



REQUEST FOR PROPOSALS

FIXED BASE OPERATOR

Release Date:

October 13, 2023



Pre-Proposal Conference:

October 26, 2023. 9:00 AM ET

NAA Boardroom
Norfolk International Airport
Norfolk, VA 23518

(Call-in info to be provided upon RSVP, as requested)

RSVP By: October 23, 2023, to ssterling@norfolkairport.com

Deadline for Submission of Written Questions/Requests for

Clarification By:

November 3, 2023, 4pm ET, to ssterling@norfolkairport.com

Requests for Proposal Due Date:

December 20, 2023, 4pm ET, to ssterling@norfolkairport.com



PART I

REQUEST FOR PROPOSALS

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INTRODUCTION; BACKGROUND INFORMATION; OPPORTUNITY

A. Introduction

The Norfolk Airport Authority (“Authority” or “NAA”), acting by and through its President and Chief Executive Officer, issues this Request for Proposals (“RFP”) and requests proposals (“Proposal” or Proposals”) from Offerors to enter into an Agreement to provide necessary facilities, equipment, furnishings, and personnel to operate a non-exclusive Fixed Base Operation (“FBO”) as described herein (“Service”) at the Norfolk International Airport (“Airport” or “ORF”) in Norfolk, Virginia.

B. Background Information

Norfolk International Airport

Norfolk International Airport is the commercial service airport serving the communities of Hampton Roads, Coastal Virginia, and the Outer Banks of North Carolina. Allegiant, American, Breeze, Delta, Frontier, Southwest, Spirit, and United offer direct flights to up to 41 destinations and convenient access to hundreds of cities worldwide.

From its modest beginnings in 1938 to its current status as the region’s primary link to the global air transportation network, ORF continues to grow and adapt to meet ever-changing aviation needs. The footprint of the Airport encompasses approximately 1,000 acres of land with facilities situated in Norfolk and Virginia Beach. Located adjacent to Norfolk Botanical Garden, the Airport is a national role model for reconciling expanding air facilities in a delicate ecological sanctuary.



ORF presently ranks in the top 14% of the country's airports in terms of passengers served annually, with over 4 million passengers and over 65,000 flight operations in 2022. One of the most powerful economic generators in the region, a recent Economic Impact Study estimates that the Airport directly and indirectly generated over 17,300 jobs with a payroll of \$775 million, with GDP more than \$1.3 billion and total economic output of \$2.2 billion in 2019.

Norfolk Airport Authority

NAA is an independent political subdivision of the Commonwealth of Virginia. NAA is responsible for all ORF's operations and infrastructure including parking lots, terminals, runways and taxiways, and all revenue-generating and commercial development projects as well as for airport security, aircraft rescue and firefighting.

NAA Vision: Strengthen and grow our region while serving as an industry leader, recognized for our professionalism and excellence.

NAA Mission Statement: Connect our community with the world by safely, reliably, and efficiently operating Norfolk International Airport.

Airport Development

NAA continues a multi-phase process to improve Airport terminals, concourses, and the general aviation facilities and premises in addition to dining and retail additions and upgrades, and in-airport advertising and customer service improvements. Renovations and improvements to the facilities and passenger experience will continue for the next several years. NAA has updated the ORF Master Plan to include projects that will extend the useful life and value of the Airport to meet the air transportation needs of the region over the next 20 years.

Enplaning and Deplaning Traffic Numbers



Departing passenger traffic numbers by airline for the most recent calendar year are outlined below:

Airline	2022			2021			Change	
	Enplaned	Deplaned	Total	Enplaned	Deplaned	Total	Passengers	Percent
Atlas	-	-	-	-	295	295	(295)	-100.0%
Allegiant	43,817	43,751	87,568	57,085	57,275	114,360	(26,792)	-23.4%
American	656,904	671,204	1,328,108	546,565	548,252	1,094,817	233,291	21.3%
Breeze	72,297	73,299	145,596	31,539	31,661	63,200	82,396	130.4%
Boutique Air	-	-	-	240	186	426	(426)	-100.0%
Caribbean Air	-	132	132	-	-	-	132	100.0%
Delta	562,193	554,566	1,116,759	418,504	413,718	832,222	284,537	34.2%
Frontier	65,079	64,905	129,984	37,042	34,852	71,894	58,090	80.8%
Jet Blue	150	130	280	-	2	2	278	13900.0%
Omni	-	-	-	-	135	135	(135)	-100.0%
Southwest	336,435	334,139	670,574	289,936	289,893	579,829	90,745	15.7%
Sun Country	1,348	1,348	2,696	715	713	1,428	1,268	88.8%
Spirit	-	1	1	-	-	-	1	100.0%
iAero Air	107	107	214	614	614	1,228	(1,014)	-82.6%
United	316,862	316,763	633,625	273,154	278,131	551,285	82,340	14.9%
Total	2,055,192	2,060,345	4,115,537	1,655,394	1,655,727	3,311,121	804,416	24.3%

C. Opportunity

The Authority is requesting Proposals from Offerors, who are interested, qualified parties who may seek to provide non-exclusive fixed based operator (“FBO”) services at ORF effective July 1, 2024.

A qualified party would be an established fixed based operator that currently serves no less than three (3) commercial U.S. airports and is able to provide financial verification of its ability to invest in capital projects and to support an operation at a commercial service airport.

Signature Flight Support (“Signature”) is the current FBO serving ORF and has a lease and operating agreement (“Agreement”) with the Authority that expires June 30, 2024. This



Agreement commenced in July 2009 after an RFP process was conducted and is in its final option period.

The parcels of land included are 6101 Burton Station Road and 6170 Miller Store Road consisting of the general aviation terminal, community hangars, T-hangars, maintenance hangar, and associated ramps as well as vehicular parking areas.



The FBO fuel storage facilities (fuel farm #2) that were formerly located on the FBO premises and those underground storage tanks have since been decommissioned. The current FBO fuel storage



facilities (fuel farm #1), as may be relocated at a future date, are not located on the FBO premises, but are adjacent to those FBO parcels. Fuel farm #1 is owned and operated by the Authority and the FBO will have access pursuant to a separate agreement between the parties. These above ground storage tanks have been expanded in recent years to four, 210,000 gallon Jet-A and one, 10,000 gallon AvGas tanks through investment by the Authority.

The Authority intends to complete this RFP process prior to Spring 2024 to allow for timely selection and implementation of the selected FBO prior to the effective date.

A. Minimum Standards, Services, Facilities, & Fees

Minimum Standards:

The Authority's General Aviation Minimum Standards for ORF have been updated effective October 2023 and are applicable to this RFP process and the ensuing FBO agreement. **See Attached.** Please review these updated standards closely, as they describe the minimum mandatory requirements that must be met by the selected party.

Services:

The FBO must be engaged in the sale of products and services at ORF, including aviation fuels, ground services, aircraft maintenance, and aircraft storage. Specifically, the services and activities performed by the employees of the FBO and using the vehicles and equipment of the FBO are as follows:

Deliver and dispense Jet-A, Avgas and aircraft lubricants to GA aircraft
Maintain a 15-minute response time during normal hours and conditions
Meet, direct and park arriving aircraft (except assigned parking)
Provide courtesy transportation and provide ground transportation arrangements for passengers and crew
Provide parking and tiedown of aircraft
Provide hangar storage with in-out aircraft towing services
Provide oxygen, lavatory and ground power services
Provide aircraft catering
Aircraft maintenance (group I or II aircraft) [May subcontract]
Aircraft line maintenance (up to group III) [May subcontract]
Provide for storage of aircraft (along with office and shop space)

While the FBO may be the only fixed based operator located at the Airport, the minimum standards provide certain situations where a tenant may provide its own fuel; therefore, the FBO will not attain an exclusive right to fueling.

Facilities:

The FBO will manage and lease the following facilities on the FBO premises:

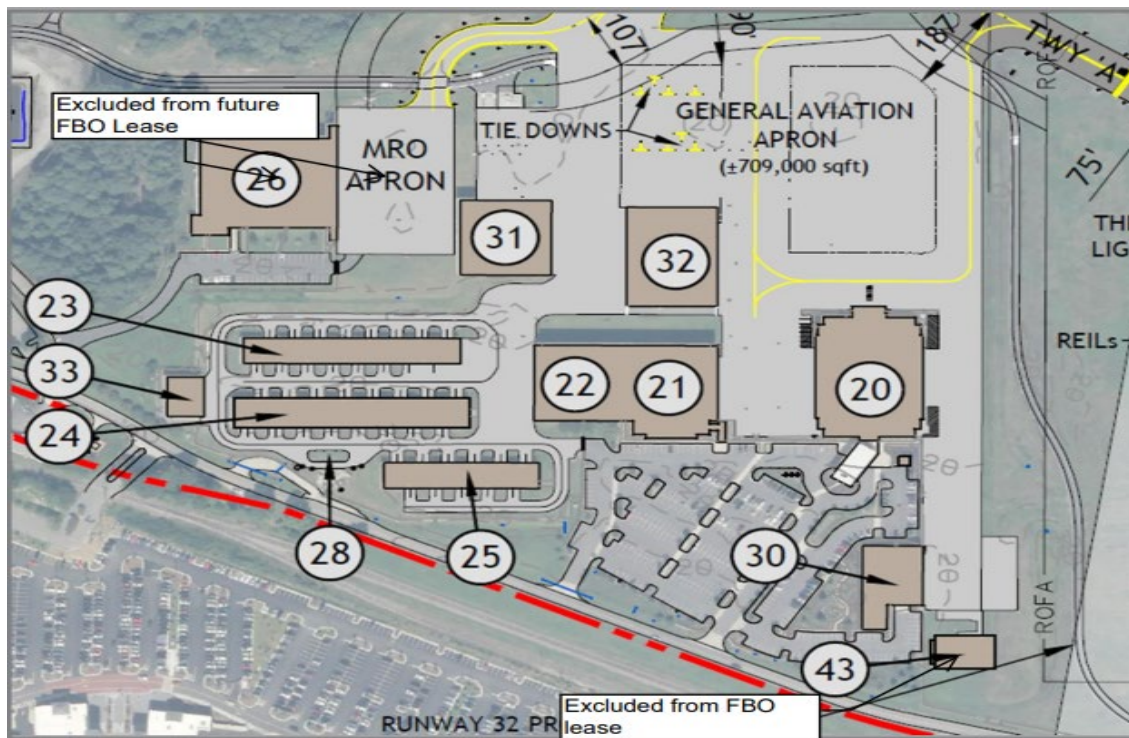
1. General Aviation Terminal.
2. Hangars 1, 2, 3, 4, and 8. Currently utilized as community hangars.

3. Hangar 5. Currently houses helicopters and an upholstery shop.
4. Hangar 7 & 9. Utilized by FBO as a maintenance hangar and a GSE repair facility.
5. T-hangars. Three rows, 41 units. (The T-hangars may be addressed by the FBO as part of a proposed capital improvement program).

The FBO may have access to, but will not manage and lease the following:

1. Fuel farm #1 adjacent the FBO premises with above ground storage tanks. Managed by the Authority.
2. Fuel farm #2 with underground storage tanks has been decommissioned.
3. Hangar 6. Leased by PSA airlines as a maintenance base.
4. Designated general aviation future development parcels adjacent the FBO premises.

Managed by the Authority and leased to third parties.



ALP BUILDING #	BUILDING LABELED AS	BUILDING TYPE	NOTES	TYPE OF CONSTRUCTION	SIZE (sq. ft)	BUILDING CONDITION
20	GENERAL AVIATION TERMINAL/ HANGARS 1 & 7	General Aviation Terminal with open span hangars		CMU/steel	25,380	
21	HANGER 8	Open Span Hangar Norfolk Southern	Common wall with Hangar 22	CMU/steel	21,315	
22	HANGER 8	Open Span Hangar	Common wall with Hangar 21	CMU/steel	21,460	
23	HANGER A	T-Hangar	16 Unit Hangar	CMU/steel	18,650	
24	HANGER B	T-Hangar	16 Unit Hangar	CMU/steel	24,084	
25	HANGER C	T-Hangar	10 Unit Hangar	CMU/steel	16,234	
26	HANGER 6	Open Span Hangar	PSA MRO Site	CMU/steel	31,500	
30	HANGER 5	Open Span Hangar	Corporate Hangar 5	CMU/steel	14,234	
31	HANGER 3	Open Span Hangar	Corporate Hangar 3	CMU/steel	22,037	
32	HANGER 4	Open Span Hangar	Corporate Hangar 4	CMU/steel	28,400	
33	HANGER 9	Vehicle Maintenance Building	FBO Maintenance Shop	CMU/steel	10,855	

The Authority has conducted Facility Condition Assessments on each of the FBO premises facilities. That report is available to all parties participating in this RFP process. In summary, this high-level inspection determined that capital investments needed over the next 1-5 years totaled



approximately \$1.25MM, excluding repair or rehabilitation to the HVAC systems, apron, and parking lot.

Fuel:

The Authority's fiscal year is from July – June. For fiscal years 2021, 2022, and 2023, the fuel flowage at the FBO is as follows:

<u>GA fuel</u>	FY2021	FY2022	FY2023
Avgas	75,039	75,200	77,197
Jet-A	1,631,014	1,894,722	1,869,106
Total	1,706,053	1,969,922	1,946,303

Separately, approximately 25MM gallons of commercial fuel are currently dispensed by the FBO. An airline fuel consortium may be formed in the future. The FBO may participate in any bidding for a fuel contractor.

Fees:

The Authority has conducted an appraisal of the FBO premises and assessed its fee structure. The Authority will charge the following fees, subject to future adjustments.

<u>Fees and Percentages</u>
GA Fuel (Jet A & Avgas) - \$0.12 per gallon
Location Based Services – 6% (e.g., Ground handling, facilities, hangar rental, tie down, passenger/crew, landing fees, commercial fuel (excluding CGS))
Technical Services – 6%
Minimum Annual Guarantee (MAG) – First year, no less than \$800,000
Rent (not part of MAG or Fees) – \$1.55MM in Year 1

REQUEST FOR PROPOSALS

- 1.1. The Proposal Document.** This document consists of three parts and the respective exhibits and attachments, if any; together these documents are referred to as the “Proposal Documents.”

Part 1: The Request for Proposals (“RFP”), which is divided into Sections and has page numbers beginning at “R-1.”

Part 2: The Proposal Form, which has page numbers beginning at “P-1” and which, when properly completed and attached to the other information provided by an Offeror, forms the Offeror’s Proposal.

Part 3: The Agreement, which will be the definitive agreement, is divided into Articles and has page numbers beginning at “A-1.”

- 1.2.** Prospective Offerors are encouraged to review the Proposal Documents in their



entirety before submitting a Proposal.

- 1.3. The documents are available on the Airport's website:

<https://www.norfolkairport.com/about-us/business-opportunities/>

- 1.4. **Unauthorized Contact.** Except the communications as specifically authorized herein, contact with any official or employee of the Authority, including any Commissioner, in connection with this procurement or the Proposal Documents is prohibited and may be cause for disqualification of the Offeror.

- 1.5. The Authority has scheduled a mandatory Pre-Proposal Conference. This mandatory meeting may be attended in-person or via conference call. The purpose of the Conference will be to discuss the requirements and objectives of this RFP, to answer any questions about the elements of the RFP and to answer any general questions Offerors may have regarding the RFP. Authority representatives will be available, and Offerors will be offered a site visit.

Offerors are encouraged to attend the Conference in-person and to submit any questions concerning this RFP, in writing, in advance of the Conference. At the Conference, the Authority will attempt to answer all written questions received in advance as well as those received at the Conference. Any changes in the requirements of this RFP that result from the Conference will be made by addendum to the RFP.



SECTION 2. SUBMISSION OF PROPOSALS

- 2.1.** Proposals are required to be submitted on the date and time listed above.

Proposals or modifications received after that time will not be considered.
- 2.2.** The Proposal must be submitted on the forms furnished by the Authority and must provide all required information. The Proposal must be signed on behalf of the Offeror and the acknowledgment made in the form provided.
- 2.3.** It is essential that the information and requirements of the Proposal Documents be carefully studied and adhered to in the preparation and submission of Proposals.

Any award will be based upon the Authority's analysis of the Proposals and upon the evaluation criteria contained herein. Failure to comply with the requirements and provisions contained herein may be cause for rejection of the Proposal.
- 2.4.** In making the Proposal, the Offeror expressly offers to assume all the obligations and liabilities contained in the Proposal Documents, including the representations and warranties made by the "FBO" in the Agreement.

SECTION 3. QUALIFYING AND SUPPLEMENTAL INFORMATION

- 3.1.** In its Proposal, an Offeror must provide evidence that it is fully competent to provide the Service and that it has the necessary experience and capacity to fulfill the requirements of the Proposal Documents. Offeror must have a minimum of five (5) years substantial, continuous, and recent experience providing comparable FBO services at similar sized airports as ORF.
- 3.2.** In addition to the requirements of the Proposal Documents, the Authority may



give written notice to any Offeror at any time to furnish additional information, either in writing and/or in a verbal presentation, to representatives of the Authority relating to its qualifications to perform the obligations imposed by the Proposal Documents. The requested information shall be furnished in the format and within the time frame specified by the Authority.

3.3. The giving of the aforesaid notice to any Offeror shall not be construed as an acceptance of Offeror's Proposal.

3.4. The Authority reserves the right to consider, in its evaluation and selection process, such information obtained from Offerors or as the Authority may obtain from its independent investigation of Offerors, or any other information deemed relevant to Offerors' prior experience or qualifications, in the sole discretion of the Authority.

SECTION 4. INFORMATION ACCOMPANYING PROPOSALS

A Proposal shall consist of a completed Proposal Form, the following information that must accompany the Proposal Form, and any other requirements set forth in the Proposal Documents:

4.1. General Information About Offeror:

- a.** The legal name and principal address of the Offeror.
- b.** The nature of the Offeror entity, i.e., corporation, partnership, individual, limited liability company, etc.
- c.** If Offeror is a corporation, provide the following:

- (1) The full legal name and address of each officer and director.
 - (2) Copy of certificate of incorporation.
 - (3) Certificate of good standing issued by the Virginia State Corporation Commission not more than sixty (60) days prior to the submission of Offeror's Proposal.
 - (4) If the Offeror is not incorporated under the laws of the Commonwealth of Virginia, a certificate of good standing from the state of incorporation and a certificate from the Secretary of the Commonwealth of Virginia evidencing the Offeror's legal qualifications to transact business in the Commonwealth of Virginia.
- d. If Offeror is a partnership, provide the following:
- (1) The full legal name and address for each partner, designating any general partners and limited partners.
 - (2) A copy of Offeror's partnership agreement.
 - (3) Evidence that the Offeror is legally qualified to transact business in the Commonwealth of Virginia.
- e. If Offeror is a limited liability company, provide the following:
- (1) A statement of the names and addresses of the members, designating any managing members.
 - (2) A copy of Offeror's articles of organization.

- (3) A copy of the current operating agreement.
 - (4) A copy of Offeror's Certificate of Organization.
 - (5) A Certificate of Fact for Offeror.
 - (6) Evidence that the Offeror is legally qualified to transact business in the Commonwealth of Virginia.
- f. If any of the officers, directors, partners, members, or other parties identified in the responses to subsections c, d and e above is an entity, provide the information requested in subsections c, d and e above, as appropriate, for each such entity.
- g. Provide the following information regarding the finances and financial responsibility of Offeror and any of the individuals or entities identified in the responses to subsections c, d and e above as officers, directors, members and partners of Offeror which either (i) own or control any interest in the Offeror which equals or exceeds one-third of Offeror's units of ownership or control; (ii) are actively engaged in the management of Offeror; or (iii) will be actively involved in the operation of the Concession ("Controlling Party"):
 - (1) Federal income tax returns filed for the last two years.
 - (2) Either (i) a balance sheet and income statement, certified by a certified public accountant who is not otherwise an employee of Offeror, showing the net worth of Offeror as of a date not earlier than 120 days prior to the date established for receipt of the

Proposals, and the net income of the Offeror for a twelve-month period ending as of a date not earlier than 120 days prior to the date established for the receipt of the Proposals; or, (ii) a balance sheet and income statement for Offeror's preceding fiscal year, certified by a certified public accountant who is not otherwise an employee of Offeror, and the net income of the Offeror for the Offeror's preceding fiscal year, along with a statement from said certified public accountant indicating that the present financial condition of the Offeror is at least as good as that shown on the balance sheet and income statement submitted.

- (3) The name and address of the primary bank of Offeror and any Controlling Party with the name and telephone number of the bank representative handling the account and a signed copy of the form identified as **Proposal Exhibit A** for Offeror and each Controlling Party.
- (4) A credit report on Offeror and any Controlling Party issued by a nationally recognized credit report agency (e.g. Equifax, Experian) dated within thirty (30) days of the date of Offeror's Proposal.
- (5) The name, address and nature of any other business enterprise currently owned or operated by Offeror and any Controlling Party, or anticipated to be owned or operated during the Term of the Concession.

- h. For Offeror and each officer and employee of Offeror who will be directly involved in the supervision, direction, management or operation of the Concession and each Controlling Party:
- (1) Provide a fingerprint-based criminal history record check if the individual or entity has been convicted of a felony, a misdemeanor that involves moral turpitude (e.g., lying, cheating, or stealing), or has pending criminal charges of any nature.
 - (2) Certify that the individual or entity has never been convicted of, and does not have pending criminal charges of, the disqualifying criminal offenses listed in 49 CFR §1542.209 (d) or any comparable regulations issued after September 1, 2004.
 - (3) State whether any such individual or entity has ever been found to be in violation of any regulatory order of any local, state, or federal governmental agency. If so, provide information regarding each such violation.
 - (4) State whether any such individual or entity has any pending criminal charges or is a party to any pending civil or administrative proceeding. If so, provide information regarding each such pending charge or proceeding.
 - (5) Provide the information requested in **Proposal Exhibit B**.
- i. Provide a written Certification by Offeror that no officer, director, employee, or agent of the Offeror who has been convicted of, or has

pending criminal charges of, the disqualifying criminal offenses identified under subsection h(2) above, will perform any work pursuant to the Proposal and Agreement on the property of the Authority, unless the Offeror has obtained the express prior approval of the Authority for that particular employee or agent.

4.2. Information About Affiliates:

- a.** For purposes for the Proposal and Concession Agreement, the term “Affiliate” shall be defined in accordance with the regulations applicable to small businesses under 15 U.S.C. § 631 et. seq. Entities or individuals are considered to be Affiliates of each other under this Proposal and Agreement when one controls or has the power to control the other, or a third party or parties controls or has the power to control both. Factors relevant to affiliation include ownership, management, previous relationships with or ties to another entity, and contractual relationships. Individuals or firms that have identical or substantially identical business or economic interests, such as family members, persons with common investments, or firms that are economically dependent through contractual or other relationships shall be treated as Affiliates. With regard to a corporation, a person is an Affiliate if the person owns or controls, or has the power to control, 50 percent or more of its voting stock, or a block of stock which affords control because it is large compared to other outstanding blocks of stock. If two or more persons each owns, controls or

has the power to control less than 50 percent of the voting stock of an entity, with minority holdings that are equal or approximately equal in size, but the aggregate of these minority holdings is large as compared with any other stock holding, each such person is presumed to be an Affiliate.

- b.** Identify every Affiliate of Offeror and for each such Affiliate not otherwise identified as a Controlling Party, provide all the same information requested in subsection 4.1 above with respect to the Offeror, except that items h and i must be provided only for Affiliates which control or have the power to control the Offeror. The Authority, however, reserves the right to request such additional information regarding other Affiliates as the Authority may deem necessary or appropriate.

4.3. Service Information:

- a.** Detailed information relating to Fixed Base Operations or other business ventures that the Offeror has operated or is currently operating that are comparable to the Service. Such information must include, but not be limited to, references sufficient to enable the Authority to determine the Offeror's financial responsibility and proven experience in the operation and management of a reputable comparable business.
- b.** Copies of applicable licenses, permits and/or certificates Offeror currently has to provide the Service and a list of any licenses, permits and/or certificates for which Offeror intends to apply.

- c. A detailed presentation of all services to be offered.
- d. A list of the individual positions and responsibilities of the persons currently employed or to be hired to provide the Service;
- e. The full legal names and addresses of each individual who will serve in a managerial or supervisory position with regard to the Service and for each such individual, detailed information to establish to the satisfaction of the Authority the individual's qualifications and experience.
- f. A safety and security plan to assure that people and property using the Service, and other people and property at the Airport, are safe and secure at all times, including but not limited to:
 - (1) The alcohol and/or drug testing program to be applied to all employees who will provide the Service;
 - (2) The criminal and security background check program that will be applied to all employees who will provide the Service. This program must, at a minimum, address felonies, crimes involving moral turpitude, and the disqualifying criminal offenses listed in 49 CFR §1542.209 (d) or any comparable regulations subsequently issued.
- g. Written certification that Offeror has determined all requirements for permits, licenses, and certificates required by any regulatory agency (federal, state, and local) for Offeror to operate the Service, including E-Verify, and that Offeror has or will be able to obtain all required permits,

licenses, and certificates upon sixty (60) calendar days of receipt of the Notice of Intent to Award the Concession Agreement. The selected FBO must promptly and diligently apply for and pursue the required permits, licenses, and certificates and must provide the Authority with copies of all applications for such permits, licenses, and certificates. The selected FBO must provide the Authority with a copy of any application and other information provided to such regulatory agencies and continuously keep Authority fully informed of the status of each application.

h. Offeror may submit any additional information that is material and relevant to a determination of its qualifications and ability to operate a successful FBO concession of the type required hereunder offering safe, timely, and efficient service in a clean, attractive, and professional environment. The Authority will be the sole judge of the qualifications of the Offeror.

i. A proposed marketing and public relations plan to promote the Service. This includes a community outreach initiative and ongoing plan to educate and communicate with local businesses and citizens about the FBO and general aviation related activities at the Airport.

SECTION 5. PROPOSAL GUARANTEE

5.1. Each Offeror must submit with its Proposal a Proposal Guarantee in the amount of \$10,000 in the form of a bank cashier's check or bank certified check, payable



to the Authority or a bid bond issued by a surety authorized to do business in the Commonwealth of Virginia. The Proposal Guarantee of all Offerors will be retained by the Authority, without interest, until execution of the Agreement by the Authority.

- 5.2. After the execution of the Agreement, the Proposal Guarantees of all non-defaulting Offerors will be returned.

SECTION 6. INSPECTION AND CONDITION OF FACILITIES

- 6.1. The Authority has conducted Facilities Condition Assessments of the current FBO Premises. **That report is attached.** However, each Offeror may and is encouraged to inspect the premises at the Airport as a part of the Pre-Proposal Conference, or may arrange at that time for a future date to visit for the sole purpose of assessing the facilities. No statement by any Authority representative before or during the inspection will be a part of this procurement and may not be relied upon by the Offeror.
- 6.2. The Authority will deliver the applicable Airport facilities to the selected FBO in an “as is” condition. By submitting a Proposal, Offeror is deemed to agree that the Leased Premises (including existing Improvements) is in a condition suitable for providing the Service, and agrees to the construction or installation of any Improvements required of the selected FBO under the terms of the Proposal and Agreement. The Offeror further agrees to accept the facilities as of date of delivery without further recourse to the Authority in regard thereto.

SECTION 7. NEGOTIATIONS

- 7.1.** The Authority may award an Agreement based on the initial Proposals received, without conducting any negotiations or discussions concerning such Proposals and, accordingly, each initial Proposal should be submitted on the most favorable terms.
- 7.2.** After receipt of Proposals, negotiations may be conducted with one or more Offerors as determined by the Authority. After these negotiations, the Authority will select the Offeror submitting the Proposal with the best overall benefit to the Authority, as determined by the Authority in its sole discretion.

SECTION 8. BASIS FOR AWARD

- 8.1.** The Authority reserves the right to withdraw the RFP at any time for any reason, to reject any or all Proposals or modifications thereto, and to waive any informalities in Proposals received. The Authority reserves the right to make any award based on the Proposal that it determines, in its sole discretion, best meets the requirements of the Authority as set forth in this RFP.
- 8.2.** The Authority's selection of a Proposal will be based upon an evaluation of the Proposal, the Offeror, and where applicable, its Affiliates, as being both responsive and responsible, and as being the most advantageous to the Authority, with no single evaluation factor being necessarily determinative. The Authority

reserves the right to consider the following factors and others without specific prior identification, and without predetermined weight, as it may deem appropriate in its sole discretion in evaluating the Proposals received and making its selection:

- a.** Experience of Offeror and those employees of the Offeror whom the Offeror certifies will have overall management supervision, as well as those persons who will have major responsibilities in the control and management of the operation of the Service.
- b.** The Offeror's proposed operating, safety and security plans.
- c.** The financial condition of Offeror, and if relevant, any Controlling Party and Affiliates, and the ability to obtain adequate financing to perform those functions necessary for the Service.
- d.** An evaluation of the Offeror's current and past performance in providing comparable services at other airports.
- e.** Personal and professional references.
- f.** The Minimum Annual Guarantee the Offeror has proposed to pay the Authority.
- g.** Offeror's management policies.
- h.** Offeror's plans for Improvements as they involve use of space, quality of equipment and furnishings, and marketing for any displaced tenants and attracting new tenants.

- i. Offeror's financial investment capacity for Improvements and other potential capital and equipment needs at the Airport.
- j. Offeror's plans for marketing and promoting the Service and community outreach initiatives.

8.3. In the process of evaluation, the Authority may acquire and use, to the extent deemed necessary, information obtained from the following sources:

- a. The Offeror, including representations and other data contained in the Proposal, or other written statements of commitments, such as financial assistance and subcontracting.
- b. Other existing information available to the Authority, including financial data and records concerning Offeror's performance and publications, including credit ratings, trade and financial journals or reports.
- d. Other sources, including banks, other financial companies, federal, State, county, and municipal departments and agencies and other public airports.
- e. The Authority reserves the right to audit or to appoint a competent representative to audit the books and records of any Offeror in order to verify its financial responsibility.
- f. The results of background investigations of Offerors made to verify information furnished or to secure additional information the Authority may deem necessary or desirable.

SECTION 9. ACCEPTANCE OR REJECTION OF PROPOSAL



- 9.1** Within ninety (90) days after the receipt of Proposals, or as soon thereafter as it may act, the Authority will select one of the Proposals and will reject all other Proposals or will reject all Proposals. The Authority reserves the right to reject all Proposals if it deems such to be in its best interest.
- 9.2** The selection of a Proposal will be by written Notice of Intent to Award the Agreement, specifically indicating a selected FBO and signed by an authorized representative on behalf of the Authority. No other act of the Authority, its Commissioners, agents, or employees will constitute the selection of a Proposal.
- 9.3** The selection of a Proposal will be deemed to constitute an agreement of the selected FBO to execute an Agreement on the terms set forth in the Proposal as may be modified by any negotiations. Notwithstanding the foregoing, the selection of a Proposal will not be effective and binding upon the Authority until the Agreement has been formally executed by both parties.
- 9.4** The Authority reserves the right to waive any and all defects in form in any Proposal.

SECTION 10. EXECUTION OF AGREEMENT

- 10.1** The Authority will deliver or mail to the selected FBO the final Proposal and Agreement completed in accordance with the Proposal submitted by Offeror and as accepted by Authority.
- 10.2** Within ten (10) business days thereafter, the selected FBO must deliver both copies to the Authority, with the Agreement duly executed by it as “FBO,”



and the Security Deposit required in the Agreement. Upon receipt, the Authority will execute both copies and return one to the FBO.

SECTION 11. FAILURE TO EXECUTE CONCESSION AGREEMENT

11.1 Should the selected FBO fail or refuse to execute the Agreement as provided herein, or otherwise default on the agreement created by the Authority's acceptance of the selected FBO's Proposal, the selected FBO agrees that the Proposal Guarantee it has previously submitted will become the property of the Authority, not as a penalty, but as liquidated damages. All Offerors acknowledge and agree that (a) the Authority has incurred costs and will incur additional costs and damages by reason of any Offeror's default and that such damages are difficult to determine; (b), the Authority may retain any Proposal Guarantee submitted by an Offeror as liquidated damages in the event of default by such Offeror; and (c) it waives all rights or claims arising from the submittal and payment of the Proposal Guarantee against the Authority in the event of such default.

11.2 Upon the selected Offeror's failure or refusal to execute the Agreement, or other default, the Authority reserves the right to reject the defaulting Offeror's Proposal and accept the Proposal of any other Offeror. Neither the exercise of such right by the Authority nor the failure to do so will operate as a release by the Authority of the defaulting Offeror as to any claims or rights that the Authority



may have against such defaulting Offeror arising from such default under the preceding paragraph or otherwise.

SECTION 12. FAILURE TO OBTAIN PERMITS

If the Authority determines, in its sole discretion, that the selected FBO has failed to diligently and promptly apply for or otherwise pursue all required permits, licenses, and certificates, or has failed to obtain the permits, licenses, and certificates required to operate the Service within the time period provided herein, including any extension of time authorized by the Authority, the Authority may (i) withdraw the Notice of Intent to Award the Agreement to the selected FBO and issue a Notice of Intent to Award to another Offeror submitting a Proposal with the best overall benefit to the Authority, or (ii) reject all Proposals and withdraw the Proposal Documents without making an award, or (iii) take such other action as the Authority deems appropriate in its sole discretion.



PART II

PROPOSAL FORM

PROPOSAL FORM

**FIXED BASE OPERATOR
NORFOLK INTERNATIONAL AIRPORT**

TO: NORFOLK AIRPORT AUTHORITY

A. The undersigned _____,
(Name of Offeror)¹

_____ organized and existing under the laws of the State of
(Type of Entity)²

_____, hereby offers to enter into a contract with the
(State of Formation)

Norfolk Airport Authority ("Authority") in the form entitled "Norfolk International Airport, Airport FBO Agreement" attached hereto and incorporated herein, provided as specified in the Proposal Documents.

B. In furtherance of this Proposal, the Offeror offers to pay to the Authority: A Minimum Annual Guarantee for the first year of the Agreement of _____ Dollars (\$_____) (Insert a specific and definite numerical dollar amount offered; do not insert a percentage or any number which cannot be fixed without reference to other information).

C. The Offeror acknowledges that payment of the Fees is subject to, and further explained by, all the other terms set forth in the Proposal Documents.

D. This Proposal shall be irrevocable for a period of one hundred twenty (120) days

¹Give the full legal name of the entity or individual making the proposal.

²State whether Offeror is a corporation, limited liability company, partnership, limited partnership or individual.

after the date of submittal. To induce the selection of this Proposal by the Authority, the Offeror hereby makes each and every representation and agreement made by "FBO" in the Agreement and agrees that the selection of this Proposal shall have the effect provided in the RFP furnished herewith and that effect only. Notwithstanding any statement therein to the contrary, the Offeror agrees that none of the information, regardless of the form of communication, provided to the Authority by the Offeror, or its officers, agents or employees, has been given in confidence. All or any part of the information may be used or disclosed by or on behalf of the Authority without liability of any kind, except as may arise under letters of patent or other trade secrets protected by law specifically identified by written attachment hereto. All financial information given as a part of this Proposal will remain confidential only to the extent permitted by law.

E. The Offeror hereby affirms that its Proposal submitted to the Authority is in no way conditioned upon any predetermined level of aviation activity at the Airport, past, present, or future. Offeror has not relied on any representations of the Authority's staff, either orally or in writing, as to the level of business at the Airport before or during the term of the Agreement, nor of any factors that might bear on such business potential, including without limitation the information provided on the exhibits attached to the Proposal Documents. The Proposal submitted by Offeror is based solely on Offeror's own knowledge of the airport general aviation business and its own assessment of the general aviation market potential at the Airport.

F. The entire Proposal and all of the Proposal Documents, all papers required by it and all exhibits and other papers made a part thereof by its terms are incorporated herein and made a part of this Proposal. The undersigned hereby designates the following contact information for notices to be delivered or mailed:

The designated representative of the Offeror is: _____

The mailing address of Offeror is: _____

The telephone number of the Offeror is: _____

The e-mail address of the Offeror is: _____

SIGNATURES:

(1) _____
Printed Name of Offeror

Signed By: _____
Title: _____

Attest

(2) _____
Printed Name of Offeror

Signed By: _____
General Partner

Attest

(3) _____
Signature of Offeror

Attest

(*) If corporation or limited liability company, execute at line (1) above and complete Certificate of Authority on the page provided. If partnership or limited partnership, execute at line (2) above. If individual, execute at line (3) above. If the FBO is a partnership, **all general partners** will be required to sign the Proposal and the Concession Agreement. If the selected Offeror is a limited liability company, **all managing members** will be required to sign the Proposal and the Concession Agreement. **Add additional signature pages as necessary.**

CERTIFICATE OF AUTHORITY
IF OFFEROR IS A CORPORATION
OR LIMITED LIABILITY COMPANY

I, the undersigned, as Secretary or Assistant Secretary of the Corporation or duly authorized representative of the Limited Liability Company submitting the foregoing Proposal, hereby certify that under and pursuant to the By-Laws and Resolutions of the Corporation or Limited Liability Company, the agent who has signed this Proposal on behalf of the Offeror is fully and completely authorized to do so.

Secretary or Assistant Secretary

PROPOSAL EXHIBIT A

BANK REFERENCE AUTHORIZATION

Date

Name of Bank

Address of Bank

To Whom It May Concern:

Please provide the Norfolk Airport Authority with requested information about my account(s).

Offeror: _____

Signature of Authorized Representative

Account Numbers(s)

PROPOSAL EXHIBIT B

QUESTIONNAIRE

Questionnaire required pursuant to Section 4.1.h. for Offeror, each Controlling Party and each officer and employee of Offeror who will be directly involved in the supervision, direction, management or operation of the Concession. Please submit a separate questionnaire for Offeror and each Controlling Party and Officer. If your answer to any section is "yes," attach a separate sheet of paper clearly identified on which the facts as set forth in detail and designating by number the referenced question.

1. State whether you have been, or presently are, a party to or otherwise involved (except as a witness) in:
 - a. any civil or administrative action or other legal proceeding;
 - b. any criminal or quasi-criminal action or other legal proceeding (whether involving a felony, misdemeanor, minor misdemeanor, or any traffic offense);
 - c. any action or legal proceeding in a juvenile court.
2. Have you ever been summoned or charged for a violation of any other statute, regulation or ordinance?
3. Has your driver's license ever been revoked or suspended within the last ten (10) years?
4. To your knowledge, have you ever been denied a security clearance, or has a security clearance previously granted to you ever been revoked? If your answer is "yes," explain fully, including the name of the issuing agency, the security designation, and the particulars of the revocation or denial of the clearance.
5. Have you ever held, or submitted an application, or in any way applied for a license or certificate, the procurement of which requires proof of good character (including whether you withdrew your application for any reason)? If so, as to each license or certificate, identify the type of license or certificate and state the date it was granted, the name and complete current mailing address of the authority issuing it, whether the license or certificate has been

refused or revoked, and whether you have been reprimanded, censured, or otherwise disciplined as the holder of the license or certificate.

6. Have you ever been discharged or asked to resign by any employer? If your answer to this question is "yes," identify the employer and give the full particulars as to the reason you were discharged or asked to resign.

7. Have you ever been suspended, censured, reprimanded, disqualified or otherwise disciplined as a member of any profession?

8. Have you ever been removed from any office, public or private, because of conduct reflecting upon your character, or have any charges been made or filed or proceedings instituted against you because of conduct reflecting on your character?

9. Have there ever been or are there now pending any charges, complaints, or grievances (formal or informal) concerning your conduct as a member of any profession or as a holder of public office?

10. Have you ever filed or been the subject of a petition in bankruptcy? If your answer to this question is "yes," attach a copy of your bankruptcy petition, including a copy of all schedules and all orders entered in the case.

11. Have you ever been the subject of a trusteeship, receivership, wage attachment or garnishment proceeding?

12. Are there any unsatisfied judgments against you?

PART III

NORFOLK INTERNATIONAL AIRPORT

FBO AGREEMENT

LEASE AND OPERATING AGREEMENT

BETWEEN

THE NORFOLK AIRPORT AUTHORITY

AND

FOR

A FIXED BASE OPERATION

AT

NORFOLK INTERNATIONAL AIRPORT

July 1, 2024

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LEASE AND OPERATING AGREEMENT

This Lease and Operating Agreement (the “Agreement”), made and entered into this 1st day of July 2024, by and between NORFOLK AIRPORT AUTHORITY, a political subdivision of the Commonwealth of Virginia, hereinafter referred to as the “Authority” and _____, hereinafter referred to as the “Lessee.”

WITNESSETH THAT:

WHEREAS, the Authority is the owner of the premises known as Norfolk International Airport located in Norfolk, Virginia (the “Airport”); and

WHEREAS, the Authority desires to accommodate, promote and enhance passenger, cargo and general aviation activities at the Airport; and

WHEREAS, the Authority and the Lessee desire to enter into the Agreement for the use and occupancy of certain facilities and areas at the Airport;

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained, the Authority and Lessee do hereby agree as follows:

ARTICLE 1 - TERM

A. Initial Term.

The initial term of this Agreement (“Term”) will be for a fifteen (15) year period commencing on July 1, 2024 (“Commencement Date”) and expiring on June 30, 2039 (“Expiration Date”), unless sooner terminated in accordance with the provisions hereof.

B. Renewal by Authority.

The Authority and Lessee agree that the Authority, at its sole option, will have the right to extend the Agreement for one additional period of five (5) years on the same terms and conditions of this Agreement, except Authority may require reasonable investment by Lessee at that time to refresh the Leased Premises. The Authority will provide the Lessee notice of its intent to extend this Agreement and exercise its option to renew for an additional term of five (5) years not less than one hundred eighty (180) calendar days prior to the Expiration Date of the initial term.

C. Any change in the terms and conditions of this Agreement during any extension term will be mutually agreed upon in writing between the Authority and Lessee.

ARTICLE 2 - LEASED PREMISES

The Authority hereby leases to Lessee and Lessee leases from the Authority upon the terms and conditions set forth in this Agreement certain parcels of land commonly referred to as 6101 Burton Station Road and 6170 Miller Store Road, Norfolk, Virginia 23502, located on the southern portion of the Airport and the improvements thereon, including the general aviation terminal building; community hangars; T-hangars; maintenance hangar; office, shop and ramp space; and vehicular parking areas (“Leased Premises”). A detailed description of the Leased Premises is shown on **Exhibit A** attached to and incorporated as part of this Agreement.

ARTICLE 3 - RESERVATION OF RIGHTS BY AUTHORITY

A. Minimum Standards.

From time to time, the Authority may adopt, amend and enforce General Aviation Minimum Standards (“Minimum Standards”) and special rules, regulations, notices, directives and restrictions (“Rules and Regulations”) with respect to the occupancy and use of the Airport. Lessee agrees to observe and obey all such Rules and Regulations and Minimum Standards and require its officers, agents, employees, contractors and invitees to observe and obey the same. Lessee and Lessee’s officers, agents, employees, contractors and invitees must also observe and obey any applicable governmental regulations (“Regulatory Measures”). The Authority reserves the right to deny access to the Airport and its facilities, including the Leased Premises, to any person, firm or corporation that fails or refuses to obey and comply with such Rules and Regulations, Minimum Standards and Regulatory Measures.

B. Property Rights Reserved.

This Agreement is subject and subordinate to all the terms and conditions of any instruments and documents under which the Authority acquired the land or improvements thereon of which Leased Premised are a part. The Agreement is also subject to all applicable covenants, conditions, restrictions, easements, mortgages, deeds of trust, ground leases, rights of

way, and any other matters of record; and any applicable land use or zoning laws or regulations of the Commonwealth of Virginia and the Cities of Norfolk and Virginia Beach.

C. Government Agreements.

This Agreement is subordinate to the provisions of any existing or future agreements between Authority and the United States, the Commonwealth of Virginia or the City of Norfolk, relative to 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 for the development of the Airport.

D. Federal Government's Emergency Clause.

This Agreement is subordinate to the rights of the United States of America to operate the Airport or any part thereof during time of war or national emergency. Such rights supersede any provisions of this Agreement inconsistent with the operations of the Airport by the United States of America.

E. Assurance Agreements.

This Agreement is subject and subordinate to the terms of any "Sponsor's Assurance Agreement" or like agreement that has been or may be furnished to the FAA or to the Commonwealth of Virginia by Authority or required by law. In the event that the FAA or its successors or the Commonwealth of Virginia require modification or changes to this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for improvements at the Airport or as a requirement of any prior grants, Lessee hereby approves any and all such modifications, amendments, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be required.

F. Access to Public Taxiway.

The Authority reserves a right of access and right of way for the benefit and subject to the proprietary rights of the Authority, its Lessees, employees, visitors, invitees, licensees and Airport users in common with others having the like right, at all times hereafter, over, under, upon and across any of the Leased Premises which lies between connecting public aircraft taxiway and public aircraft apron access.

G. Utility Systems.

The Authority reserves the right to utilize any surface, overhead and underground pipes, pumps, utility lines or hydrant systems on the Leased Premises, whether presently existing

or later installed by the Authority, as are necessary to supply water or telephone service, petroleum products, natural gas, electricity, sanitary sewer service or other utility service to other adjacent Authority lessees, provided the foregoing do not interfere with the Lessee's use and enjoyment of the Leased Premises.

H. Utility Easements.

The Authority reserves the right for itself and others to existing utility easements under the Leased Premises and to run water, sewer, electrical, telephone, gas, drainage and other lines under the Leased Premises and to grant necessary utility and other easements therefor, provided the foregoing do not interfere with the Lessee's use and enjoyment of the Leased Premises. The Authority will repair any damages to the Leased Premises caused by the Authority as a result of the exercise of such reserved rights.

I. Right of Flight.

Authority 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 Airport, including the Leased Premises, for navigation or flight in such airspace for landing on, taking off from, or operating at the Airport. The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the Authority, would limit the usefulness of the Airport or constitute a hazard to aircraft.

J. Right of Entry.

Lessee will permit the Authority and its agents, representatives, contractors and employees to enter the Leased Premises and each and every part thereof at all reasonable times and upon reasonable notice (except in cases of emergency, in which case no notice will be necessary) in order to: (i) inspect the same, (ii) determine whether or not Lessee is in compliance with its obligations hereunder, (iii) make any necessary repairs to the Leased Premises and perform any work therein, and (iv) do any other act or thing that Authority may be obligated to do or have a right to do under this Agreement; provided that Authority will use reasonable efforts to minimize interference in Lessee's business operations at the Leased Premises.

K. Right to Develop Airport.

The Authority reserves the right to further develop, improve, construct, repair, reconstruct or rehabilitate any or all of the Airport land and facilities, including runways, taxiways, aprons, lighting systems, beacon, avionic equipment and any other facility that may at times be used to provide service to users of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance, and Lessee agrees to waive any and all claims for damages arising out of said development, improvement, construction, repair, reconstruction or rehabilitation. The Authority reserves the right to close any portion of the Airport and any of the facilities located thereon for the safety and security of the public and when it deems that such action is necessary to maintain, repair or develop the Airport and facilities located thereon.

L. Subordination to Financing Agreements.

This Agreement and all rights of Lessee hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made, at any time, by Authority to secure financing. This Agreement is subject and subordinate to the terms, covenants, and conditions of any trust indenture made by Authority, authorizing the issuance of bonds by Authority. Conflicts between this Agreement and any such documents will be resolved in favor of such documents.

ARTICLE 4 - LESSEE'S RIGHT OF INGRESS AND EGRESS

A. Common Ingress and Egress.

The Lessee will have the non-exclusive right of ingress and egress between the Leased Premises and the public landing areas at the Airport by means of connecting taxiways; and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. Such rights of ingress and egress will be in common with others having rights of passage thereon, and may be used except when the Airport is closed to the public.

B. Closure of Roadways.

The use of any such roadway or taxiway is subject to the Rules and Regulations of the Airport which are now in effect or which may hereafter be adopted and which are applicable to all others having the right to use the Airport. The Authority may, at any time, temporarily or permanently, close or consent to or request the closing of, any such roadway or

taxiway and any other way at, in or near the Leased Premises presently or hereafter used as such, so long as a reasonable and comparable means of ingress and egress as granted above remains available to the Lessee. The Lessee hereby releases and discharges the Authority, its officers, employees and agents and other governmental authorities and their respective successors and assigns, of and from any and all claims, demands, or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that a reasonable and comparable means of access, ingress and egress to the Leased Premises remains available to the Lessee whether within the Leased Premises or outside the Leased Premises at the Airport unless otherwise mandated by safety considerations or lawful exercise of the police power.

ARTICLE 5 - USE OF LEASED PREMISES

A. Intended Use.

The Leased Premises are to be used for the sole purpose of a fixed base operation (“FBO”), as defined in the Request for Proposals (RFP) dated October 13, 2023, and for no other purpose whatsoever unless consented to by the Authority. Any other use may require execution of a separate written agreement with the Authority.

B. Unauthorized Use.

Lessee will not use or allow the Leased Premises, or any part thereof, or any part of the Airport that Lessee is authorized to use, to be used or occupied (i) for any non-aeronautical or unlawful purpose; (ii) for any purpose in violation of the Rules and Regulations or Minimum Standards of the Authority or any Certificate of Occupancy affecting the Leased Premises; (iii) in any manner that may constitute a nuisance, public or private, or make void any insurance then in force with respect thereto, or (iv) for any purpose or any manner that would cause a default under this Agreement.

C. Public Use Areas.

Subject to and in accordance with all applicable laws and ordinances and such Rules and Regulations as may be adopted by the Authority for the operation thereof, Lessee may, together with others, use the Airport and its appurtenances together with all public use areas/facilities for the purpose of conducting its business as authorized in accordance with the terms hereof.

D. Special Events Prohibited.

Lessee will not conduct or hold special events of any nature, including non-aeronautical events, at the Airport without the prior written consent of the Authority.

ARTICLE 6 - SERVICES AND OPERATING STANDARDS

A. Services Provided.

Lessee has the right and obligation to operate the FBO, at its sole cost and expense, and to provide the services, operations, and equipment as set forth in the Minimum Standards and as offered in Lessee's Proposal. Lessee will maintain an on-going business at the Leased Premises at all times during the term of this Agreement and will make its best efforts to maintain, develop and increase its business. In performance of its services and operations, Lessee agrees and is required to provide all personnel and operating equipment reasonably necessary to carry out the services and operations hereunder at its sole cost and expense.

B. Specialized Aviation Service Operator.

Lessee will provide the products and services of the FBO identified in the Minimum Standards and in Lessee's Proposal. Lessee may provide such products and services through a Specialized Aviation Service Operator ("SASO"), subject to approval by Authority and meeting any requirements of the Minimum Standards and any required Permits. For purposes of this Agreement a SASO means a commercial Operator that is permitted to offer for sale one or more of the permitted services listed herein, but is not a Full-Service Fixed Base Operator.

C. Service Standards.

Lessee agrees to provide its services and operations on a fair, equitable and lawful basis to all users thereof. Lessee agrees to charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Lessee may make reasonable nondiscriminatory price discounts to volume purchasers or classes of purchasers, but may not waive any fees unless approved in writing by Authority. Lessee will establish, publish and adhere to a schedule of charges and fees for its services and operations and provide a copy of such schedule to the Authority. Lessee will use its industry knowledge and best efforts to establish and maintain over time, posted retail Fuel prices that are consistently competitive to the regional average of other fixed base operators at airports in the region of eastern Virginia and eastern North Carolina, including FBOs at RIC, PHF, CPK, PVG, FCI, SFQ, GSO, and EWN, and/or other

airport FBOs agreed to by both Lessee and Authority. Each quarter, Lessee will provide Authority a Fuel survey that includes the date, name of other FBOs in the region and the full retail price of Fuel including all applicable taxes and flowage fees.

D. Obligations to Customers.

Lessee agrees to provide its services at service levels that meet or exceed its contractual obligations to each of its customers.

E. Customer Complaints.

Lessee will have a system in place to deal with customer complaints received by either Lessee or the Authority and will take all reasonable steps to resolve any complaints. Lessee will provide the Authority with a copy of all written complaints and Lessee's efforts to resolve those complaints.

F. Lessee's Personnel.

In accordance with the Minimum Standards, Lessee's personnel conducting business at the Airport will be neat, clean and courteous. Lessee will be responsible for the conduct, demeanor and appearance of its officers, agents, employees, patrons, vendors, invitees and contractors. Lessee will not permit its agents, servants or employees to conduct business in a loud, noisy, boisterous, offensive or objectionable manner. Lessee agrees to require its employees or approved sublessees to wear suitable attire and, if the Authority will so request, to wear or carry badges or other suitable means of identification which will be subject to the prior and continuing approval of the Authority, the FAA and TSA.

G. Lessee's Expenses.

Lessee will be responsible for all of its expenses in connection with its operation at the Airport and the rights and privileges herein granted, including without limitation by reason of taxes, permit fees, license fees and assessments lawfully levied or assessed upon the Lessee, and Lessee will secure all required permits and licenses. The Authority will reasonably cooperate with the Lessee in obtaining all permits Lessee is required to obtain, including building and occupancy permits.

H. Vibrations; Disturbances.

Lessee will take all reasonable measures to reduce to a practicable minimum any vibrations tending to damage any equipment, structure, buildings or portions of buildings and to not produce on the Airport through the operation of machinery or equipment any electrical, electronic or other disturbance that interferes with the operation of air navigational,

communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

ARTICLE 7 - RENT, FEES, AND CHARGES

A. Rent.

Lessee covenants and agrees to pay as rent for the Leased Premises effective on the Commencement Date of this Agreement, an annual base rent (“Rent”) as set forth on **Exhibit B** attached hereto. The Rent will be payable in equal monthly installments due on the first day of each month of the Term. Rent for a partial month will be prorated. The Rent will be adjusted annually based upon the U.S. Department of Labor’s consumer price index for all urban consumers (CPI-U). Further, Authority reserves the right to appraise the Leased Premises during the term of this Agreement, but no more frequently than once every four years, and to update the Leased Premises’ Rent with those appraised values effective the next fiscal year. In no event will the annual Rent payable in this section be less than the amount payable for the previous annual period.

B. Other Fees.

Lessee will pay the Authority without notice from the Authority monthly on or before the tenth day of each month, effective on the Commencement Date of this Agreement, a fee which is the greater of either (i) one twelfth of the Minimum Annual Guarantee determined pursuant to Section 7.E herein, or (ii) the total of (a) the Fuel Flowage Fee determined in accordance with Section 7.C herein plus (b) the Gross Receipts Fee determined in accordance with Section 7.D herein.

C. Fuel Flowage Fee.

Lessee will pay the Authority a Fuel Flowage Fee of twelve cents (\$0.12) per gallon for all Fuel dispensed or sold (Jet-A and AvGas) for general aviation. Fuel Flowage Fees will be remitted monthly on or before the tenth (10th) day of the month immediately following the month during which the business on which the fee is based occurred. Lessee will furnish to the Authority a report in a format approved by the Authority describing the Fuel activity in accordance with the Minimum Standards.

D. Gross Receipts Fee.

Lessee agrees to pay the Authority six percent (6%) of Lessee's Gross Receipts attributable to all sales of products and services rendered by Lessee at Airport. The term Gross Receipts will be defined as the total gross receipts received by Lessee from all sales of products and services (excluding general aviation Fuel) dispensed, sold, performed, or provided by Lessee under this Agreement. The Lessee, on demand of the Authority, must provide sufficient data to permit a verification of the propriety and the accuracy of such payments. Receipts will be deemed to be received upon the determination of the amount due Lessee for each transaction, unless otherwise specifically authorized by the Authority in writing. Gross Receipts will not include any federal, state, or municipal sales tax or other similar taxes separately stated and collected from customers of Lessee now or hereafter levied or imposed, nor any sums collected as tips or gratuities and actually given to the employees of the Lessee, nor the cost of goods sold for Jet-A gallons purchased by Lessee for sale to commercial aviation users. No other deductions from Gross Receipts, unless specifically stated herein, will be allowed by the Lessee unless approved in writing by the Authority. The Gross Receipts Fee will be paid monthly on or before the tenth (10th) day of the month following the month during which the business on which the fee is based occurred.

E. Minimum Annual Guarantee.

The Minimum Annual Guarantee for the first year under this Agreement will be \$ [REDACTED]. Thereafter, the Minimum Annual Guarantee for each succeeding year under this Agreement will be the greater of: (i) ninety percent (90%) of the total of all Fuel Flowage Fees and all Gross Receipts Fees due for the preceding year; or (ii) the Minimum Annual Guarantee for the first year of this Agreement.

Within ninety (90) days after the close of each lease year, Lessee will furnish to the Authority a sworn statement, certified by an independent certified public accountant, showing all Fuel sales and applicable Gross Receipts derived from its operation of the FBO for the lease year. If such certified sworn statement indicates that Lessee has paid Authority less than the amounts owed Authority under this Agreement, Lessee pay Authority any such deficiency not later than fifteen (15) days following delivery of such sworn statement to the Authority together with the service charge and interest applicable below.

F. All payments to the Authority under this Agreement will be payable to the Norfolk Airport Authority at 2200 Norview Avenue, Norfolk, VA 23518-5807, or as the Authority may from time to time direct.

G. Lessee will pay rent promptly when due without notice or demand therefore, and without any abatement, deduction or set off for any reason whatsoever. Rent will be paid to the Authority in lawful money of the United States, at Lessee's election, by either (i) good and sufficient check (subject to collection) drawn on a bank acceptable to Authority, or (ii) wire transfer to an account designated by the Authority.

H. No payment by Lessee or receipt by the Authority of a lesser amount than that provided herein will be deemed to be other than on account of the earliest stipulated rent; nor will any endorsement or statement on any check or any letter or document accompanying any check of payment as rent be deemed an accord and satisfaction, and the Authority may accept such check or payment without prejudice to the Authority's right to recover the balance of such Rent or pursue any other remedy provided herein.

I. The obligation of Lessee to make payments of rent, fees and charges arising during the Term will survive the expiration or earlier termination of this Agreement.

ARTICLE 8 - TENANT IMPROVEMENTS

A. Initial Tenant Improvements.

Lessee will complete the initial Tenant Improvements listed in **Exhibit C** attached to and incorporated as part of this Agreement within the timeframe stated therein.

B. Improvements.

Lessee will complete or cause to be completed any approved Tenant Improvements in the manner as set forth herein. Tenant Improvements means all buildings, improvements, demolition or alterations constructed on, at or in the Leased Premises during the Term including any restoration, addition to, or replacement thereof and all Fixed Improvements and other improvements made by Lessee or any sublessee to the Leased Premises, but excluding therefrom the Leased Premises and Lessee's trade fixtures and personal property. Fixed Improvements means any article that has been so annexed to the Leased Premises that it cannot be removed without material injury to the Leased Premises. Fixed Improvements will not

include, for example, furniture, trade fixtures, equipment or other personal property, which may be removed from the Leased Premises without material injury to the Leased Premises.

C. Approval of Plans and Specifications.

Lessee agrees to deliver to Authority for its approval all plans and specifications for construction of any Tenant Improvements. Unless specifically waived by the Authority, all plans and specifications will include, where applicable:

1. Architectural and engineering drawings including (i) proposed floor plans; (ii) environmental design criteria; and (iii) grade, elevation and height of structure;
2. Exterior design detail including detailed building materials, colors, graphics and landscaping selections;
3. Cost estimates (hard and soft), project schedules, proposed contractors and financing sources; and
4. Any other construction or detail reasonably requested by Authority.

All plans and specifications will be consistent with the design concept submitted by Lessee to Authority and will be prepared in accordance with FAA design standards and other governmental requirements. Authority will promptly review, approve, disapprove or suggest revisions to the plans and specifications. In the event Authority disapproves or suggests changes to any submission of the plans and specifications, Lessee will resubmit revised plans and specifications.

Upon approval by the Authority of any Tenant Improvements, the Authority and Lessee will enter into a written agreement identifying the approved Tenant Improvements and any additional terms for construction and financing of such Improvements which are not specified in this Lease.

D. Completion of Improvements.

Within thirty (30) days after the Authority's approval, Lessee will commence work on the approved Tenant Improvements in accordance with the conditions and schedule agreed to by the Authority and pursue such schedule diligently to completion. All deliveries of materials and supplies will be made through the access points and via routes designated by the Authority. Lessee will be fully liable to the Authority for any damage that results from the work on or associated with the Tenant Improvements.

E. Governmental Approvals.

Lessee will obtain or cause to be obtained all necessary approvals and permits from Authority and any and all Governmental Authorities prior to constructing the Tenant Improvements and will ensure that the Tenant Improvements are constructed and equipped in compliance therewith. Authority will cooperate with Lessee in obtaining such approvals and permits. Lessee will obtain all required occupancy permits and authorizations from Governmental Authorities, including a certificate of occupancy, authorizing the occupancy and use of the Leased Premises for the purposes described in this Agreement. Lessee will provide site access for inspection of construction and related activities by Authority.

F. As-Built Drawings.

Within sixty (60) days of completion of construction of Tenant Improvements, Lessee will cause Lessee's architect, engineer or contractor(s), whichever is applicable, to deliver to Authority as evidence of the completion of such work "as built" record drawings for new structures, in both electronic Auto Cad format and hard copies, including any and all termination points of utilities and any and all building structures and a certificate to the effect that (i) the design, demolition and construction of Tenant Improvements (as identified in the certificate), have been completed in accordance with the final plans and specifications as approved by the Authority, and (ii) all costs and expenses for labor, services, materials and supplies used in designing, constructing and equipping the Tenant Improvements have been paid in full

G. Quality Construction.

Lessee will cause all work to be performed in a good and workmanlike manner and in accordance with all requirements of Authority and any Governmental Authority and the approved plans and specifications. At all times during such work, Lessee will have a copy of the approved plans and specifications on file with Authority and on the construction site for inspection by Authority. Upon Authority's written request, Lessee will promptly commence to reconstruct or replace and diligently pursue to completion, at its sole cost and expense, prior to or after completion of such work, any work which is not done substantially in accordance with such plans and specifications as approved by Authority.

H. Antennae and Other Prohibited Items.

Lessee is prohibited from installing any antennae, satellite dishes, radar or other communication equipment, not shown on the plans and specifications, on the outside of any

Tenant Improvements or on or about the Leased Premises without the written consent of Authority.

I. Failure to Secure Authority Approval.

If Lessee makes any Tenant Improvements without the Authority's approval, then, upon notice to do so, the Lessee will remove the same or, at the option of the Authority, cause the same to be changed to the reasonable satisfaction of the Authority. If the Lessee fails to comply with such notice within thirty (30) days or to commence to comply and pursue diligently to completion, the Authority may effect the removal or change, and the Lessee will pay the cost thereof to the Authority.

J. Bond.

Prior to the commencement of any Tenant Improvements at a cost greater than Twenty-five Thousand Dollars (\$25,000), the Authority will have the right to require that Lessee will obtain, or cause to be obtained, a contract surety bond in a sum equal to the full amount of any construction contract awarded by Lessee for the improvements. Said bond will (i) name the Authority as an obligee thereunder; (ii) be drawn in a form and from such company acceptable to Authority and authorized to do business in the Commonwealth of Virginia; (iii) guarantee the faithful performance of necessary construction and completion of improvements in accordance with approved final plans and detailed specifications; and (iv) protect Authority against any losses and liability, damages, expenses, claims, and judgments caused by or resulting from any failure to perform completely the work described. Authority further reserves the right to require that Lessee acquire or cause to be acquired a payment bond with any contractor or contractors of Lessee as principal, in a sum equal to the full amount of the construction contract awarded by Lessee for the improvements. Said bond will name the Authority as an obligee thereunder and will guarantee payment of all wages, labor and services engaged, and of all bills for materials, supplies, and equipment used in the performance of said construction contract.

K. Contractors' Insurance.

Lessee will comply and ensure that its contractors comply with Authority's construction insurance requirements. Lessee will furnish or require contractors to furnish satisfactory evidence of statutory workers' compensation insurance, comprehensive general liability insurance, comprehensive automobile insurance, and physical damage insurance, on a builder's risk form with the interest of Authority endorsed thereon as an additional insured, in

such amounts and in such manner as Authority may require. Authority may require additional insurance for any alterations or improvements approved hereunder, in such limits as Authority reasonably determines to be necessary.

ARTICLE 9 - MECHANICS LIENS

A. Lessee will pay or cause to be paid all costs and charges for work done by Lessee or caused to be done by Lessee in or to the Leased Premises, and for all materials furnished for or in connection with such work. Lessee will indemnify Authority against, and hold Authority and the Leased Premises free, clear and harmless of and from, all mechanic's liens and claims of liens, and all other liabilities, liens, claims and demands on account of such work by or on behalf of Lessee. If any such lien, at any time, is filed against the Leased Premises as a result of work performed or caused to be performed by the Lessee, Lessee will cause such lien to be discharged of record within twenty (20) days after the filing of such lien. In the event that the Lessee fails or refuses to remove such lien of record within such time period by payment, bonding off or payment into court, the Authority will be entitled, but will not be obligated, to discharge the same of record and all amounts paid by the Authority with respect to the same (including reasonable attorneys' fees and disbursements) will be paid by the Lessee to the Authority as additional rent within twenty (20) days after the Authority renders a statement to the Lessee with respect thereto. If the Lessee fails to pay any charge for which such a mechanics' lien has been filed, Authority may, at its option, pay such charge and related costs and interest, and the amount so paid, together with reasonable attorneys' fees and disbursements incurred in connection with such lien, will be immediately due from Lessee to Authority.

B. At least fifteen (15) days prior to the commencement of any work (including, but not limited to any alterations, additions, improvements or installations) in or to the Leased Premises by others at the request of the Lessee, Lessee will give Authority written notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work.

C. Lessee will have no power to do any act or make any contract which may create or be the foundation of any lien or other encumbrance upon the estate or assets of, or funds appropriated to, Authority or of any interest of Authority in the Leased Premises. Nothing

contained in this Agreement will be deemed the consent or agreement of Authority to subject the interest of Authority to liability under any mechanic's or other lien law. If Lessee receives notice that a lien has been or is about to be filed against the Leased Premises or any action affecting title to the Leased Premises has been commenced on account of work done by or for or materials furnished to or for Lessee, Lessee will immediately notify Authority in writing of such notice.

ARTICLE 10 - CONDITION OF THE LEASED PREMISES

Lessee warrants it has inspected the Leased Premises and accepts possession of the Leased Premises, "as is," in its present condition, and subject to all limitations imposed upon the use thereof by the Regulatory Measures and by the Rules and Regulations, and the Minimum Standards of the Authority, and admits its suitability and sufficiency for the uses permitted hereunder. Except as may otherwise be provided for herein, the Authority will not be required to maintain nor to make any improvements, repairs or restoration upon or to the Leased Premises. The Authority will not have any obligation to repair, maintain or restore any Tenant Improvements placed upon the Leased Premises by the Lessee, its successors and assigns.

ARTICLE 11 - MAINTENANCE, REPAIR AND CARE

A. Throughout the Term of this Agreement, Lessee will be responsible for repairing and maintaining the Leased Premises and all Tenant Improvements, Fixed Improvements, facilities, equipment, utilities, including structural and other necessary capital repairs thereto in a good workmanlike manner. Without limiting the generality hereof, Lessee will:

1. Keep the Leased Premises, all Tenant Improvements thereon and all of the Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises in a clean and orderly condition and appearance, as appropriate for its intended use at all times.
2. Provide and maintain on the Leased Premises all safety equipment required by any Regulatory Measures, including obstruction lights and similar devices.
3. Repair any damage, normal wear and tear excluded, to paving or other surfaces of the Leased Premises, including but not limited to those caused by any oil, gasoline,

grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

4. Maintain and replant any landscaped area of the Leased Premises and take reasonable measures to prevent erosion, including but not limited to, the planting and replanting of grasses with respect to portions of the Leased Premises not paved or built upon.

5. Provide all necessary snow removal and apron cleaning services for the leased apron areas, and all janitorial and custodial services, trash removal services and any and all other related services necessary to maintain the Leased Premises in good condition.

6. Contract with the providers of all utilities for furnishing services to the Leased Premises and pay for all water, gas, electricity, sanitary sewer service, other utilities, telephone, burglary and fire protection services furnished to the Leased Premises.

7. Comply with all instructions of the Authority in disposing of its trash and refuse at Lessee's expense, and use a system of refuse disposal approved by the Authority. Lessee will be responsible for removal from the Airport, or otherwise disposing of in a manner approved by the Authority, all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy of the Leased Premises or out of its operations. Lessee will provide and use suitable covered metal or other rigidly and sturdily constructed receptacles, suitably screened from public view, for all garbage, trash and other refuse created on or arising in connection with the activities conducted on the Leased Premises. Piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner on or about the Leased Premises is forbidden. The manner of handling and disposing of trash, garbage and other refuse and the frequency of removal thereof from the Airport will at all times be subject to the rules, regulations and approval of the Authority. Lessee will use extreme care when effecting removal of all waste to prevent littering the Airport.

8. Not use any flammable liquids within any covered or enclosed portion of the Leased Premises, except as required in the performance of maintenance and provided that such use is in accordance with all applicable Regulatory Measures. Any other supplies of such liquids will be kept and stored in safety containers of a type approved by the Underwriters Laboratories.

9. Not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewer system, fire protection system,

sprinkler system, alarm system and fire hydrant and hoses, if any, installed or located on the Leased Premises.

10. Not overload any floor, structure, structural member or paved area on the Leased Premises, or paved area elsewhere on the Airport, and will repair at the Lessee's expense any floor, structure, structural member, or any paved area damaged by overloading, normal wear and tear excepted.

B. In the event Lessee fails: (i) to commence to maintain, clean, repair, replace, rebuild or repaint within a period of ten (10) days after written notice from the Authority to do any maintenance or repair work required to be done under the provisions of this Agreement, or within a period of thirty (30) days if the notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only; or (ii) to diligently continue to completion any repairs, replacement, rebuilding, painting or repainting as required under this Agreement, in addition to any other remedies which may be available to it, the Authority may enter the Leased Premises involved, without such entering causing or constituting a cancellation of this Agreement or an interference with the possession of the Leased Premises, and repair, replace, rebuild or paint all or any part to the Leased Premises or the improvement thereon, and do all things reasonably necessary to accomplish the work required, and the cost and expense thereof will be payable to the Authority by the Lessee on demand. In the sole judgment of the Authority, if Lessee's failure to perform any maintenance endangers the safety of the public, the employees or property of the Authority or other lessees at the Airport, and the Authority so states in the notice to Lessee, the Authority may at its sole option, in addition to all other remedies which may be available to it, elect to perform such maintenance at any time after the giving of such notice, and Lessee agrees to pay to the Authority the cost and expense of such performance, on demand.

C. The Authority's costs and expenses will include, but will not be limited to, all direct and indirect costs and expenses of the Authority, its agents, contractors and employees, all financing charges, if any, and all allocations of fringe benefits, overhead, legal and administration charges the Authority deems appropriate.

D. Should the Authority, its officers, employees or agents undertake any work hereunder, Lessee hereby waives any claim for damages, consequential or otherwise, as a result

therefrom except for claims for damages arising from the gross negligence of the Authority, its agents and contractors.

E. The foregoing will in no way affect or alter the primary obligations of Lessee as set forth in this Agreement, and will not impose or be construed to impose upon the Authority any obligations to maintain the Leased Premises unless specifically stated otherwise herein.

ARTICLE 12 - INSURANCE

A. Insurance Coverage.

Without limiting Lessee's obligation to indemnify Authority, at all times throughout the term of this Agreement, Lessee will maintain insurance with insurers licensed to do business in the Commonwealth of Virginia, against such risks, loss, damage and liability and for such amounts as are customarily insured against by other enterprises of like size and type as that of Lessee, and will comply with the insurance requirements set forth in the Minimum Standards.

1. The parties acknowledge and agree that circumstances affecting, among other things, the Airport, Authority, Lessee, the aviation industry and the insurance market may occur during the term of this Agreement and, as a consequence, Authority may, upon written notice, adjust the insurance requirements set forth in this Article at any time during the term if, in Authority's judgment, the insurance requirements of this Agreement are deemed inadequate to properly protect Authority, and Lessee will promptly comply with such adjustments. Any changes to insurance requirements will be implemented not later than the next applicable insurance policy renewal term.

2. Lessee's failure to provide and/or maintain the required insurance coverage as set forth herein will be grounds for immediate termination of this Agreement.

B. Premium Payments.

1. Lessee will provide such other insurance in such amounts and against such other insurable hazards as the Authority from time to time may reasonably require or to the extent required by any Regulatory Measures. Notwithstanding the foregoing, Authority will have the right to pay the premium for each insurance policy required under this Agreement and Lessee hereby understands and agrees to reimburse Authority for all premiums and related

expenses associated with the procurement of the necessary insurance coverages that are included and agreed upon by Lessee under the terms and conditions of this Agreement, provided that this provision will not impose any liability upon Authority to secure Lessee's insurance and any failure by the Authority so to do will not operate to waive or invalidate any obligation of Lessee herein.

2. Lessee will be solely responsible for the payment of premiums notwithstanding that the Authority or any other party is or may be named as an insured.

C. Real and Personal Property and Employee Dishonesty.

1. Authority will not be liable or responsible for any loss or damage to any real or personal property of Lessee, including all loss of income or extra expense costs, arising out of any incident which is the proximate cause of any peril included within the "Special Causes of Loss" form of the standard Commercial Property Policy as used within the Commonwealth of Virginia, and including additional perils of flood, the dishonest acts of Lessee's employees, earthquake, earth movement, collapse of any building or structure, weather conditions, acts of God or any other causes of loss arising out of nature.

2. Lessee will hold Authority harmless for the dishonest acts of Lessee's employees.

D. Waiver of Subrogation.

Authority and Lessee hereby mutually waive any and all rights of recovery against the other party arising out of damage or destruction of the buildings, Leased Premises, or any other real or personal property from causes included under any property insurance policies to the extent such damage or destruction is covered by the proceeds of such policies and whether or not such damage or destruction will have been caused by the parties, their officers, employees, or agents, but only to the extent that the insurance policies then in force permit such waiver. All property insurance policies will contain, to the extent available, this waiver of subrogation provision and the cost of such provision will be borne by the primary insured.

E. Lessee's insurance will comply with the requirements set forth in the Minimum Standards.

F. Insurance Certificates.

At the time of execution and delivery of this Agreement, Lessee will deliver to the Authority original insurance certificates with endorsements, containing evidence of compliance

with the requirements of this Article. At least sixty (60) calendar days prior to the expiration of any policy of insurance required by this Agreement, Lessee will furnish to the Authority evidence that the policy has been renewed or replaced, and will deliver to the Authority certificates of such renewal or replacement policies as the Authority may request. The Authority may request copies of any or all policies. Such certificates will specifically reflect that the Authority is named as an additional insured on all policies of insurance required under this Agreement.

ARTICLE 13 - AUTHORITY NOT LIABLE FOR INJURY OR DAMAGE

A. Except as may be caused by Authority's acts or commissions (or that of Authority's employees, contractors and agents), Authority will not be liable for any injury or damage to Lessee or to any other person on, in or about the Leased Premises and the appurtenances thereto during the Term of this Agreement. Further, Authority will not be liable for any injury or damage to the Leased Premises or to any property of Lessee or of any other person or entity whether caused by fire, breakage or any other cause during the Term of this Agreement except as may be caused by Authority's grossly negligent acts or commissions (or that of Authority's employees, contractors and agents).

B. Except as may be caused by Authority's grossly negligent acts or commissions (or that of Authority's employees, contractors and agents), the Authority will not be liable to Lessee or to any other person or entity for any failure of water supply, gas or electric current, nor for any injury or damage to the Leased Premises or to any property of Lessee or of any other person caused by or resulting from gasoline, oil, steam, electricity, or hurricane, tornado, blizzard, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Leased Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditament by anybody, or caused by any public or quasi-public work.

C. The Authority will not be liable to Lessee or to any other person or entity for any injury or damage to the Leased Premises or to any property of Lessee or of any other person or entity, arising out of any sinking, shifting, moving, subsiding, failure in load-bearing capacity of,

or other matter or difficulty related to the soil, or other surface or subsurface materials on the Leased Premises; and Lessee will assume and bear all risk of loss with respect thereto.

D. Nothing in this Article or Agreement will be construed as a waiver of the Authority's sovereign immunity under Virginia law.

ARTICLE 14 - INDEMNIFICATION BY LESSEE

A. To the fullest extent permitted by law, Lessee agrees to indemnify, defend, save, and hold harmless the Authority, its commissioners, officers, employees, agents, successors and assigns, individually or collectively, against and from any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, attorney's fees, disbursements, court costs, and expert fees) arising from or related, in whole or in part, in any way to the conduct of Lessee's operations at the Airport, or from any accident in or upon the Leased Premises, or from any breach or default on the part of the Lessee in the performance of any covenant or agreement on the part of the Lessee to be performed pursuant to the terms of this Agreement, or arising from any negligence or willful act or omission of the Lessee or any of its agents, contractors, employees, licensees, invitees, or successors and assigns.

B. To the fullest extent permitted by law, Lessee will indemnify, save, hold harmless, and defend Authority, its commissioners, officers, directors, employees agents, successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind or nature (including, but not limited to, attorney's fees, disbursements, court costs, and expert fees) and any fines in any way arising from or based upon the violation by Lessee, its agents, contractors, employees, licensees, invitees, or successors and assigns of any applicable Minimum Standards, Regulatory Measures, or any applicable Rule and Regulation of the Authority.

C. To the fullest extent permitted by law, Lessee will indemnify, save, hold harmless, and defend Authority, its commissioners, officers, directors, agents, employees, successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the reasonable cost and expenses actually incurred by the Authority (including, but not limited to, reasonable attorney's fees, disbursements, court costs, and expert fees) arising from or attributable to any environmental claim arising out of or resulting from

Lessee's use and occupancy of Leased Premises or use of the Airport, including, but not limited to any claim for (i) discharge of pollutants (including but not limited to oil and glycol), hazardous materials, hazardous substances or solid waste, hazardous wastes or toxic materials at or on the Airport, including the air, surface water, ground water, or soil from any source, including underground storage tanks, (ii) generation, handling, treatment, storage, disposal, or transportation of solid, gaseous, or liquid waste at the Airport or at any other site, facility or location, (iii) electromagnetic or other radiation or noise, (iv) exposure of any person to any hazardous material, (v) manufacture, processing, distribution, use, or storage of any hazardous material, (vi) the release or threatened release of any contamination or hazardous material to, from or through the Airport, or (vii) any of the foregoing circumstances or events which are related to, caused by or arising from Lessee's Airport-related activities, but which involve non-Airport property, including the air, surface water, ground water, or soil. Authority agrees to provide Lessee with prompt notice of the pendency of any such claim. Notwithstanding the above, Lessee will not be liable for any environmental claim solely and directly attributable to a pre-existing condition on any Airport area newly leased by Lessee hereunder and not previously occupied by Lessee or any corporate predecessor to Lessee at any prior time. The above indemnification obligation of the Lessee will include any liabilities incurred by the Authority solely as a result of its status as the owner of the property.

D. The obligations of Lessee under this Article will not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Leased Premises.

E. If any claim, action, or proceeding is made or brought against any of the Protected Parties hereafter defined by reason of any event for which Lessee has agreed to indemnify the Protected Parties herein, then, upon demand by the Authority, Lessee will, and in the absence of such demand, Lessee may, at its option, resist or defend such claim, action or proceeding (in such Protected Party's name, if necessary) by the attorneys for Lessee's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Lessee) or (in all other instances) by such attorneys as Lessee will select and the Authority will approve, which approval will not be unreasonably withheld. Lessee will not enter into any settlement of any such claim without the prior consent of the Authority, and all of such affected Protected Parties, which will not be unreasonably withheld, and only if such parties are released from all liability in

connection with such claim and none of their interests are prejudiced by such settlement. Notwithstanding the foregoing, each of the Protected Parties may engage its own attorneys to defend it or to assist in its defense, but Lessee will be liable only for the fees and disbursements of the Authority's attorneys and only for the Authority's attorneys if Lessee has not retained attorneys. The Authority may enter into any settlement of such claim provided that Lessee is not materially adversely affected by any such settlement. The term "Protected Parties" will mean the Authority and its Commissioners, officers, employees, agents, successors and assigns.

F. The provisions of this Section will survive the expiration or termination of this Agreement with respect to occurrences during the term of this Agreement or occasioned by acts or omissions of the Lessee during the term of this Agreement.

ARTICLE 15 - SECURITY DEPOSIT

A. Upon the execution of this Agreement by Lessee and delivery thereof to the Authority, Lessee will also deliver to the Authority as a Security Deposit, a cashier's or certified check, a bond from a bonding company (or surety) authorized to do business in the Commonwealth of Virginia, or an irrevocable letter of credit from a federally insured bank in the amount of the Minimum Annual Guarantee proposed by Lessee for the first contract year.

B. This Security Deposit will remain in the possession of the Authority during the full term of this Agreement as security for the full, faithful, and prompt performance of and compliance with, on the part of Lessee, all of the covenants, obligations, and provisions of this Agreement.

C. The Authority will have the right to use the Security Deposit and any interest thereon or any part thereof in whole or partial satisfaction of any of its claims or demands against Lessee. In the event the Authority will use the Security Deposit or any part thereof, Lessee will, on demand of the Authority and within two (2) business days thereafter, deposit with the Authority the sum necessary to maintain the Security Deposit at the amount herein set forth.

ARTICLE 16 - AUTHORITY'S RIGHTS TO PERFORM LESSEE'S COVENANTS

A. If an Event of Default has occurred, or if Lessee is in Default and such Default creates an emergency situation, the Authority, without waiving or releasing Lessee from any obligation of Lessee contained in this Agreement, may (but will be under no obligation to) perform such obligation on Lessee's behalf. The Authority will give Lessee such prior notice (except in the case of emergency) of the Authority's performance of such obligations as is reasonable under the circumstances. Any reservation of a right by the Authority to enter upon the Leased Premises and to make or perform any repair, alteration, or other work in, to, or about the Leased Premises which is Lessee's obligation pursuant to this Agreement, will not be deemed to: (i) impose any obligation on the Authority to do so; (ii) render the Authority liable to Lessee or any third party for the failure to do so; or (iii) relieve Lessee from any obligation to indemnify the Authority as otherwise provided in this Agreement. Nothing in this Agreement will impose any duty upon the part of the Authority to do any work required to be performed by Lessee under this Agreement, and performance of any such work by the Authority will not constitute a waiver of Lessee's default in failing to perform the same.

B. All sums paid by the Authority and all third party costs and expenses reasonably incurred by the Authority in connection with its performance of any obligation pursuant to this Agreement, together with interest thereon at the Default Rate, from the respective dates which are thirty (30) days after the date each such sum, cost, expense, charge, payment or deposit was demanded by the Authority to be repaid by Lessee until the date of actual repayment to the Authority with such interest, will be paid by Lessee to the Authority and will constitute additional rent under this Agreement. Any payment or performance by the Authority will not constitute nor be deemed to constitute a waiver or release of any breach by Lessee or any Event of Default by Lessee with respect thereto or of the right of the Authority to terminate this Agreement, institute summary proceedings or take such other action as may be permissible hereunder if an Event of Default by Lessee will have occurred. Damages incurred by reason of Lessee's failure to provide and keep insurance in force in accordance with this Agreement will not be limited to the amount of the insurance premium or premiums not paid, and the Authority also may recover, as damages for such breach, the uninsured amount of any loss and damage and the costs and expenses of suit, including attorneys' fees and disbursements, suffered or incurred by reason of damage to or destruction of the Leased Premises.

ARTICLE 17 - LAW AND REGULATORY ENFORCEMENT

A. Lessee, its officers, employees, agents, and others under its control will observe and obey all Regulatory Measures which may be applicable to Lessee's operations at the Airport.

B. Authority may from time to time adopt, amend, or revise rules and regulations for the conduct of operations at the Airport, for reasons of safety, health, preservation of the property, or for the maintenance of the good and orderly appearance of the Airport. Lessee, its officers, employees, agents, and others under its control will faithfully comply with and observe such rules and regulations, except as they may conflict with the terms and provisions of this Agreement, or the regulations of another governmental authority having appropriate jurisdiction. Authority will notify Lessee in advance of any amendments or supplements to such rules and regulations that would adversely or materially alter the terms of this Agreement.

C. Lessee will be strictly liable and responsible for obtaining, maintaining current, and fully complying with, any and all permits, licenses, and other governmental authorizations, however designated, as may be required at any time throughout the entire Term of this Agreement by any federal, state, or local governmental entity or any court of law having jurisdiction over Lessee or Lessee's operations and activities.

D. Lessee, at all times throughout the term of this Agreement, will promptly comply with, and will cause all users of the Leased Premises, and their respective contractors, agents, employees and invitees, to comply with, and will take all appropriate actions so that the Leased Premises comply with all of the following which at such time will be in effect: (i) any and all applicable present and future, foreseen and unforeseen, laws, rules, orders, ordinances, codes, regulations, statutes, executive orders, permits and any other requirements, including any required certificates, consents and approvals, of all Governmental Authorities, including any applicable fire standards board or other body exercising similar functions, affecting the Leased Premises or the construction, maintenance, use, operation, management or occupancy of the Leased Premises or the environment and (ii) any and all applicable present and future, foreseen and unforeseen, provisions and requirements of all casualty, liability or other insurance policies required to be carried by Lessee under this Agreement.

E. Such compliance will be without regard to: (i) the nature or cost of any work required to be done, extraordinary as well as ordinary, and whether or not the same involves or

requires any structural changes or additions in or to the Leased Premises; (ii) whether or not such changes or additions are required on account of the Leased Premises; (iii) whether or not such changes or additions are required on account of any particular use to which the Leased Premises, or any part thereof, may be put; and (iv) the fact that Lessee is not the fee owner of the Leased Premises.

F. Lessee will provide the Authority a copy of any notice, warning, summons, or other legal process for the enforcement of any Regulatory Measures decisions, or orders immediately upon receipt of same. In addition to any other indemnity provisions herein, Lessee agrees to indemnify and hold the Authority harmless from and against any and all claims, actions, damages, liabilities, fines, penalties, costs, and expenses including attorney fees suffered or incurred by the Authority as a result of the enforcement of any applicable Regulatory Measures, decisions or orders, or Lessee's noncompliance with same.

ARTICLE 18 - TAXES AND OTHER IMPOSITIONS

Lessee will pay, as hereinafter provided, all of the following items (collectively, "Impositions") now or at any time hereafter imposed by any Governmental Authority upon all or any portion of the Leased Premises, (i) real property assessments, including any payment in lieu of taxes, taxes, and annual assessments charged to Authority or to Lessee with respect to sewer lines and services serving the Leased Premises, (ii) personal property taxes, (iii) water, water meter and sewer rents, rates and charges, (iv) charges for public utilities, (v) special benefit assessments of any kind, including assessments for sewer, garbage and refuse, and water, (vi) excise taxes, (vii) license and permit fees, (viii) fines, penalties and other similar or like charges applicable to the foregoing and any interest or costs with respect thereto, and (ix) any and all other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are assessed, levied, or imposed upon all or any portion of the Leased Premises, or the use, operation and occupancy thereof by Lessee and create an encumbrance or lien on the Leased Premises. Each such Imposition, or installment thereof, during the Term will be paid to the appropriate Governmental Authority not later than the due date thereof. Lessee is only responsible for payment of

Impositions imposed upon the Leased Premises, and the parties agree that in the event an Imposition is imposed upon an area greater than the Leased Premises Lessee is only responsible for its pro rata share. Lessee, from time to time upon request of Authority, will promptly furnish to Authority official receipts, or other evidence reasonably satisfactory to Authority, evidencing the payment of Impositions.

ARTICLE 19 - TERMINATION BY AUTHORITY

A. Termination on Default by Lessee.

1. Events of Default. The occurrence of any of the following will constitute a Default of the Agreement and an Event of Default by Lessee:

a. Lessee fails to pay any rent, fees, charges or any other payment provided in this Agreement within ten (10) days after the date it is due. If a dispute arises between Authority and Lessee with respect to any obligation or alleged obligation of Lessee to make payments to Authority, Lessee will make such contested payment under protest when the same will be due and such payment will not waive Lessee's right to contest the validity or amount of such payment. In the event any court or other body having jurisdiction determines all or any part of the protested payment will not be due, then Authority will promptly reimburse Lessee any amount determined as not due, excluding any interest thereon and any other fees or costs. Throughout the duration of any appeal or contest by Lessee of any fees or charges, Lessee will not be held in default with regard to the contested fees or charges so long as Lessee makes payments under protest in the amounts as calculated by Authority.

b. The conduct of any business or performance of any act at the Airport not specifically authorized in this Agreement or in other agreements between Authority and Lessee, and said business or act does not cease within ten (10) days of receipt of Authority's written notice to cease said business or act.

c. Any representation or warranty made by Lessee herein or in any report, certificate, financial statement or other instrument furnished pursuant hereto will prove to be false, misleading or incorrect.

d. The failure by Lessee to provide and maintain insurance coverage in accordance with this Agreement.

e. The failure by Lessee to comply with all applicable Regulatory Measures.

f. The bankruptcy, insolvency or reorganization of Lessee on the following conditions:

(i) The filing of a petition by or against Lessee for relief in bankruptcy or insolvency or for its reorganization or for the appointment pursuant to any local, state or federal bankruptcy or insolvency law of a receiver or trustee of any part of Lessee's property; or an assignment by Lessee for the benefit of creditors; or the taking possession of the property of Lessee by any local, state or federal governmental agency or court-appointed official for the dissolution or liquidation of Lessee or for operating Lessee's business, either temporarily or permanently will constitute an Event of Default. If any such action is commenced against Lessee, the same will not constitute a default if Lessee files a motion to dismiss such action within thirty (30) days after its filing and such action is dismissed or discharged within sixty (60) days after the action against Lessee was commenced.

(ii) Neither this Agreement nor any rights or privileges hereunder will be an asset of Lessee in any bankruptcy, insolvency or reorganization proceeding. If Authority will not be permitted to terminate this Agreement because of the provisions of the United States Bankruptcy Code, Lessee or any trustee for it will, within fifteen (15) days upon request by Authority to the Bankruptcy Court, assume or reject this Agreement; provided however, that Lessee may not assume this Agreement unless all defaults hereunder will have been cured, Authority will have been compensated for any monetary loss resulting from such default, and Authority will be provided with adequate assurance of full and timely performance of all provisions, terms and conditions of this Agreement on the part of Lessee to be performed.

g. The divestiture of Lessee's estate herein by operation of law, by dissolution, or by liquidation.

h. The voluntary discontinuance for a period of ten (10) consecutive days by Lessee of its operations at the Airport unless otherwise approved by Authority in advance and in writing.

i. Lessee's abandonment or constructive abandonment of the Leased Premises that continues for ten consecutive (10) days after receipt of notice of default by Lessee.

j. Lessee's failure to observe or perform any other provision or covenant of this Agreement, where such failure continues for fifteen (15) days after written notice thereof to Lessee requiring the same to be remedied. If the nature of the breach is such that the same cannot reasonably be cured within fifteen (15) days, but can be cured within a reasonable period of time but not to exceed thirty (30) days. Lessee will not be deemed to be in default if, and only so long as, Lessee commences such work within the fifteen (15) day cure period and thereafter diligently and continuously prosecutes the same to completion. Lessee will have the burden of proof to demonstrate to Authority's satisfaction that (i) the default cannot be cured within the fifteen (15) day cure period, (ii) Lessee is proceeding with diligence to cure said default, and (iii) such default will be cured within a reasonable period of time.

2. Multiple Defaults. Notwithstanding the foregoing, Lessee's failure to observe or perform any provision or covenant of this Agreement after Lessee has received two previous notices from Authority in the previous twelve (12) months for failures to observe or perform any provision or covenant arising from this Agreement, will constitute an event of default without recourse to a cure period.

3. Authority's Remedies on Lessee Defaults. The following remedies will be available to Authority upon the occurrence of any Event of Default by Lessee. The Authority's rights, options, and remedies will be construed and held to be cumulative, and no one of them will be exclusive of any other. The following remedies are in addition to any other rights and remedies available at law or equity or as provided to Authority in other sections of this Agreement:

a. Authority has the right, but not the obligation, to terminate this Agreement, immediately or otherwise, by giving Lessee written notice specifying the date of termination. Upon such notice, Lessee will have no further rights hereunder and Authority will have the right to take immediate possession of Leased Premises.

b. Authority has the right, but not the obligation, to reenter the Leased Premises and to remove all or any part of Lessee's property and personnel from same. Upon any removal of Lessee property by Authority hereunder, Lessee's property may be sold and the proceeds applied to any damages incurred by Authority, or stored at Lessee's sole risk, cost and expense.

c. Authority has the right, but not the obligation, to assume Lessee's operations, or any part thereof, including the making of any payments required of Lessee or complying with any agreement, term, or condition required by the Agreement to be performed by Lessee, for the purpose of correcting or remedying any such default and to continue the operations until the default has been corrected or remedied; provided that any expenditure by Authority will not constitute a waiver or release of the default or the right of Authority to take any action as may be otherwise permissible at law or equity or under this Agreement in the case of any default.

d. Authority has the right, but not the obligation, to relet Leased Premises and any improvements thereon or any part thereof at such rentals, fees and charges and upon such other terms and conditions as Authority, in its judgment, may deem advisable, with the right to make alterations, repairs or improvements on said Leased Premises. To the fullest extent permitted by law, neither the failure or refusal of Authority to relet the Leased Premises or any part or parts thereof nor, in the event that the Leased Premises are relet, the failure of Authority to collect the rent under such reletting will release or affect Lessee's liability for damages, and Authority will not in any way be liable for same.

(i) In the event that Authority relets Leased Premises, rentals, fees and charges received by Authority from such reletting will be applied: (i) to the payment of any indebtedness other than rentals, fees and charges due hereunder from Lessee to Authority; (ii) to the payment of any cost of such reletting; and (iii) to the payment of rentals, fees and charges due and unpaid hereunder. The residue, if any, will be held by Authority and applied in payment of future rentals, fees and charges by Lessee as the same may become due and payable hereunder.

(ii) If that portion of such rentals, fees and charges received from such reletting and applied to the payment of rentals, fees and charges hereunder is less than the rentals, fees and charges payable during applicable periods by Lessee hereunder, then Lessee will pay such deficiency to Authority.

(iii) In no event will Lessee be entitled to receive any excess of net rentals, fees, and charges collected over sums payable by Lessee to Authority under this Agreement.

(iv) Lessee will also pay to Authority, as soon as ascertained, any costs and expenses incurred by Authority in such reletting not covered by the rentals, fees and charges received from such reletting. Authority may make such alterations, repairs, decorations and replacements as are reasonably necessary or desirable for the purpose of reletting the Leased Premises; and the making of such alterations and/or decorations will not operate or be construed to release Lessee from liability hereunder as aforesaid.

e. Lessee agrees that the amount of rentals, fees, and charges payable by Lessee after reentry by Authority until the expiration of this Agreement will be calculated based upon the average monthly amounts due from Lessee to Authority for all rentals, fees, and charges for the twelve (12) months immediately preceding the Event of Default.

f. Reentry or reletting of Leased Premises by Authority, or the exercise of any other remedy or right by Authority in the event of default will not be construed as an election on Authority's part to terminate this Agreement unless a written notice of termination is given to Lessee.

g. The Authority may recover from Lessee all damages, without limitation, proximately resulting from the event of default.

(i) Lessee will pay to Authority all costs incurred by Authority in the exercise of any remedy, including but not limited to, attorney's fees, disbursements, court costs, penalties, interest, late fees and expert fees.

(ii) If Authority pays any sum or incurs any cost as a result of a default, Lessee will reimburse Authority for all such costs or expenses, plus a fifteen percent (15%) administrative fee, within ten (10) days from the date of Lessee's receipt of Authority's invoice. Lessee will reimburse Authority for labor costs incurred at two and one-half times the actual labor costs, including fringe benefits, and for any materials, supplies or equipment costs incurred at two times the actual cost of such materials, supplies or equipment.

4. Continuing Responsibilities of Lessee. Notwithstanding the occurrence of any event of default, Lessee will remain liable to Authority for all rentals, fees and charges payable hereunder and for all preceding breaches of any covenant of this Agreement. Unless Authority elects to terminate this Agreement through written notice, Lessee will remain liable for and promptly pay all rents, fees and charges accruing hereunder until the expiration of this Agreement.

B. Additional Rights.

The rights of termination described above will be in addition to any rights and remedies that the Authority would have at law or in equity consequent upon any breach of this Agreement, by the Lessee, and the exercise by the Authority of any right of termination will be without prejudice to any other such rights or remedies.

ARTICLE 20 - TERMINATION BY LESSEE

A. Termination on Default by Authority Events of Default.

The occurrence of any of the following will constitute a Default of the Agreement and an Event of Default by Authority:

1. Authority fails to keep, perform, or observe any material term, covenant, or condition herein contained to be kept, performed, or observed by Authority and such failure continues for one hundred twenty (120) days after receipt of written notice from Lessee. If by its nature the default cannot be cured within one hundred twenty (120) days, Authority will be deemed to have cured the default if it promptly commences to cure the default and thereafter diligently continues to cure to completion.

2. The Airport is permanently closed by act of any federal, state or local government agency having competent jurisdiction, or any court of competent jurisdiction issues an injunction preventing Authority or Lessee from using Airport for airport purposes for reasons other than those circumstances within Lessee's control, and such injunction remains in force for a period of at least ninety (90) consecutive days.

B. Lessee's Remedy.

So long as Lessee is not in default of this Agreement, Lessee may terminate this Agreement upon the occurrence of an event of default as set forth in this Article. In such event, Lessee will provide thirty (30) days advance written notice of termination to Authority. All rentals, fees and charges payable by Lessee will cease as of the date of the event of default and Lessee will surrender the Leased Premises in accordance with the terms of this Agreement.

C. No Right to Damages.

Lessee will have no right to recover damages of any kind or nature from Authority upon an event of default.

ARTICLE 21 - SURRENDER OF LEASED PREMISES

A. Surrender On Termination.

Upon the expiration of the Term of this Agreement or upon the termination of Lessee's right of possession due to Lessee's Default, whether by lapse of time or at the option of the Authority as herein provided, Lessee will forthwith surrender the Leased Premises and all Tenant Improvements thereon to Authority in good order, repair and condition, ordinary wear excepted, free and clear of all lettings and occupancies, free and clear of all liens and encumbrances, subject to the provisions of Section 19.B. herein, upon termination for any reason, Lessee will not be entitled to any payment or allowance whatsoever by Authority on account of or for any Tenant Improvements erected or maintained on the Leased Premises at the time of surrender, or for the contents thereof or appurtenances thereto, including Fixed Improvements. Any interest of Lessee in the Fixed Improvements and Tenant Improvements and additions to the Leased Premises made by Lessee, will, without compensation, allowance or credit to Lessee, become Authority's property at the termination of this Agreement by lapse of time or otherwise and will be relinquished to Authority, free and clear of all lettings and occupancies, free and clear of all liens and encumbrances and in good condition, ordinary wear excepted. Subject to any valid lien which Authority may have thereon for unpaid rentals, fees and charges, upon the termination of the Term of this Agreement or of Lessee's right of possession, Lessee will remove its aircraft, tools, equipment, trade fixtures, and furniture and all other items of Lessee's personal property on the Leased Premises. Lessee will make appropriate repairs or pay to the Authority, upon demand, the cost of repairing any material damage to the Leased Premises, the Tenant Improvements, including the Fixed Improvements, caused by any such removal.

B. Failure to Remove Personal Property.

If Lessee will fail or refuse to remove any such property from the Leased Premises within thirty (30) days after receipt of notice from the Authority, Lessee will be conclusively presumed to have abandoned the same, and title thereto will thereupon pass to Authority without any cost either by set-off, credit, allowance or otherwise, and Authority may at its option accept the title to such property or, at Lessee's expense, may (i) remove the same or any part in any manner that the Authority will choose, repairing any material damage to the Leased Premises caused by such

removal, and (ii) store, destroy or otherwise dispose of the same without incurring liability to Lessee or any other person.

C. Property of Third Parties.

Upon the expiration or earlier termination of this Agreement, by lapse of time or otherwise, Lessee will remove from the Leased Premises all property not owned by Lessee but placed or stored therein in the operation of Lessee's business or otherwise. If any such property has not been removed by Lessee on the date of the termination or expiration of this Agreement, the Authority may, at its option (but will not be obligated to), remove, dispose of, or arrange for the storage of such property, or take any other action regarding it. Lessee will defend, indemnify and hold the Authority harmless from the claim of any person or entity regarding such property, and Lessee will further be liable for the cost of the removal and/or storage of such property.

D. Environmental Assessment.

Within a reasonable period of time prior to or following the Termination Date, the Authority may retain an environmental engineering firm reasonably acceptable to Lessee, which firm will, at Authority's cost and expense, prepare a Phase I environmental study of the Leased Premises in detail reasonably satisfactory to the Authority and Lessee. If the results of the Phase I environmental study indicate the need for further environmental study, Lessee agrees to cause, at Lessee's cost and expense, a Phase II environmental study to be performed. The Lessee agrees to cooperate with the engineering firm in its review of the Leased Premises and preparation of the study or studies. If the Phase II environmental study identifies any adverse environmental condition attributable to Lessee's operation of the Leased Premises, Lessee will immediately, at its sole risk, cost and expense, take all action necessary to fully remediate, abate and/or ratify any such condition to the satisfaction of the Authority.

E. Removal of Structures.

On or immediately prior to the expiration or earlier termination of this Agreement, the Authority may direct Lessee to demolish or remove any and all or a portion of any building, structure or utility lines in, on or at the Leased Premises at Lessee's sole cost and expense if the building, structure or utility lines have not been adequately maintained by Lessee, reasonable wear and tear excepted. In such an event, Lessee will remove all demolished material from the Leased Premises, in accordance with applicable laws and regulations, and compact and grade the Leased Premises.

F. Authority Approval of Surrender.

No act or thing done by Authority or Authority's agents or employees during the term of this Agreement and any extension thereof will be deemed an acceptance of a surrender of the Leased Premises. Except for surrender upon the expiration or earlier termination of this Agreement, no surrender to the Authority of this Agreement or of the Leased Premises will be valid or effective unless agreed to and accepted in writing by the Authority.

G. Survival of Provisions.

The provisions of this Article will survive the termination or expiration of this Agreement.

ARTICLE 22 - HOLD OVER

Should Lessee fail to vacate the Leased Premises at the termination hereof, unless the Authority has granted Lessee permission to continue to occupy the Leased Premises, such holding over will operate and be construed to be a tenancy from month to month only, unless otherwise agreed in writing, subject to the conditions and provisions of this Agreement and Lessee will pay rents, fees and other charges equal to one hundred fifty percent (150%) of the rents, fees and other charges that were being paid by Lessee at the time the Agreement terminated. No such holding over or payment or acceptance of rent, fees and other charges resulting therefrom will constitute or be deemed reconfirmation or renewal of this Agreement. Nothing in this Article will be construed as consent by the Authority to the possession of the Leased Premises after the expiration or termination of this Agreement or a waiver by the Authority of its right to immediate possession of the Leased Premises or any other rights or remedies.

ARTICLE 23 - ASSIGNMENT AND SUBLETTING

A. Assignment and Subletting Prohibited.

Lessee will not, directly or indirectly, assign, sell, mortgage, sublease, hypothecate, or otherwise transfer this Agreement or any portion of Leased Premises without the prior written consent of Authority, which will not be withheld unreasonably, with the sole exception of subleases for hangaring aircraft and aviation related office and workspace essential

in the operation of the FBO and entered into in the normal course of business. The sale or transfer of the controlling stock of a corporation or a controlling interest in a partnership or limited liability company, whether in a single transaction or as a result of a series of transactions, will be considered as an assignment for purposes of this Agreement.

B. Conditions for Approval.

Lessee will include a copy of the proposed assignment or sublease agreement with its request for permission to assign or sublease. In the event such proposed agreement has not been prepared, a written summary of the material terms and conditions to be contained in such agreement will be included with Lessee's request for tentative approval by Authority. The assignment or sublease agreement or written summary submitted with Lessee's request will include the following information: (i) the term; (ii) the area or space to be assigned or subleased; (iii) the sublease rentals to be charged; (iv) financial data for the successor entity as requested by Authority in the event of an assignment; and (v) the provision that assignee or sublessee must execute a separate operating agreement with Authority if the Authority will require such agreement. Any other information requested by Authority pertaining to the sublease or assignment will be promptly provided by Lessee. A fully executed copy of the sublease or assignment will be submitted to Authority for final approval at least thirty (30) days in advance of the occupancy of any portion of Leased Premises by the assignee or sublessee.

C. Additional Security.

Authority may require such additional security from Lessee as Authority will determine appropriate as a condition of providing the consent to any assignment or sublease.

D. Primary Liability.

No assignment, sublease or other transfer will relieve Lessee from primary liability for any of its obligations hereunder, and Lessee will continue to remain primarily liable for the payment of rentals, fees and charges applicable to such premises and facilities hereunder. Any consent by Authority to any act of assignment or subletting will be held to apply only to the specific transaction thereby authorized.

E. Insurance.

No subleasing or assignment of any interest in any part of this Agreement will be effective unless and until Authority in writing acknowledges that it has received satisfactory

evidence of a sublessee's or assignee's insurance policies and/or coverage as required under this Agreement.

ARTICLE 24 - FAILURE TO INSIST UPON STRICT PERFORMANCE

The failure of the Authority or Lessee to insist, in any one or more instances, upon a strict performance of any covenant, term, provision or agreement of this Agreement will not be construed as a waiver or relinquishment thereof, but the same will continue and remain in full force and effect, notwithstanding any law, usage or custom to the contrary. The receipt by the Authority of rent, fees and/or charges with knowledge of the breach of any covenant or agreement hereunder will not be deemed a waiver of the rights of the Authority with respect to such breach. No waiver by either party of any provision hereof will be deemed to have been made unless expressed in writing and signed by such party.

ARTICLE 25 - SIGNS

Subject to the prior written approval of the Authority, Lessee will have the right, at its own expense, to install and maintain one or more signs on Lessee's equipment and at the Leased Premises. No sign will be approved that may be confusing to aircraft owners or operators or other traffic or which reasonably fails to conform to the architectural scheme of the Airport. In the event that a sign is removed and not replaced, Lessee will repair or restore the affected area or areas to its original condition, including the removal of any structural and electrical elements used in conjunction therewith. At the expiration or earlier termination of this Agreement, the Lessee will, at its sole cost and expense, remove all signs and supporting structural and electrical elements and restore the affected area or areas to their original condition.

ARTICLE 26 - EMINENT DOMAIN

In the event that any portion of the Leased Premises will be taken by any Governmental Authority under the exercise of its right of eminent domain or similar right, all right, title and interest in and to any award granted will belong entirely to the Authority, and Lessee hereby

assigns to the Authority all of its interest, title or claim, if any, in and to such award, including, but not limited to, any part of such award attributable to Lessee's leasehold interest, if any. In the event of a partial taking, rent will be reduced as of the date of such taking by an amount which will equitably reflect the portion of the property taken. If the taking is of such a substantial nature that Lessee is unable to conduct its business on the remainder of the Leased Premises, Lessee will have the option, to be exercised by notice in writing to the Authority within thirty (30) days after such taking, of terminating this Agreement, or, if such taking be total, this Agreement will terminate upon the taking. In the event that this Agreement is terminated pursuant to this Article, Lessee will not have any claim against the Authority for the balance of the unexpired Term of this Agreement.

ARTICLE 27 - DAMAGE OR DESTRUCTION

A. Partial Damage.

If any part of Leased Premises, or adjacent facilities directly and substantially affecting the use of Leased Premises, will be partially damaged by fire or other casualty, but said circumstances do not render Leased Premises untenable as reasonably determined by Authority, the same will be repaired to usable condition with due diligence by Lessee as provided herein. No abatement of rentals will accrue to Lessee so long as Leased Premises remain tenantable.

B. Substantial Damage.

If any part of Leased Premises, or adjacent facilities directly and substantially affecting the use of Leased Premises, will be so extensively damaged by fire or other casualty as to render any portion of such Leased Premises untenable but capable of being repaired within a reasonable period of time as determined by Authority, the same will be promptly repaired to usable condition with due diligence by Lessee. In such case, the rent payable hereunder with respect to Lessee's affected Leased Premises will be paid up to the time of such damage and will thereafter be abated equitably in proportion as the part of the area rendered untenable bears to total Leased Premises until such time as such affected Leased Premises can be diligently restored.

C. Destruction.

1. If any part of Leased Premises or adjacent facilities directly and substantially affecting the use of Leased Premises will be damaged by fire or other casualty, and is so extensively damaged as to render any portion of such Leased Premises incapable of being repaired as determined by Authority, Authority will notify Lessee within a period of one hundred twenty (120) days after the date of such damage of its decision whether to reconstruct or replace said space; provided, however, Authority will be under no obligation to replace or reconstruct such premises. The rentals payable hereunder with respect to affected Leased Premises will be paid up to the time of such damage and thereafter will be abated equitably in the same manner as set forth in Section 27B until such time as replacement or reconstructed space becomes available for use by Lessee.

2. In the event Authority elects not to reconstruct or replace affected Leased Premises, Authority will meet and consult with Lessee regarding suitable replacement space for affected Leased Premises. In such event, Authority agrees to amend this Agreement to reflect related additions and deletions to Lessee's Leased Premises. If Lessee determines that the replacement space is not suitable for Lessee's needs, Lessee may terminate this Agreement.

D. Damage Caused By Lessee.

Notwithstanding the provisions of this Article, in the event that due to the negligence or willful act or omission of Lessee, its employees, its agents, or licensees, Leased Premises will be damaged or destroyed by fire or other casualty, there will be no abatement of rent during the repair or replacement of said Leased Premises. To the extent that the cost of repairs exceeds the amount of any insurance proceeds payable to Authority by reason of such damage or destruction, Lessee will pay the amount of such additional costs to Authority.

ARTICLE 28 - GOVERNMENTAL AUTHORITY

A. Legal Compliance.

Lessee will at its own cost and expense promptly observe and comply with all Regulatory Measures of the federal, state, or local municipal governments and of all governmental authorities, including without limitation, the Authority, FAA, TSA or other agency ("Governmental Authority" or "Governmental Authorities") concerning the operation and use of the Airport, affecting its occupancy of and conduct of its business at the Leased Premises and Airport, whether the same are in

force at the commencement of the Term of this Agreement or may be in the future passed, enacted or directed. If Lessee's noncompliance with any Regulatory Measures results in a monetary penalty or other damages being assessed against the Authority, then, in addition any other provisions of this Agreement, Lessee will be responsible for and will reimburse Authority in the full amount of any such monetary penalty or other damages.

B. Compliance with Nondiscrimination.

1. In all its activities within the scope of its airport program, Lessee agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person will, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Lessee transfers its obligation to another, the transferee is obligated in the same manner as the Lessee. The above provision obligates Lessee for the period during which the property is owned, used or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration.

2. During the performance of this contract, Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the "Lessee") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- A. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- B. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- C. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- D. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

- E. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- F. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- G. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- H. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- I. The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
- K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

- L. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).
- 3. During the performance of this contract, Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the “Lessee”), agrees as follows:
 - A. Compliance with Regulations: Lessee (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
 - B. Nondiscrimination: Lessee, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
 - C. Solicitations for Subcontracts, including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Lessee of Lessee’s obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
 - D. Information and Reports: Lessee will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Authority or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any

information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, Lessee will so certify to the Authority or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of a Lessee's noncompliance with the non-discrimination provisions of this contract, Authority will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

1. Withholding payments to Lessee under the contract until the Lessee complies; and/or
2. Cancelling, terminating, or suspending a contract, in whole or in part.

F. Incorporation of Provisions: Lessee will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. Lessee will take action with respect to any subcontract or procurement as Authority or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Lessee may request Authority to enter into any litigation to protect the interests of Authority. In addition, Lessee may request the United States to enter into the litigation to protect the interests of the United States.

C. Affirmative Action.

Lessee will undertake an affirmative action program as required by Department of Transportation, Code of Federal Regulations (C.F.R.) Part 152, Title 14, Subpart E, as amended, and will otherwise comply with all requirements of this Subpart, to ensure that no person will on the grounds of race, creed, color, national origin, or sex be excluded from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Lessee assures that it will require that its covered suborganizations provide assurance to the Lessee that

they similarly will undertake affirmative action programs, that they will otherwise comply with all requirements of Subpart E, and that they will require assurances from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E.

D. Breach of Nondiscrimination Provisions.

In the event of breach of any of the above nondiscrimination covenants, Authority will have the right to cancel this Agreement after such enforcement action as the United States Government may direct related to this covenant has been followed and completed, including exercise or expiration of appeal rights.

E. Enforcement.

The Authority reserves the right to take whatever action it might be entitled by law to take in order to enforce this provision. This provision is to be considered as a covenant on the part of Lessee, a breach of which, continuing after notice by the Authority to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the Authority, at its option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.

F. Notice.

Lessee will include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than Lessee, operates any facility on the Leased Premises providing service to the public and will include thereon a provision granting the Authority a right to take such action as the United States may direct to enforce such covenant

G. Noncompliance.

Lessee will indemnify, hold harmless and defend the Authority from any claims and demands of third persons including the United States of America resulting from Lessee's noncompliance with any of the provisions of this Article and Lessee will reimburse the Authority for any loss or expense incurred by reason of such noncompliance.

ARTICLE 29 - ENVIRONMENTAL, HEALTH AND SAFETY COMPLIANCE

A. Compliance.

Lessee will ensure that its operations, equipment and Leased Premises will comply with all applicable federal, state, and local environmental, health, and safety laws and regulations. Lessee agrees to make such accommodation or changes in its operations and procedures as are necessary to comply with such requirements, or with requirements established by the Authority.

B. Lessee will not (i) conduct any activity; (ii) construct any structure or facility, or (iii) install any equipment, requiring an environmental permit or license without the necessary permit having been obtained. If any environmental permit or license is required due to the separate activities, operations or requirements of Lessee not shared generally by other tenants at the Airport, Lessee agrees to reimburse the Authority for the reasonable costs of application for and maintaining the validity of the permit. If Lessee requests and receives permission from Authority to obtain a permit in Lessee's name, the Lessee will bear all costs for obtaining and maintaining this permit.

C. Lessee acknowledges that federal, state, and local environmental regulatory agencies have authority to conduct inspections of Airport, including Leased Premises, and agrees to cooperate with Authority and such agencies to facilitate inspections, and to make records available to such agencies as required by law.

D. Lessee further agrees to allow inspections and audits to be conducted by Authority, its contractors, or consultants, for the purpose of determining whether Lessee's and Airport's operations and facilities are in compliance with applicable environmental laws and regulations. Lessee agrees to make available to Authority, its contractors or consultants, records that may be reasonably required to assist in such inspections and audits.

E. Lessee agrees to submit to Authority such reports, documents, data, and information, as may be reasonably required or established from time to time by Authority for the purpose of facilitating environmental compliance or management of the Airport. Such reports, documents, data, and information will be provided by Lessee at its sole cost and expense.

F. Immediately upon receipt, Lessee will provide the Authority with copies of any notices, claims, complaints, demands, lawsuits, hearings, investigations or governmental requests for information relating to the environmental condition on or of the Leased Premises and Hazardous Materials on, in, under or emanating from the Leased Premises during Lessee's use and occupancy thereof.

G. Hazardous Materials.

1. Lessee will not cause or suffer any Hazardous Material hereafter to be placed, stored, generated, used, released or disposed of in, on, under, about, or transported from the Leased Premises unless Lessee has complied with the following:

a. Lessee will obtain the prior expressed written consent of the Authority. The Authority may impose, as a condition of such consent, limitations regarding the manner, time and contractors utilized.

b. Lessee will comply with prudent business practices and also with all applicable regulatory measures issued by any Governmental Authority relating to health, safety, welfare and protection of persons, the public and/or the environment.

c. Lessee will limit the presence of such Hazardous Material to the minimal amount reasonably necessary to Lessee's use and/or occupancy of the Leased Premises as authorized by this Agreement.

2. If at any time a release of Hazardous Materials is discovered on, at or in the Leased Premises, the Airport, other Authority Property including sewage or storm drainage system, or in the soil, air or groundwater, which was caused or permitted by Lessee, Lessee's officers, agents, employees, guests, patrons, suppliers, vendors, invitees, contractors, sublessees, or subcontractors or there is the danger of such release of Hazardous Materials, Lessee, at its sole risk, cost and expense, will ensure removal of such Hazardous Materials from the Leased Premises, the Airport, or the soil, air and groundwater, in accordance with requirements of all appropriate governmental authorities.

3. Lessee will immediately notify the Authority of any release of Hazardous Materials that exceeds the minimum amount that must be reported to a Governmental Authority.

4. Upon discovery of any Hazardous Materials on, in, under or emanating from the Leased Premises, any release or threat of release of Hazardous Materials, and/or any illness caused by exposure thereto, Lessee will immediately, and at its sole risk, cost and expense, take all actions necessary to remediate, abate and/or rectify any such conditions at or upon the Leased Premises.

5. In addition to all other rights and remedies of the Authority, if such release of Hazardous Materials is not immediately removed by Lessee from the Leased Premises and the Airport including the sewage system, storm drainage system, soil, air and groundwater, the

Authority, in its discretion, may remove such Hazardous Materials or pay a third party to have same removed, and Lessee will reimburse the Authority within five (5) days of the Authority's demand for payment. The receipt for payment by the Authority will be prima facie evidence that the expense incurred was necessary and that such expense was incurred by the Authority on behalf of Lessee. If the Authority is required to remediate and/or abate any such conditions on or upon the Leased Premises or the Airport, Lessee will reimburse the Authority for all costs and expenses incurred in so doing. In its sole discretion, the Authority may, but will not be required to, grant Lessee more than 15 days after written notice to remove Hazardous Materials, all at Lessee's sole risk, cost and expense.

ARTICLE 30 - STORAGE, HANDLING AND DISPENSING OF FUELS

A. Lessee may store, handle and dispense Fuels and lubricants to aircraft on the Leased Premises subject to the provisions of this Agreement. Lessee may also store and use substances that are required for the maintenance and repair of aircraft and the vehicles and equipment that are used by Lessee to service aircraft and/or engage in the Aeronautical Activities authorized in this Agreement.

B. The storage of Fuels and lubricants in bulk quantities will be limited to Lessee's Fuel storage facility and only to the reasonable amount necessary to engage in the Aeronautical Activities authorized in this Agreement, but not less than the quantities identified in the Minimum Standards. Lessee's operation and maintenance of the Fuel storage facility must be in accordance with the manufacturer's instructions and recommendations. In addition, Lessee must abide by all applicable Minimum Standards and all regulatory measures of any Governmental Authority pertaining to the storage, handling and dispensing of aviation Fuels and lubricants.

ARTICLE 31 – SECURITY

A. Security Program.

Lessee is responsible for security on the Leased Premises. Lessee will establish, and at all times during the term of this Agreement maintain and follow, a written security program for its operations on the Leased Premises. A copy of Lessee's written program will be submitted to

Authority upon written request by Authority. Lessee's security program must be consistent and compatible in all respects to Authority's overall security program for the Airport, and must be acceptable to Authority and the TSA.

B. Unauthorized Access.

Lessee will take such measures as necessary to maintain Leased Premises in a manner as to keep them secure from unauthorized intrusion and will provide for an adequate security system designed to prevent unauthorized persons or vehicles from entering the Air Operations Area ("AOA") or the Security Identification Display Area ("SIDA") as defined in the Authority's Security Program.

C. Compliance with TSA.

Lessee, its officers, employees, agents, and all those under its control, will at all times comply with security measures required of Lessee by the TSA and all other Governmental Authorities or contained in any Airport master security plan, the Rules and Regulations, or the Minimum Standards.

D. Noncompliance.

If Lessee, its officers, employees, agents, or those under its control will fail or refuse to comply with said measures and such non-compliance results in a monetary penalty or other damages being assessed against Authority, then, in addition to any other provisions of this Agreement, Lessee will be responsible and will reimburse Authority in the full amount of any such monetary penalty or other damages.

E. Confidential Information.

In connection with its operations, Lessee may receive, gain access to, or otherwise obtain, certain knowledge and information related to Authority's overall Airport security program. Lessee acknowledges that all such knowledge and information is of a highly confidential nature. Lessee covenants and agrees that no person, whether an employee of Lessee or a third party, will be permitted or gain access to such knowledge and information, unless such person has an operational need to know and has been approved by Authority in advance in writing, which approval may be granted or withheld by Authority in its sole discretion.

ARTICLE 32 - DISPUTES; VENUE; ETC

A. Disputes.

Lessee will submit all disputes in accordance with the provisions of the Minimum Standards.

B. Venue and Service of Process.

The parties hereto agree that all actions or proceedings arising out of this Agreement will be litigated only in the Circuit Court of the City of Norfolk. Lessee hereby consents to the jurisdiction and venue of the aforesaid court and waives personal service of any and all process upon the Lessee herein, and consents that all such service or process will be made by certified mail, return receipt requested, directed to Lessee at the address herein stated, and service so made will be completed two (2) days after the same will have been posted as aforesaid.

C. Waiver of Jury Trial.

It is mutually agreed that Authority and Lessee hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other as to any matters arising out of or any way connected with this Agreement.

D. No Individual Liability.

No Commissioner, member, officer, agent, or employee of Authority will be charged personally or held contractually liable by or to the Lessee under the terms or provisions of this Agreement or because of any breach thereof or because of his execution or attempted execution of this Agreement. Nothing herein will constitute a waiver of any protection available to the Authority or its Commissioners, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers under the Commonwealth of Virginia's governmental or sovereign immunity statutes or similar statutory provision.

E. Force Majeure.

Neither party hereto will be liable to the other for the failure, delay or interruption in performing its covenants or obligations under this Agreement to the extent due to acts, events or conditions beyond its reasonable control, including, acts of God, war, blockade, strikes, governmental preemption in connection with a national emergency or connection with any requirement of any Governmental Authority affecting the rights or obligations of the Authority or Lessee hereunder, except to the extent that such failure, delay or interruption directly or

indirectly results from the failure on the part of the Authority or Lessee to use reasonable care to prevent, or make reasonable efforts to cure, such failure, delay or interruption. Nothing in this Article is intended or will be construed to abate, postpone or in any respect diminish Lessee's obligations to make any payments, including but not limited to rent, to the Authority pursuant to this Agreement unless such failure results from a Force Majeure caused by the Authority. If a Force Majeure prevents a party from performing a material covenant or obligation under this Agreement for a period of four (4) consecutive months, the other party will have the option of terminating this Agreement on written notice to the party which is prevented from performing such material covenant or obligation under this Agreement by reason of Force Majeure. Such termination will be the sole remedy for the party seeking relief pursuant to this Article.

F. Corporate Status.

Lessee will notify the Authority immediately of any change or modification to Lessee's corporate structure or status, or if Lessee's authorization to conduct business in the Commonwealth of Virginia or the City of Norfolk is or will be suspended or revoked.

ARTICLE 33 - NON-EXCLUSIVE AGREEMENT

The rights, privileges and licenses granted under this Agreement are "non-exclusive" and Authority reserves the right to grant similar privileges to others. Nothing herein contained will be construed to grant or authorize granting or permitting of an exclusive right forbidden by Section 308 of the Federal Aviation Act of 1958, as amended, ([49 U.S.C. 1349\(a\)](#)), 14 CFR § 151.121, or other applicable laws or regulations.

ARTICLE 34 - COVENANT NOT TO GRANT MORE FAVORABLE TERMS

Each fixed-based operator at the Airport will be subject to the same rates, fees, rents, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of the Airport and utilizing the same or similar facilities. The Authority will require any other fixed base operator to comply with the Authority's Rules and Regulations and Minimum Standards for the operation of such business and enter into a written lease and operating agreement for such activity.

ARTICLE 35 - QUIET ENJOYMENT

A. So long as Lessee's payment of rent, fees and charges is timely and Lessee keeps all covenants and agreements contained herein, subject to the terms and conditions herein, Lessee will peaceably have and enjoy its Leased Premises and such rights and privileges of the Airport as granted herein.

B. Consistent with the nature of Lessee's business, Lessee agrees that occupancy of its Leased Premises will be lawful and quiet and that it will not knowingly use or permit the use of Leased Premises in any way that would violate the terms of this Agreement, create a nuisance, or disturb other tenants or the general public. Lessee will be responsible for the activity of its officers, employees, agents, and others under its control with respect to this provision.

ARTICLE 36 - TRANSITIONS

To ensure that there is no interruption in the provision of products, services and facilities, Lessee agrees:

- i To develop a comprehensive transition plan and cooperate with the tenant and operator occupying the Leased Premises prior to the commencement of this Agreement; and
- ii To cooperate fully with any tenant and operator who will occupy the Leased Premises upon termination of this Agreement.

ARTICLE 37 - BOOKS AND RECORDS

A. Lessee Obligations.

1. Lessee will maintain complete books and records containing the accounting and other financial records of its activities and operations including rents, fees, and/or other charges paid by Lessee for the entire term of this Agreement and five (5) years following the date of its termination for any reason.

2. All books and records will be kept by Lessee in accordance with generally accepted accounting principles.

3. In the event of an audit (as described below), Lessee will provide the auditor access to and furnish the auditor with information, records, reports or other documentation regarding the financial transactions, methods of operation, and any other information, records, reports or other documentation relating, directly or indirectly, to Lessee's activities at the Airport. Lessee will also provide access for the auditor to inspect all property, facilities, vehicles, equipment and aircraft that are used or made use of by Lessee. If such records and books of account are located outside the City of Norfolk, Lessee will reimburse the Authority for expenses incurred in sending representatives to such location including, but not limited to, air and ground transportation, lodging, subsistence, or other travel-related expenses.

B. Authority Rights.

1. The Authority, by any designated or delegate representative or employee, may at all reasonable times audit records including Fuel volumes and financial statements to enable verification of the amount of rents, fees and other charges due to the Authority.

2. If the Authority is not satisfied with the findings of any audit conducted by it, the Authority will notify the Lessee of such findings.

3. If Lessee agrees with the Authority's audit findings, Lessee will, within thirty (30) days after receipt of such notice, make known its agreement with the Authority's findings in writing and pay all monies due to the Authority. If Lessee does not agree with the Authority's findings, Lessee will, within sixty (60) days after receipt of notice from the Authority, furnish to the Authority, at Lessee's sole cost and expense, an audit made by an independent Certified Public Accountant mutually agreeable to both parties.

4. All expenses of the audit will be paid by Lessee if the report of the independent Certified Public Accountant certifies that the Authority is entitled to an additional amount in rents, fees and/or other charges which is equal to or greater than two percent (2%) of the amount of rents, fees and/or other charges reported by Lessee.

5. The final audit of the independent Certified Public Accountant will be conclusive upon the parties and Lessee will pay to the Authority, within fifteen (15) days after a copy of the Certified Public Accountant's final report has been delivered to Lessee, the amount, if any, identified as due and owing to the Authority. The failure of Lessee to make payment within this fifteen (15)-day period will constitute a default under this Agreement and will give

cause to the Authority for immediate termination of this Agreement and such other remedies provided herein upon default by Lessee.

6. Any information, records, reports or other documentation provided to or obtained by the Authority, or which the Authority otherwise comes into possession of pursuant to this Agreement, will be subject to the provisions of the applicable state and federal Freedom of Information Acts.

C. Based Aircraft Report.

Lessee will, on or before the 15th of January each year, prepare and submit to the Authority an Annual Based Aircraft Survey in the format prescribed by the Virginia Department of Aviation or as otherwise directed by the Authority.

D. Transient Aircraft Report.

Lessee will maintain and furnish to the Authority, on or before the 10th of each month, a report identifying the previous month's transient Aircraft activity (departures from the Leased Premises). The report will include such information as the Authority will request, including the make, model and registration number of the Aircraft; the arrival and departure dates of the Aircraft; and whether or not Fuel was purchased.

E. Subtenant Report.

Lessee will provide to Authority, on or before the 15th of January each year, a subtenant report for the previous year listing each of Lessee's subtenants at the Leased Premises, the location and size of each subtenant's assigned premises, the term of the subtenant agreement and the subtenant's rents paid to Lessee.

ARTICLE 38 - GENERAL TERMS

A. Time of Essence.

The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, will relieve the other party, without liability, of any obligation to accept such performance.

B. Relationship of Parties.

Nothing contained herein will be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship between the parties hereto. It is understood and agreed that neither the method of computation of rentals, fees and charges, nor any other provisions contained herein, nor any acts of the parties hereto, creates a relationship other than the relationship of landlord and tenant. Nothing herein is intended nor will be deemed to make the Authority in any way responsible for the debts or losses of Lessee.

C. Capacity to Execute.

By his signature hereon, each of the individuals executing this Agreement personally warrants that s/he has full authority to execute this Agreement on behalf of the entity for whom such individual is acting.

D. Construction of Agreement.

1. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties and will not be construed against Authority by reason of the preparation of this Agreement by Authority.

2. All exhibits referred to in this Agreement are intended to be and are hereby specifically made a part of this Agreement. The documents listed below are a part of this Agreement and hereby incorporated by reference:

- a. Exhibit A. Description of Leased Premises.
- b. Exhibit B. Summary of Rental Payments.
- c. Exhibit C. Initial Tenant Improvements

In the event of an inconsistency among the documents, unless otherwise specifically provided herein, the terms of this Agreement will control unless it conflicts with any provision of the Minimum Standards or any other Rule or Regulation of the Authority, in which event, the provision that established the higher or stricter standard will prevail.

3. Section titles are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or extent of any provision of this

Agreement, and will not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

4. This Agreement will be construed according to the laws of the Commonwealth of Virginia without regard to its choice of law rules.

5. The language of the Agreement will be construed according to its fair meaning and not strictly for or against either Authority or Lessee.

E. Severability.

In the event that any covenant, condition or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such covenant, condition, or provision herein contained will not affect the validity of any other covenant, condition or provision provided that the invalidity of such covenant, condition or provision does not materially prejudice either Authority or Lessee in their respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

F. Amendments.

Except as expressly provided elsewhere in this Agreement, no amendment, modification or alteration of the terms of this Agreement will be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

G. Approvals.

Unless otherwise stated, whenever this Agreement calls for approval by Authority, such approval will be evidenced by the written approval of the Authority's President/Chief Executive Officer or his designated representative.

H. Notice.

1. All notices, requests, consents, approvals, and process served or given under this Agreement will be served or given in writing by certified or registered mail or by commercial courier express service. If intended for Authority, notices will be delivered to:

President and CEO
Norfolk Airport Authority
Norfolk International Airport
2200 Norview Avenue
Norfolk, VA 23518-5807

or to such other address as may be designated by Authority by written notice to Lessee.

2. Notices to Lessee will be delivered to:

or to such other address as may be designated by Lessee by written notice to Authority.

I. Entire Agreement.

This Agreement will completely and fully supersede all other prior understandings or agreements, both written and oral, between the Authority and Lessee relating to use and occupancy of the Leased Premises. This instrument contains the entire agreement between the parties hereto. The parties and their agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as expressly set forth in this Agreement, and no claim or liability or cause for termination will be asserted, and the parties will not be liable by reason of, the breach of any representations or promises not expressly stated in this Agreement.

J. Counterparts.

This Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

K. Permitted Successors and Assigns Bound.

The agreements, terms, covenants and conditions herein will be binding upon, and will inure to the benefit of, the Authority, Lessee and their respective permitted successors and permitted assigns. Except as set forth in the immediately preceding sentence, nothing in this Agreement will be deemed to confer upon any person any right or benefit, including any right to insist upon, or to enforce against the Authority or Lessee, the performance of such party's obligations hereunder.

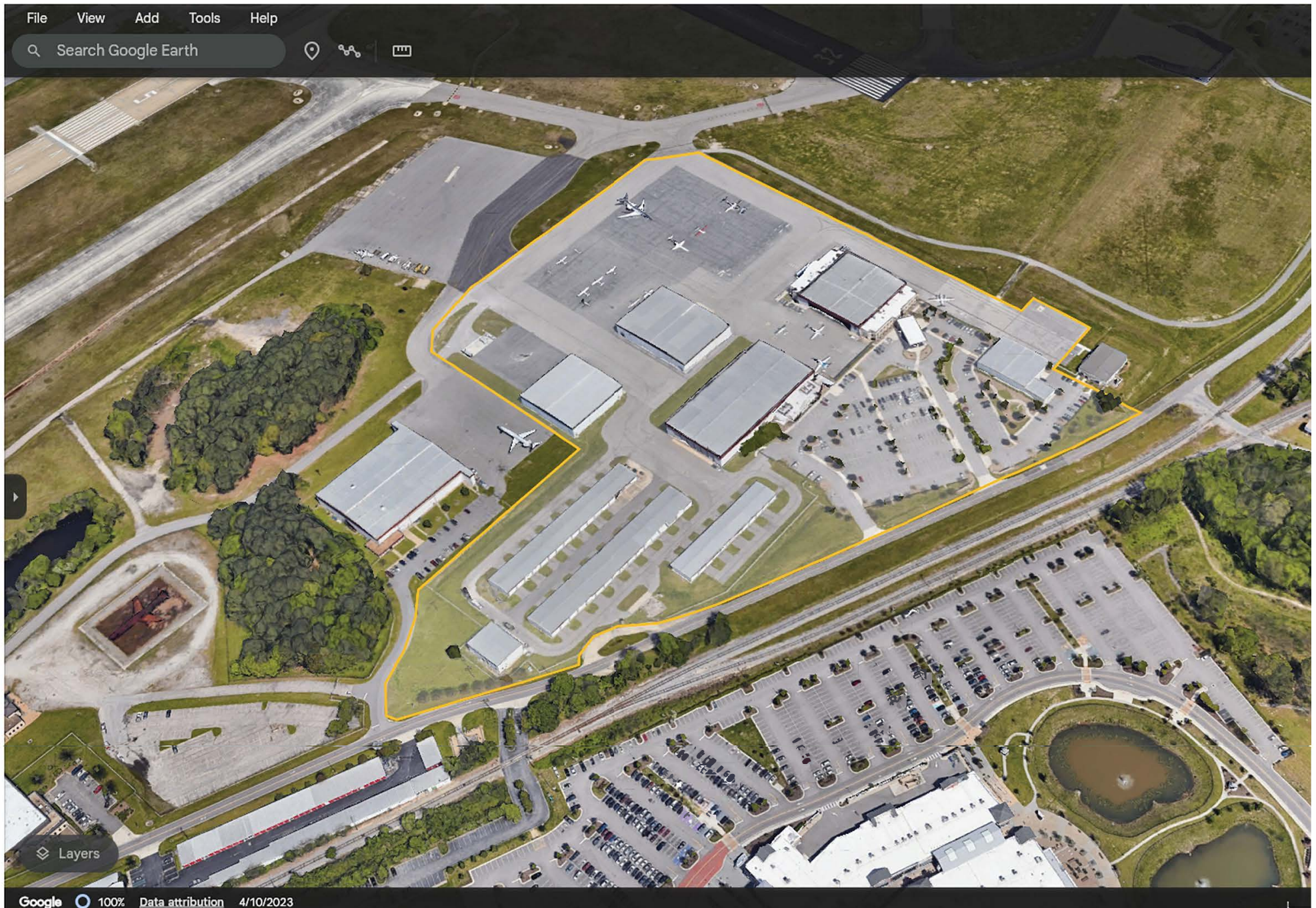
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

NORFOLK AIRPORT AUTHORITY

Mark A. Perryman President and CEO

(Signature page to be finalized upon selection of Lessee)

EXHIBIT A




Norfolk Airport Authority
FBO Lease Agreement
July 1, 2024

EXHIBIT B

Lease and Operation Agreement

Fixed Base Operator at ORF

SUMMARY OF RENTAL PAYMENTS

Year 1		\$1,550,000
<p>Each year, the rental payments will increase pursuant to CPI-U, as stated in Section 7.A of the lease. As noted in Section 7.A of the lease, the leased premises are subject to appraisal during the term of the agreement. Total rental payments will not decrease during the term of the agreement.</p> <p>Rental payment amounts are reflective of the FBO building area square footage represented in the September 2023 fair market rent appraisal. Any additional premises may be subject to additional rents.</p>		
		
ET	Executive Terminal	25,554
1	FBO Terminal Hangar	13,272
2	FBO Storage Hangar	21,460
3	Bulk Hangar	25,776
4	Bulk Hangar	28,400
5	Bulk Hangar	14,234
6	MRO Hangar	32,218
7	MRO Hangar (Attached to Terminal)	10,855
8	Corporate Hangar	21,315
9	GSE Shop Building	4,800
A-B-C	T-Hangars	58,968


*FBO premises exclude #6 facility and square footage

EXHIBIT C

Lease and Operation Agreement

Fixed Base Operator at ORF

INITIAL TENANT IMPROVEMENTS

Timing	Project	Estimated Cost
Year 1	<p>Lessee will complete all improvements labeled “Suggested actions in one year” for each facility in the Section labeled <u>Survey Findings for Building Improvements and Their Estimated Costs</u> of the attached document titled <u>FBO Property Condition Assessment Survey</u>.*</p> <p>*Excluding: HVAC, Landside Pavement, Airside Pavement ALP Building 23 A/B/C T-Hangars, and ALP Building 26 - Open Span Hangar</p>	> \$1,000,000
Year 2	Design of two, 30K square foot community hangars on the site of the current three rows of T-hangars	< \$1,000,000
Year 3	<p>Demolition of three rows of T-hangars and construction of two, 30K square foot community hangars</p> 	~ \$10,000,000