structures and grounds properly, Lessor may give written notice of deficiencies to Lessee, specifying a time within which repairs or other corrections are to be made, and if Lessee fails to act within the time specified, Lessor may make all repairs or do other work it deems necessary to alleviate Lessee's failure to maintain, and charge the cost thereof to Lessee as additional rent hereunder, to be payable immediately upon demand.

9. FIRE EQUIPMENT. Lessee shall provide and maintain, at Lessee's sole expense, approved fire protection devices adequate for each room of leased premises in accordance with any FAA, State of Florida and City of Leesburg fire safety codes and requirements. Proof of said compliance and regular inspections shall be provided to Lessor at least annually.

10. ENTRY AND INSPECTION. At any reasonable time, with notice to Lessee at least 24 hours prior to inspection, Lessor may enter the leased premises personally or through a designated agent and conduct an inspection to determine if Lessee is complying with the terms of this lease. If such inspection reveals deficiencies, Lessor may, but shall not be obligated to, make such repairs, or take any other action, as may be necessary to bring Lessee into compliance, and recover the costs thereof either from the deposit, or from Lessee, in which case the costs shall be considered additional rent due immediately from Lessee; failure by Lessee to pay these sums shall be grounds for termination of this lease.

Lessor may show the premises to prospective purchasers and Mortgagees, and during the 90 days prior to termination of this lease, to prospective tenants, during business hours on reasonable notice to Lessee.

11. **ADDITIONAL RENT.** All taxes, costs, charges, and expenses which Lessee is required by this Lease to pay, together with all interest and penalties thereon which may accrue in the event Lessee fails to pay such amounts, and all damages, costs and expenses (including attorney's fees) which Lessor may incur by reason of any failure by Lessee to comply with the terms of this Lease, shall be deemed to be additional rent, and in the event of nonpayment thereof by Lessee, the Lessor shall have the same rights and remedies with respect thereto as Lessor may have, at law, in equity, or under this lease, for nonpayment of the rent itself.

12. **ALTERATIONS AND IMPROVEMENTS.** No alterations or improvements to the premises shall be made by Lessee, nor shall any signs be erected, unless Lessor has reviewed the plans and specifications and given its written consent before commencement of any such work. Lessor may require Lessee to remove any unauthorized signs, alterations, or improvements, and to return the premises to their original condition, and if Lessee fails or refuses to do so then Lessor may have the necessary work done and assess the cost against Lessee, to be paid immediately upon demand. All work must conform to applicable codes and be performed by licensed and bonded contractors, and all required building permits, as well as statutory performance and payment bonds in forms compliant with the requirements of §255.05, Fla. Stat. (2012) as amended, shall be secured. At the end of the term, including term extensions, or upon any earlier termination of this lease, all alterations and improvements on the premises, not including trade fixtures, shall become the property of Lessor and shall not be removed by Lessee, unless prior to termination or within 5 days thereafter Lessor directs removal of any such improvements, in which case lessee shall at its

expense remove those improvements specified within 15 days after termination and return the premises to their original condition.

13. LIENS. The Lessee shall not have the power or authority to subject the Lessor's interest in the premises to mechanics', laborers' or materialmen's liens of any kind against Lessor's interest during this Lease. If such a lien is filed, Lessee shall cause the premises to be released therefrom within five (5) days of written demand by Lessor, either by payment in full, or by posting of bond which by law releases Lessor's interest from the legal effect of such lien. Prior to commencing work, Lessee shall obtain from any contractor, subcontractor, laborer or materialmen performing work or providing materials for the premises, a waiver of lien whereby such person specifies that he or she will not impose any lien or claim against the real property of Lessor by reason of the work done or materials provided. Any such work shall be done only under written contracts which meet all requirements of this Lease.

14. REPRESENTATIONS OF LESSOR. In order to induce Lessee to enter into this lease, the Lessor has made the following representations and no others:

A. Lessor has good title to the premises, and the right to enter into this Lease without the joinder or consent of any other person or entity;

B. So long as Lessee performs all the covenants and agreements of this lease, Lessee shall have quiet and undisturbed possession of the premises.

15. REPRESENTATIONS OF LESSEE. In order to induce Lessor to enter into this Lease, the Lessee has made the following representations, and no others:

A. Lessee has inspected the premises and found them to be fit for its intended purposes, and is not relying on any representation or warranty made by or on behalf of Lessor related to the physical condition (above ground or subsurface) of the premises or their suitability for Lessee's intended purposes, other than those representations and warranties set forth expressly in this Lease.

B. Lessee has assured itself that the zoning of the premises will permit the intended use, will not violate any zoning or land use rules during occupancy, and will obtain and keep in force all licenses and permits required for the operation of Lessee's business at the premises. Lessee understands and acknowledges that by entering into this Lease, the Lessor is not committing to approve any aspect of the proposed development of the premises or to issue any permits for such work unless the plans and specifications comply with applicable regulations, or to do any other act, which requires public hearings or approval by the City Commission or other agency or body of the Lessor such as the Planning Commission. All decisions regarding zoning, land use, permitting, and other such approvals must be made by the public body or public official having jurisdiction over such decision under applicable law, and in accordance with all public hearing and participation requirements now or hereinafter in effect, and Lessor does not waive its police powers to any extent whatsoever by entering into this Lease.

C. Lessee is acting solely on its own behalf, and not on behalf of any third party or undisclosed principal whomsoever.

D. Lessee will perform and abide by each and every term, covenant and agreement of this lease, and will comply fully with all laws, rules and regulations now in force or hereafter enacted pertaining to any aspect of Lessee's business operations or other activities on the leased premises.

E. EXCEPT FOR THE ITEMS SET FORTH SPECIFICALLY IN THIS LEASE, ALL WARRANTIES OF ANY NATURE CONCERNING THE PREMISES, EITHER ORAL OR WRITTEN, EXPRESSED OR IMPLIED, ARE WAIVED BY LESSEE. LESSEE UNDERSTANDS AND AGREES THAT LESSOR DOES NOT WARRANT THE CONDITION OF ANY IMPROVEMENTS ON THE PROPERTY, THEIR HABITABILITY OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE, AND THAT

ALL SUCH WARRANTIES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, ARE HEREBY WAIVED BY LESSEE AND DISCLAIMED BY LESSOR.

F. If Lessee is not a natural person, then Lessee warrants that it is duly formed and validly existing under state law and local ordinances, and that all things required by law or by Lessee's governing documents, necessary to the execution of this lease have been accomplished, and the person signing this lease is authorized to bind Lessee.

16. INDEMNITY. Lessee will indemnify Lessor, and hold Lessor harmless, from and against all claims, debts, demands, or obligations which may be made against Lessor, or Lessor's interest in the premises, excepting only those matters which are the direct and proximate result of the gross negligence or deliberate acts of Lessor, its agents, servants or employees, arising out of or in any way connected with Lessee's use and occupation of the premises. If it becomes necessary for Lessor to defend any action against it, seeking to impose such liability, Lessee will pay not only any judgment entered against Lessor in such proceeding, but also all costs and attorney's fees incurred by Lessor in its defense of the proceeding.

17. DAMAGE BY LESSEE OR BY FIRE AND CASUALTY. In the event the premises are damaged by fire or other casualty, and the cost of repair exceeds 25% of the fair market value of the improvements, Lessee may elect to repair the damage within a reasonable time, and the rent due hereunder shall abate until repairs are completed, by the proportion by which the damage prevents Lessee's use of the premises, or in the alternative Lessee may at its sole option elect to terminate this Lease. If Lessee elects to terminate this Lease rather than repair the premises, any insurance proceeds payable due to a fire or other casualty shall be used to demolish and remove any remaining structure on the premises and the remainder of the proceeds shall be the sole possession of the Lessee. If the damage does not exceed 25% of the fair market value of the

improvements, Lessee shall be obligated to repair the damage and shall have no right to terminate this Lease.

18. **BANKRUPTCY.** This lease shall be terminated immediately, without notice to Lessee, in the event Lessee or any surety of Lessee on this lease become bankrupt, or files any proceedings as debtor, or takes or has taken against it any action or proceeding in bankruptcy or insolvency, or for reorganization or appointment of a trustee of all or a portion of Lessee's or the surety's property; or if Lessee or any surety makes an assignment for the benefit of creditors.

19. **NO WAIVER.** No failure by Lessor to exercise any remedy available to it in the event of a breach of this lease by Lessee shall be deemed a waiver of any subsequent breach, whether of the same or a different provision of this lease, nor shall it be considered a justification of any subsequent breach by Lessee. Acceptance of rent by Lessor at any time when Lessee is in default, including but not limited to acceptance of a partial payment of rent for a given month or months, shall not be construed as a waiver of such default, or of Lessor's right to terminate this lease on account of such default, nor shall any waiver or indulgence granted by Lessor to Lessee be taken as an estoppel against Lessor, it being expressly understood that if Lessee is in default and Lessor accepts rent during the continuance of such default or fails promptly to avail itself of its remedies for such default, this shall not constitute a waiver of such default, but Lessor may at any time, if such default continues, terminate this lease on account thereof.

20. **DEFAULT.** In the event of a default by Lessee, other than a failure to pay rent or additional rent, which default continues longer than five (15) days after the giving of written notice to Lessee by Lessor demanding that the default be cured, Lessor may terminate this lease and resume possession of the premises immediately, and recover from Lessee liquidated damages as specified below, or at its option Lessor may take such action and expend such sums as may be necessary to cure the default, and recover the cost to cure from the deposit or charge it to Lessee

as additional rent. If the default is not reasonably susceptible to being cured within fifteen days, Lessee shall have a reasonable time to effectuate a cure, not to exceed 45 days.

Should Lessee fail to pay any rent or additional rent hereunder, and if such rent is not paid along with any interest, penalties and late charges, within 10 days after written notice given by Lessor to Lessee, then Lessor may retake possession of the premises immediately, and recover from Lessee the present value of the rent to have been paid by Lessee over the following ten years of the term, computed using a discount rate of 6%, or at its option Lessor may elect to sue for each installment of rent as it falls due. In the event Lessor elects to recover the present value of future rents, the rent for the remainder of the term shall be considered accelerated and due immediately upon notice being given to Lessee. Once Lessor has retaken possession (or if Lessee refuses to surrender possession, once Lessor has given Lessee written notice of termination) this lease shall be terminated and Lessee shall have no right to reinstate this lease, whether by payment of the arrearages or otherwise.

Upon termination of this lease, Lessee shall surrender the premises peaceably to Lessor immediately, and if Lessee fails to do so it shall be deemed guilty of unlawful detainer of the premises and be subject to remedies provided for that violation. This lease shall be considered terminated immediately upon the giving to Lessee by Lessor of written notice of termination. Liquidated damages of \$75.00 per day shall be paid by Lessee for each day or portion thereof that Lessee fails to surrender possession of the premises to Lessor in accordance with this lease, after termination or expiration hereof.

In any event, in addition to recovery of possession and liquidated damages, Lessor shall also recover all additional rent, special damages, costs and attorney's fees incurred by it as a result of the default by Lessee. Lessee agrees that it would be impossible to compute the general damages suffered by Lessor should Lessee default, that it is therefore proper to provide for liquidated

damages, and that the amount of liquidated damages set forth herein is reasonable and does not constitute a penalty or forfeiture.

21. REMEDIES CUMULATIVE. Lessor's remedies under this lease are cumulative, and no one remedy shall be exclusive, in law or equity, of any other rights which Lessor may have, and the exercise of one right or remedy shall not impair Lessor's standing to exercise any other right or remedy.

22. ARREARAGES. Any amount of money to be paid to Lessor by Lessee under this lease, which is not paid within 10 days of the date when it first falls due, shall bear interest at the highest rate allowed by law until paid in full. Lessor, at its sole option, may elect to apply any payment by Lessee either to amounts most recently due, to amounts farthest in arrears, or to interest due on the arrearages.

23. ASSIGNMENT. This lease may not be assigned by Lessee, nor may Lessee sublet the premises either in whole or in part, without prior written permission from Lessor, which may not be withheld unreasonably so long as no default exists hereunder, provided that no change in use is made and the assignment will not violate any other agreements by Lessor. Lessor shall not be required to consent to any sublease or assignment whatsoever as long as any default by Lessee remains in existence. Approval by Lessor of any assignment shall require the assent of the Airport Manager, the Airport Advisory Board, and the City Commission.

If this lease is assigned to any person or entity pursuant to the provision of Title 11, U.S.C. (the Bankruptcy Code), any and all consideration payable or otherwise to be delivered in connection with any such assignment shall be paid and delivered to Lessor, to be and remain the exclusive property of Lessor and shall not constitute property of the Lessee or of the estate of Lessee within the meaning of the Bankruptcy Code. Any such consideration not paid or delivered to Lessor as provided above shall be held in trust by the recipient for the benefit of Lessor and shall

be promptly paid and delivered to Lessor. Any assignee under the Bankruptcy Code shall be deemed, by having received such assignment and without further act or deed, to have assumed all of the obligations of Lessee arising under this lease, from and after the date of such assignment. Upon demand by Lessor, any such assignee shall execute and deliver to Lessor an instrument confirming such assumption.

If Lessee or any assignee or sublessee is not a natural person, the following shall be deemed to be assignments requiring the written consent of Lessor as a condition to continued occupancy of the premises hereunder:

a. Sale of more than 49% of the shares of a corporate Lessee which are issued and outstanding on the commencement date of this lease;

b. Issuance by a corporate lessee of additional shares which results in the shares issued and outstanding on the commencement date of this lease being reduced, after the new issue, to less than 51% of the then outstanding and issued shares;

c. Any other action by a corporate lessee, or its shareholders, the result of which is to reduce the percentage of shares owned by those shareholders existing as of the date of this lease to less than 51%;

d. Any change in the partners of a lessee which is a general partnership;

e. Any change in general partners of a limited partnership lessee or any reduction in the percentage of ownership in the partnership by any general partner, or any change in the membership or control of a limited liability company which is a lessee hereunder, or other change in the equity ownership structure of any entity not specifically listed herein, the result of which is the transfer of more than 49% of the equity interest in such entity to persons who were not equity owners in the entity at the time this Lease was executed.

24. MEMORANDUM. Lessor may, at its option, record a memorandum of this lease in the Public Records of Lake County, Florida, so as to alert third parties of the nature and duration of Lessee's interests in the premises.

25. ESTOPPEL CERTIFICATE. At any time, upon request by Lessor, the Lessee agrees to execute a certificate stating:

A. That no default exists at the time on the part of Lessor, or setting forth the nature of the default if one does exist;

B. The termination date of this Lease, the rent being paid, and other basic details of the Lease;

26. RELATIONSHIP OF PARTIES. Nothing in this Lease shall be deemed to create a relationship of partnership, principal and agent, or any other relationship between the parties other than landlord and tenant. Lessee agrees that it shall not challenge the fee title of Lessor in the premises or claim any interest superior thereto.

27. COSTS AND FEES. In the event it is necessary for Lessor to employ counsel to enforce the obligations of Lessee hereunder, the Lessee shall reimburse Lessor for reasonable attorney's fees so incurred, whether or not suit is filed; and if a legal action is commenced by either party, then at the conclusion of such action the prevailing party shall be entitled to recover its reasonable costs and attorneys fees, in addition to any other relief granted.

28. GOVERNING LAW. This lease shall be applied and construed in accordance with the Laws of Florida. Venue for any action hereunder shall be in Lake County, Florida. The courts of the State of Florida shall have jurisdiction to hear and decide any and all disputes which arise under this lease.

29. NOTICES. Any notice required by this lease shall be in writing and shall be either delivered in person, sent by overnight courier such as United Parcel Service or Federal Express, or

mailed by United States Mail, certified with return receipt requested and all postage charges prepaid. Except where receipt is specifically required in this lease, any notice mailed in accordance with these standards to the proper address as set forth below shall be deemed to be effective three days after the date of postmark; notices delivered in person shall be effective upon delivery; and notices sent by overnight courier shall be effective as of the next business day after being placed into the hands of the courier service, properly addressed; and any time period shall begin running as of that date, whether or not the notice is actually received. Notices shall be given in the following manner, or in such other manner as may be directed by either party, in writing, from time to time:

- A. To Lessor: at the address given for payment of rent.
- B. To Lessee at the leased premises.

30. CONSTRUCTION. Any word in this lease shall be read as either singular or plural, and as either masculine, feminine or neuter gender as the context may require. Captions are included for convenience only, and shall not be construed to limit, expand, or otherwise modify the text of this lease in any manner.

31. NATURE OF AGREEMENT. This lease sets forth the entire agreement of the parties; it takes precedence over all prior representations, negotiations and agreements, whether oral or written, which are deemed to have merged into this lease and to have been extinguished to the extent not set forth specifically herein. The execution of this lease has not been induced by either party by any representations, promises or understandings not expressed herein, and there are no collateral agreements, promises or undertakings whatsoever in any way touching on the subject matter of this lease which are not expressly contained herein. This lease may not be amended in any manner whatsoever, other than by written instrument signed by all parties hereto, including Guarantors.

32. **BINDING EFFECT.** This lease shall be binding on, and inure to the benefit of, not only Lessor and Lessee, but also their respective successors and assigns.

33. **CONDEMNATION.** In the event all or any portion of the building or property is taken by eminent domain, or is conveyed under threat of such proceedings, all compensation resulting therefrom shall be allocated between Lessor and Lessee in accordance with this Paragraph. Lessor shall receive all compensation awarded for the land itself. Compensation for improvements in a partial taking may be paid to Lessee at Lessee's request, but for the sole purpose of repairing and restoring the improvements. Compensation paid for a total taking, or for a partial taking in which Lessee does not request the funds for restoration of the premises, shall be divided between Lessor and Lessee, with Lessee to receive that portion of the fair market value of the improvements as determined by the jury, which is computed by multiplying that fair market value by a fraction, the numerator of which is the number of years remaining in the original 30 year term of this Lease (excluding extensions) and the denominator of which is 30. Lessor shall receive the balance of the proceeds attributable to the improvements. Lessee and Lessor shall execute any documentation required to achieve this result. In the event of a total taking, this lease shall terminate. In the event of a partial taking, Lessor may elect either to terminate this lease or to repair and restore the remaining portion of the premises at its own expense, and keep this lease in force.

34. **SEVERABILITY.** If any provision hereof is declared invalid or unenforceable, it shall be severed herefrom and the remainder of the lease shall continue in full force as if executed originally without the invalid portion.

35. **RULES AND REGULATIONS.**

(a) The Lessor has appointed a manager for the Leesburg Municipal Airport, and the Lessor reserves the right for the said manager or his duly authorized agent to enter the premises

during business hours for the purpose of performing inspections considered necessary by the manager, and the Lessee shall promptly correct any conditions which are reasonably considered a hazard to life or to protect property. The Lessee agrees not to have explosives, gasoline or other highly flammable materials in, on or about the premises leased; however, excluding aircraft fuel tanks and such fluids as may be used in cleaning aircraft and related parts.

(b) The Lessee covenants and agrees to observe and obey all reasonable and lawful rules and regulations which may, from time to time, during the term hereof, be adopted and promulgated by the Lessor for operations at said airport.

(c) The Lessor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property heretofore described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in said airspace for landing on, taking off from or operation on the airport.

(d) The Lessor reserves the right to take whatever action may be necessary or appropriate for the operation, maintenance and improvement of the airport and although consideration shall be made of the interest to the Lessee hereunder, Lessee shall have no vested rights to continued operation of the airport in the manner in which it is now operated, nor to continue to operate without competition.

(e) The Lessee agrees for itself, its successors and assigns, to prevent any use of the heretofore described real property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

(f) The Lessee agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the heretofore described real

property to such a height so as to comply with Federal Aviation Regulations, Part 77 or as amended by F.A.A.

(g) This lease shall be subordinate to the provisions of any existing or future agreement entered into between the City of Leesburg and the United States for the improvement or operation and maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

(h) This lease and all provisions hereof shall be subject and subordinate to all the terms and conditions of the deed under which the Lessor acquired the property known as Leesburg Municipal Airport from the United States of America, and shall be given only such effect as will not conflict or be inconsistent with such terms and conditions.

36. NON-EXCLUSIVE RIGHT PROVISION. Nothing herein contained shall be construed as granting, or authorizing the granting of, an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

37. NONDISCRIMINATION PROVISIONS.

(a) The Lessee, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

(1) No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to, discrimination in the use of said facilities;

(2) That is the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in any aspect of the process of such construction, or the awarding of bids;

(3) That the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

(b) In the event of breach of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate the lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including exercise or expiration of appeal of rights.

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

(d) Noncompliance with provision (c) above shall constitute a material breach thereof and in the event of such noncompliance the Lessor shall have the right to terminate this lease and the estate hereby created without liability therefor or at the election of the Lessor or the United States, either or both said Governments shall have the right to judicially enforce provision (c) above.

(e) Lessee agrees that it shall insert the above provisions in any lease by which said Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.

38. ADA COMPLIANCE. If during the term any alterations or improvements to the premises are required in order to comply with the Americans With Disabilities Act, such improvements shall be the responsibility of the Lessee. The Lessee shall observe and comply with all requirements of the ADA in all of its activities at the premises and shall hold the Lessor harmless from any loss or damage (including court or administrative costs and attorney's fees) arising out of any violation of ADA by Lessee in the operation of its business or any failure by Lessee to make any improvements required by the ADA in connection with the use and occupancy of the premises by Lessee.

39. RADON. Radon is a naturally occurring radioactive gas that, when it has accumulated in sufficient quantities, may present health risk 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.

40. CONDITIONS OF LEASE. Lessor has granted this Lease to Lessee based on the following conditions, which are deemed by the parties to be material to this Lease and shall be enforceable by the exercise of any remedy provided by law, including but not limited to specific performance or eviction under the process set forth in Paragraph 20 above:

A. Lessee shall install the following improvements prior to the last day of the 60th month following the date on which payment of rent commences: (i) install a paint booth; (ii) install a motorized overhead hoist within the hangar; and (iii) paint the exterior of all buildings a uniform color, to be approved in writing by Lessor prior to commencement of painting. All work must be done by licensed and insured contractors, with all required permits obtained, and must meet all applicable codes at the time the work is done.

B. Prior to the last day of the 60th month following the date on which payment of rent commences, Lessee must create at least 10 new jobs in its operations at the Airport. If 10 new jobs are not created by the deadline stated, Lessee shall within 30 days of expiration of the deadline pay to Lessor a penalty of \$5,000.00 times the difference between 10, and the number of new jobs created. Lessee shall provide, on an annual basis until all 10 jobs are created, documentation such as W – 2 forms and other employment verification, to confirm that the required number of jobs are being created.

WITNESS WHEREOF, the parties have caused their duly authorized officers to execute this Lease on the day and year first above written.

LESSOR: The City of Leesburg, Florida

BY: _____
JOHN CHRISTIAN. Mayor

APPROVED AS TO FORM:

City Attorney

Attest: _____
BETTY RICHARDSON, City Clerk

WITNESSES (two required):

LESSEE: BHI Properties of Central Florida LLC.

Type or print name of witness

BY: _____

Type or print name and corporate title

Type or print name of witness

EXHIBIT "A"

ATTACHMENT TO LEASE BY BRAINERD HELICOPTER, INC.

LEASE DATE: _____

LEGAL DESCRIPTION:

A PARCEL OF LAND LOCATED AT THE LEESBURG REGIONAL AIRPORT AND BEING A PORTION OF LOT 23 AND LOT 24, BLOCK 39 OF SILVER LAKE ESTATES, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 10, PAGES 66 THRU 69, INCLUSIVE, LYING IN SECTION 21, TOWNSHIP 19 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 21, FOR THE POINT OF COMMENCEMENT, (P.O.C.); **THENCE** RUN NORTH 89°44'41" WEST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER, (NE 1/4), OF SAID SECTION 21, A DISTANCE OF 990.30 FEET TO THE CENTERLINE OF WILCO DRIVE, HAVING A RIGHT-OF-WAY WIDTH OF 50.00 FEET; **THENCE** RUN SOUTH 32°35'57" WEST, ALONG THE CENTERLINE OF SAID WILCO DRIVE, A DISTANCE OF 15.60 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE EAST; **THENCE**, CONTINUING ALONG SAID CENTERLINE AND ALONG THE ARC OF SAID CURVE, HAVING A DELTA ANGLE OF 36°21'34", A RADIUS LENGTH OF 395.87 FEET, AN ARC LENGTH OF 251.22 FEET, A TANGENT LENGTH OF 130.00 FEET, A CHORD LENGTH OF 247.02 FEET AND A CHORD BEARING OF SOUTH 14°25'10" WEST TO THE POINT OF TANGENCY; **THENCE** RUN SOUTH 03°45'37" EAST, CONTINUING ALONG SAID CENTERLINE, A DISTANCE OF 227.82 FEET TO THE INTERSECTION OF THE CENTERLINE OF AIRPORT BOULEVARD, HAVING A RIGHT-OF-WAY WIDTH OF 50.00 FEET; **THENCE** RUN SOUTH 68°16'21" EAST, ALONG SAID CENTERLINE OF AIRPORT BOULEVARD, A DISTANCE OF 436.36 FEET; **THENCE**, DEPARTING SAID CENTERLINE, RUN SOUTH 39°47'20" WEST, ALONG A LINE THAT IS PERPENDICULAR TO THE CENTERLINE OF RUNWAY NUMBER 13-31, A DISTANCE OF 26.30 FEET, TO THE SOUTH RIGHT OF WAY LINE OF THE 50.00 FOOT WIDE RIGHT-OF-WAY OF SAID AIRPORT BOULEVARD AND THE POINT OF BEGINNING, (P.O.B.); FROM SAID POINT OF BEGINNING, **THENCE**, CONTINUE PERPENDICULAR TO SAID CENTERLINE RUNWAY, SOUTH 39°47'20" WEST, A DISTANCE OF 131.37 FEET; **THENCE** RUN SOUTH 33°11'14" EAST, A DISTANCE OF 34.19 FEET; **THENCE** RUN, PARALLEL WITH OR PERPENDICULAR TO THE AFORESAID CENTERLINE OF RUNWAY NUMBER 13-31, THE FOLLOWING EIGHT, (8), COURSES AND DISTANCES; (1) **THENCE** SOUTH 39°47'20" WEST, A DISTANCE OF 25.00 FEET; (2) **THENCE** RUN SOUTH 50°12'40" EAST, A DISTANCE OF 93.51 FEET; (3) **THENCE** SOUTH 39°47'20" WEST, A DISTANCE OF 49.14 FEET; (4) **THENCE** RUN SOUTH 50°12'40" EAST, A DISTANCE OF 34.00 FEET; (5) **THENCE** SOUTH 39°47'20" WEST, A DISTANCE OF 30.00 FEET; (6) **THENCE** RUN SOUTH 50°12'40" EAST, A DISTANCE OF 90.00 FEET; (7) **THENCE** RUN NORTH 39°47'20" EAST, A DISTANCE OF 30.00 FEET; (8) **THENCE** RUN SOUTH 50°12'40" EAST, A DISTANCE OF 323.41 FEET; **THENCE**, DEPARTING SAID PARALLEL AND PERPENDICULAR COURSES, RUN NORTH 39°27'13" EAST, A DISTANCE OF 152.86 FEET TO A CURVE CONCAVED TO THE NORTHWEST; **THENCE** RUN NORTHEASTERLY, ALONG SAID CURVE, HAVING A DELTA ANGLE OF 04°46'53", A RADIUS OF 106.15 FEET, AN ARC LENGTH OF 8.86 FEET, A TANGENT LENGTH OF 4.43 FEET, A CHORD LENGTH OF 8.86 FEET, AND A CHORD BEARING OF NORTH 37°05'34" EAST TO A NON-TANGENT LINE INTERSECTING SAID CURVE; **THENCE** RUN NORTH 50°38'22" WEST, A DISTANCE OF 170.33 FEET; **THENCE** RUN NORTH 21°39'30" EAST, A DISTANCE OF 177.04 FEET TO THE AFOREMENTIONED SOUTH LINE OF THE RIGHT-OF-WAY OF AIRPORT BOULEVARD; **THENCE** RUN NORTH 68°16'21" WEST, ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 364.87 FEET TO THE POINT OF BEGINNING, (P.O.B.).

THE ABOVE DESCRIBED PARCEL OF LAND IS LOCATED AT THE LEESBURG REGIONAL AIRPORT, CITY OF LEESBURG, LAKE COUNTY, FLORIDA AND CONTAINS AN AREA OF **130,949.993** SQUARE FEET OR **3.006** ACRES.

GENERAL NOTES

- 1: This is NOT A BOUNDARY SURVEY.
- 2: This sketch has been created for the sole purpose of graphical representation of the Legal Description on sheet 1 of 2 of this exhibit.
- 3: This sketch was prepared for the City of Leesburg and its assign's as there interests may appear. Use of this sketch by any other parties is Strictly forbidden.
- 4: Use of the sketch shown on sheet 2 for any other purpose than that stated in note (2) is the sole responsibility of the user. The City of Leesburg assumes no liability for the misuse of this information.
- 5: All information outside the labeled limits of this site is for general reference purposes only. Assumption of correctness outside of said site boundary is the liability of the user.
- 6: The Bearings, shown hereon, are relative to an assumed datum, Based on the Centerline of Runway 13-31, as Being N. 50°12'40" W.
- 7: This sketch was prepared by the City of Leesburg, Public works Department, Engineering Division, under the direction of Adrian Parker, CPM / Development Review Coordinator. for the City of Leesburg
- 8: This sketch of description contains 2 sheets in which NONE are valid without all remaining sheets.

SECTION: 21-19-25



CITY OF LEESBURG
PUBLIC WORKS DEPT.
ENGINEERING DIVISION
550 S. 14th ST. - P.O. BOX 490630
LEESBURG, FLORIDA 34749
PHONE (352) 728-9755
FAX (352) 728-9879

LEGAL DESCRIPTION

BRAINERD HELICOPTER, INC.
LEASE PROPERTY AT
LEESBURG REGIONAL AIRPORT

DATE: 04/22/2014
DRAWN: A. PARKER
CHECKED: A. PARKER
APPROVED: L. TREGGI
SCALE: N/A
FILE NO.: AP13003

SHEET
NUMBER
1
OF
2

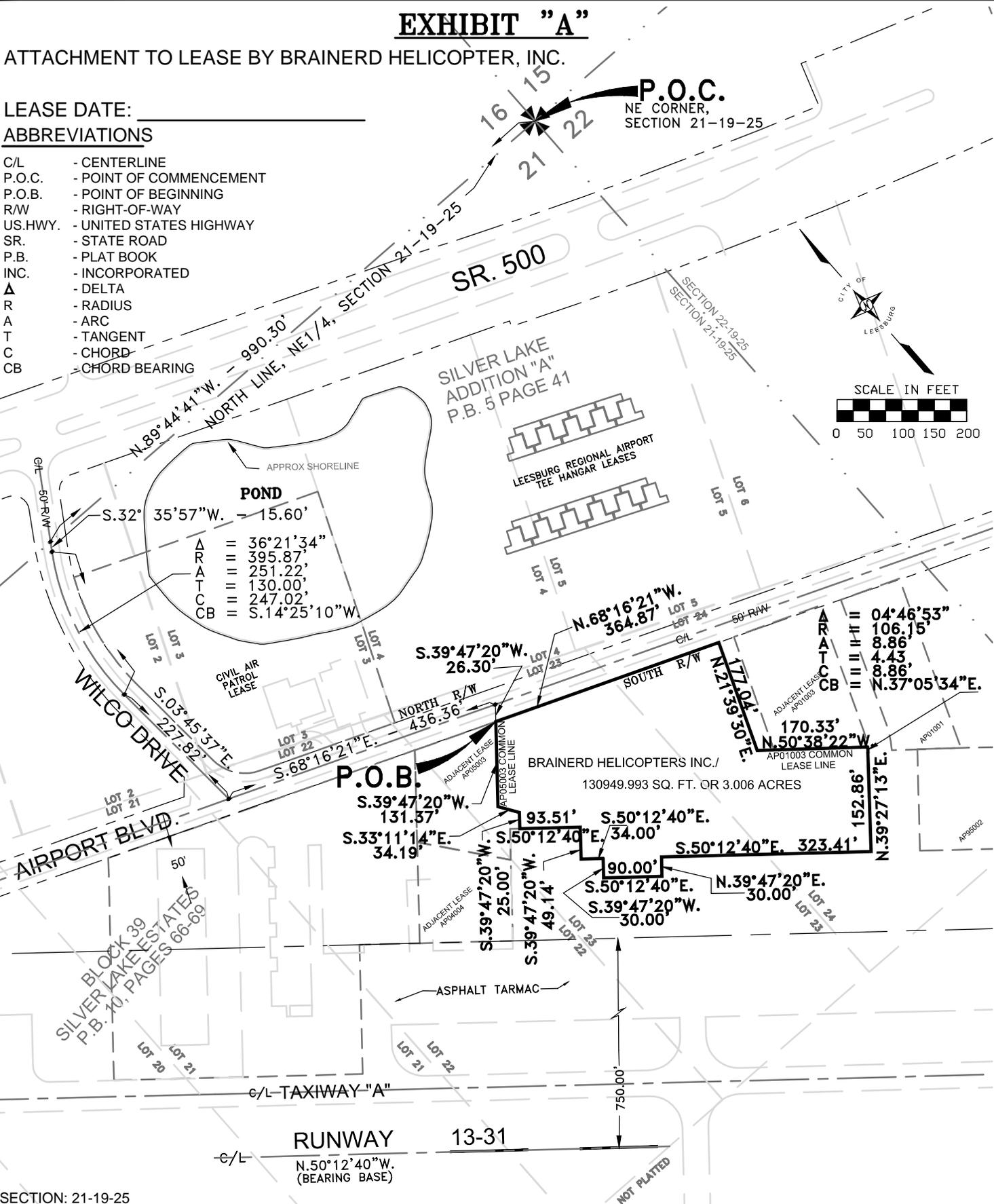
EXHIBIT "A"

ATTACHMENT TO LEASE BY BRAINERD HELICOPTER, INC.

LEASE DATE: _____

ABBREVIATIONS

- C/L - CENTERLINE
- P.O.C. - POINT OF COMMENCEMENT
- P.O.B. - POINT OF BEGINNING
- R/W - RIGHT-OF-WAY
- US.HWY. - UNITED STATES HIGHWAY
- SR. - STATE ROAD
- P.B. - PLAT BOOK
- INC. - INCORPORATED
- Δ - DELTA
- R - RADIUS
- A - ARC
- T - TANGENT
- C - CHORD
- CB - CHORD BEARING



SECTION: 21-19-25



CITY OF LEESBURG
 PUBLIC WORKS DEPT.
 ENGINEERING DIVISION
 550 S. 14th ST. - P.O. BOX 490630
 LEESBURG, FLORIDA 34749
 PHONE (352) 728-9755
 FAX (352) 728-9879

LEGAL DESCRIPTION
 BRAINERD HELICOPTER, INC.
 LEASE PROPERTY AT
 LEESBURG REGIONAL AIRPORT

DATE: 04/22/2014
 DRAWN: A. PARKER
 CHECKED: A. PARKER
 APPROVED: L. TREGGI
 SCALE: 1" = 200'
 FILE NO.: AP13003

SHEET NUMBER
2
 OF
2