



**Auburn Lewiston Municipal Airport
Board of Directors - Meeting Agenda
October 11, 2023 5:30 P.M.**

Administrative Conference Room 80 Airport Drive, Auburn, Maine

- I. **Workshop Item** – Presentation by Allison Navia on update to *Minimum Standards for Commercial Aeronautical Activities* (Virtual Presentation)
- II. **Executive Session** - Discussion of real estate negotiation (Pursuant to 1 MRSA 405(6)c) - *No action to follow (as requested by Lewiston City Councilor Bob McCarthy)*
- III. **Consent Items – None**
- IV. **Minutes**
 - 1. September 13, 2023 Board Meeting
- V. **Financial Report – Treasurer**
 - 1. FY 2024 thru September (Revenue and Expense, Balance Sheet)
- VI. **Communications –**
 - 1. Draft Restaurant Space RFP
- VII. **Public Comment** – *Members of the public are invited to speak to the Board of Directors about any issue directly related to airport business.*
- VIII. **Old Business**
- IX. **New Business**
 - 1. **Order** – Terminating concessionaire lease with The Cheesy Skillet and authorizing outstanding Accounts Receivable from The Cheesy Skillet to be written off (current total: \$3,089.57)
 - 2. **Order** – Authorizing the Board Chair to Execute a Lease Amendment with Dirigo Aerospace Solutions, LLC
- X. **Reports**
 - 1. Board Chair Report
 - 2. Board of Directors Reports
- XI. **Executive Sessions**
- X. **Adjournment**

Executive Session: On occasion, the Board of Directors discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Director must make a motion in public. The motion must be recorded. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda. The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405(6). Those applicable are:

A. Discussion of personnel issues

C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency

D. Labor contracts

E. Contemplated litigation



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: October 11, 2023

Author: Jonathan P. LaBonte, Board Chair

Subject: Updating the Airport Minimum Standards for Commercial Aeronautical Activity

Information: As a federally obligated airport, we must make the airport available for a variety of commercial aviation activities. The airport last updated its minimum standards in 2018 and there have been several changes at the airport since then, with both management, board turnover, and changes in tenants. In addition, during the FAA Land Use Inspection in the summer of 2022, concerns were raised about the current application of our minimum standards, and a recommendation was made to update those.

We have enlisted the support of Allison Navia, current manager of Sanford and Fryeburg, through her consulting business, to assist us in the update process. This workshop discussion will be an overview of the minimum standards requirements and a chance for board members to provide feedback. A tenant/airport customer workshop will be held on October 18th at 5:30 PM to get further feedback. The goal is to have a final draft for board consideration at the November meeting.

Airport Financial Impacts: N/A

Recommended Action: Discussion

Previous Meetings and History:

Attachments:

Current Auburn Lewiston Municipal Airport Minimum Standards

FAA Advisory Circular 150/5190-7 - Minimum Standards for Commercial Aeronautical Activity



**Auburn Lewiston Municipal Airport
Board of Directors - Meeting MINUTES
September 13, 2023 5:30 P.M.
Administrative Conference Room 80 Airport Drive, Auburn, Maine**

Present: J LaBonte, R McCarthy, L Allen, T Roy, R Whiting, M Blais, M Garside

Meeting called to order 5:30pm

Introduction of new Operations Supervisor – Ryan Pratt

I. Consent Items – All items with an asterisk (*) are considered routine and will be enacted by one motion. - None

II. Minutes

1. August 16, 2023 and August 29, 2023 Board Meetings

Motion to accept the minutes of August 16 and August 29, 2023, by T Roy, seconded by R McCarthy, **Vote** 7-0, motion carries.

III. Financial Report – Treasurer

1. FY 2024 thru August (Revenue and Expense, Balance Sheet)
2. FBO Fuel Sales Update

Motion to accept the Treasurers report and place on file by R McCarthy, seconded by M Blais, **Vote** 7-0, motion carries.

IV. Communications –

1. AvGas Self-Serve RFP Bid, Engineer's Estimate, and Rejection Letter

V. Public Comment – *Members of the public are invited to speak to the Board of Directors about any issue directly related to airport business.*

Public Comment: Is there a plan to get a viable restaurant at the airport or could the possibility be explored for a small concession stand?

Public Comment: The airport should consider implementing Wayfinding signs on the airfield side of the airport to advise customers where to go for various services or facilities within the airport complex.

VI. Old Business- None

VII. New Business

1. Authorization for the Board Chair to negotiation an airport engineering services agreement with McFarland Johnson

Motion authorizing the Board Chair to negotiate an airport engineering services agreement with McFarland Johnson by R McCarthy, seconded by M Blais, **Vote** 7-0, motion carries.

2. Authorization for the Board Chair to list and complete the sale of the following items; Yellow Ford Tug, Large White Tug, Old vending machine (in cold storage hangar), One Operations Truck, Select Yard equipment (chainsaws/weed whackers/etc), Select office furniture/desks/empty file cabinets from terminal/hangars
Motion authorizing the Board Chair to list and sell items described in item # VII – 2. By M Blais, seconded by T Roy, **Vote** 7-0, motion carries.

VIII. Reports

1. Board Chair Report
2. Board of Directors Reports

IX. Executive Sessions

1. Discussion of Personnel Matters (Pursuant to 1 MRSA 405(6)a) – *No action to follow*
Session 1 was omitted from consideration.
Motion to enter into Executive Session for IX-2 by R Whiting, seconded by M Blais, **Vote** 7-0
Executive Session Begins 6:41pm
2. Discussion of Contemplated Litigation (Pursuant to 1 MRSA 405(6)e) – *No action to follow*
6:53pm Executive Session IX-2 Ends
Motion to enter into Executive Session for IX-3 by T Roy, seconded by R McCarthy, **Vote** 7-0
Executive Session Begins 6:53pm
3. Discussion of real estate negotiation (Pursuant to 1 MRSA 405(6)c) - *No action to follow*
7:30pm Executive Session IX-3 Ends
Motion to enter into Executive Session for IX-4 by T Roy, seconded by R McCarthy, **Vote** 7-0
Executive Session Begins 7:34pm
4. Discussion of real estate negotiation (Pursuant to 1 MRSA 405(6)c) - *No action to follow*
7:50pm Executive Session IX-4 Ends

X. Adjournment

Motion to adjourn by M Blais, seconded by R McCarthy, **Vote** 7-0, Meeting Adjourned 7:50pm

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- A. Discussion of personnel issues
- C. Discussion or consideration of the condition, acquisition or the use of real or personal property permanently attached to real property or interests therein or disposition of publicly held property or economic development only if premature disclosures of the information would prejudice the competitive or bargaining position of the body or agency
- D. Labor contracts
- E. Contemplated litigation



Minimum Standards

For Commercial Activities

PART I

INTRODUCTION, PURPOSE & DEFINITIONS

INTRODUCTION: The Auburn-Lewiston Airport is obligated to make the airport available for public use under reasonable conditions and without unjust discrimination. Inherent in that obligation is the responsibility to develop standards that promote safety in all airport activities, protect airport users from unlicensed and unauthorized products and services, maintain and enhance the availability of adequate services for all airport users, promote the orderly development of airport land, and ensure efficiency of operations.

PURPOSE: These minimum standards shall be used by the Auburn-Lewiston Airport staff and Board of Commissioners to evaluate applications to conduct commercial aeronautical activities at the Airport.

DEFINITIONS:

Aeronautical Activity: Any activity conducted on airport property that makes the operation of an aircraft possible or that contributes to, or is required for the safe operation of aircraft. The following activities are considered to be aeronautical activities:

- Aerial application
- Aerial surveying
- Aerial photography
- Aircraft paint or upholstery
- Aircraft rental
- Aircraft sales
- Aircraft storage
- Air carrier operations (passenger and cargo)
- Air taxi and charter operations
- Aviation fuel and oil sales
- Avionics or instrument sales and repair
- Banner towing
- Engine or propeller sales and repair
- Flying clubs
- General and corporate aviation
- Sky-diving
- Pilot training
- Repair and maintenance of aircraft
- Sale of aircraft parts
- Sightseeing
 - Any other activities that, because of their direct relationship to the operation of aircraft, can appropriately be regarded as an aeronautical activity.

Agreement or Lease: A contract executed between the airport and an entity granting a concession that transfers rights or interest in property, or otherwise authorizes the conduct of certain activities. An agreement or lease must be in writing, executed by both parties, and enforceable by law.

Air Charter: An entity that provides on-demand, non-scheduled passenger service in aircraft having no more than 30 passenger seats, and which operate under the appropriate Federal Aviation Regulations (FARs).

Aircraft: Any contrivance now known or hereafter invented, used, or designed for navigation of, or flight in the air. Excluded from this definition are ultra-lights, gliders, hot air balloons, and para-gliders.

Aircraft Maintenance: The repair, maintenance, adjustment, or inspection of aircraft. Major repairs include major alterations to the airframe, power-plant, and propeller, as defined in Part 43 of the FARs. Minor repairs include normal and routine annual inspections with attendant maintenance, repair, calibration, adjustment or repair of aircraft and associated accessories.

Airport Sponsor: A local municipal or state government body or entity obligated to the federal government to comply with the assurances contained in grant agreements or property conveyance instruments. A sponsor may be an entity that exists only to operate the airport, such as an airport authority established by local law. For this document, the terms airport sponsor and airport owner are used interchangeably.

Aviation-Related Activity: Any activity conducted on airport property that provides service or support to aircraft passengers or air cargo, such as:

- Auto parking lots
- Car rentals
- Concessions
- Ground transportation
- Restaurants
- Any other service or support activities that can appropriately be called aviation related.

Commercial Aeronautical Activity: Any aeronautical activity that involves, makes possible, or relates to the operation of Aircraft, the purpose of such activity being to secure income, earnings, compensation or profit, whether or not such objective is accomplished.

Commercial Non-Aeronautical Activity: Any activity not directly related to the operation of Aircraft, (e.g., restaurant, rental cars, ground transportation, or other concessions), the purpose of such activity being to secure income, earnings, compensation or profit, whether or not such objective is accomplished.

Commercial Self-Service Fueling: A fueling concept that enables a pilot to fuel an aircraft from a commercial fuel pump installed for that purpose. This fueling facility is not attended.

Entity: Any person(s), firm, partnership, limited-liability company, corporation, unincorporated proprietorship, association, or group.

Equipment: All personal property and machinery together with the necessary supplies, tools, and apparatus necessary for the proper conduct of the activity being performed.

FAA: Federal Aviation Administration.

FAR: Federal Aviation Regulation.

Fixed Base Operator (FBO): Commercial business providing multiple aeronautical services which may include aircraft fueling, storage, tie-down and parking, base-line services and associated pilot and passenger facilities (lobby, restrooms, flight planning room, etc.).

Grant Agreement: Any agreement made between an airport sponsor and the FAA, acting on behalf of the United States, for the grant of federal funding or a conveyance of land, either of which the airport sponsor agrees to use for airport purposes.

Grant Assurance: A provision contained in a federal grant agreement to which the recipient has voluntarily agreed, in consideration for the assistance provided.

Improvements: All buildings, structures, and facilities. Improvements may include pavement, fencing, signs, and landscaping that are constructed, installed, or placed on, under, or above any airport owned area.

Independent Operations (IO): Individual operators performing single-service aeronautical activities (such as aircraft washing, flight instruction, and maintenance) on the airport without a written agreement with the airport. An Independent Operator engaged in commercial activities on the airport without permission from the Airport is considered a Through-The-Fence (TTF) Operator.

Lease: A contract between the airport owner and an entity granting a concession that transfers rights or interests in property, or otherwise authorizes the conduct of certain activities. The lease must be in writing, executed by both parties, and enforceable by law.

Minimum Standards: The criteria established by an airport owner as the minimum requirements that must be met by businesses, in order to engage in providing on-airport aeronautical activities or services.

Oil: as defined in the federal regulations includes petroleum oils such as gasoline, diesel and heating oil as well as non-petroleum oils such as animal or vegetable oils, synthetic oils, and mineral oils.

Operator: The term applies to both commercial and non-commercial operations. The purveyor of any activity.

Self-Fueling: Self-fueling means the fueling of an aircraft by the owner of the aircraft with his or her own employees and using his or her own equipment. Self-fueling cannot be contracted out to another party. Self-fueling implies using fuel obtained by the aircraft owner from the source permitted by the Airport. As with many self-service activities that can be conducted by the aircraft owner or operator by his or her own employees using his or her own equipment, self-fueling, differs from using a self-service fueling pump made available by the airport, an FBO, or an aeronautical service provider. The use of a self-service fueling pump is a commercial activity and is not considered self-fueling.

SPCC: used in federal regulations under the Clean Water Act, stands for "Spill Prevention Control and Countermeasure Plan." An Oil SPCC plan is a plan prepared in accordance with good engineering practices to prevent and clean up spills from oil storage tanks where a discharge could reach a navigable water body, either directly or indirectly. Applies to all operators located on Airport property.

SWPP: Storm Water Pollution Protection (plan). A plan required under the Federal Clean Water Act that considers all possible contamination that may enter nearby rivers and streams as runoff from rain and snow events. Applies to all operators located on Airport property regardless of type or activity.

Sublease: A lease agreement entered into by a lessee with another entity that transfers rights or interests in property or facilities, and that is enforceable by law.

Tenant: A person or entity who occupies or leases property on the Airport, or who conducts business operations of any kind upon the Airport premises, through a written agreement with the Airport.

Through-the-Fence (TTF) Access: The accessing airport property from property which is contiguous to the airport without establishing tenancy with the airport through a lease agreement.

PART II

MINIMUM STANDARDS FOR COMMERCIAL AERONAUTICAL ACTIVITIES

In addition to meeting the requirements of Part III, every person conducting commercial aeronautical activities shall meet the additional requirements as hereinafter set out. No lessee or agreement holder shall engage in any business or activity other than those for which they have received approval from the Board. By definition, all activities conducted herein are considered commercial and must therefore present at an appropriate time a business license.

The fact that an applicant has received a lease or agreement to conduct a specific activity on the Airport conveys no exclusive rights. The opportunity to carry on business at the Airport is a privilege conveyed by the Board and which may be granted concurrently to any other party. Furthermore, it is the Board's policy to grant the opportunity and privilege to carry on business at the Airport to all qualified persons who meet the requirements set forth herein. It is the intent of this policy to promote fair competition at the Auburn-Lewiston Airport, but not to expose those who have undertaken to provide commodities and services to unfair or irresponsible competition. This policy sets minimum standards to be met by those who propose to conduct a commercial aeronautical activity. These standards, by expressing minimum levels of service offered and insurance coverage obtained, relate primarily to the public interest. Uniformly applied, appropriate requirements discourage substandard enterprises, thereby protecting both established aeronautical activities and Airport patrons. It is not the policy of the Auburn-Lewiston Airport to impose an unreasonable requirement or standard not relevant to the proposed activity. The Board reserves the right to waive any of the standards listed under this part, with the evaluation and recommendation of the Airport Director—if in the opinion of the Board—existing conditions justify such a waiver.

Aeronautical service providers of more than one aeronautical activity must meet the more restrictive standard, if the standard is different from one activity to another. Also, aeronautical service providers cannot satisfy a standard by sharing the same asset used by a different provider, unless they are co-located in the same facility. See the Appendix for the minimum standards applicable to each aeronautical activity.

PART III

APPLICATIONS FOR LEASES AND PERMITS

Requests for new leases or for the assignment of existing leases of ground and/or facilities on the Airport or for permission to conduct any commercial, business or aeronautical activity on the Airport shall be made to the Airport Director. The Airport Director will present the application to the Airport Board for review and approval consideration as soon as he deems the application complete. A complete application contains all information and materials necessary or requested to prove that the applicant will qualify under and will comply with the Minimum Standards. The application shall be signed and submitted by an owner of the business, a partner (if a partnership), or a corporate officer/director. The airport director will not accept applications for through-the-fence activities but may grant one-time access on a case by case basis.

Minimum Application Information: The Airport Director will not accept or take action on an application or in any way permit the installation of a commercial activity until the proposed lessee submits a complete application which sets forth the scope of the proposed operation, including the following:

- Contact Information: Name, address, phone number, and email address of the applicant.
- Proposed Use: A detailed explanation of the proposed land use, facility use and/or activity.
- Personnel Qualifications: The names and the qualifications of the personnel to be involved in conducting such activity
- Applicant Qualifications: Explanation of how the applicant meets all of the qualifications and requirements established by these Minimum Standards, as well as the Airport's and FAA's Rules and Regulations.
- Safety Hazard: Does the applicant's proposed operations or construction create a safety hazard on the Airport?
- Cost to the Airport: How will this financially impact the airport? What additional costs and what additional revenue?
- Availability: Is there adequate available space on the Airport to accommodate the entire activity of the applicant at the time of application?
- Compliance with Master Plan: Will the proposed operation, airport development, or construction be consistent with the Master Plan and Airport Layout Plan?
- Congestion: Would the development or use unduly interfere with the operations of any present user by interfering with aircraft traffic or preventing free access to any other facility?
- Ecological Considerations: Does the proposed uses comply with Environmental Protection Agency, Department of Environmental Quality, Regional Health District, and Local Zoning requirements.

Supporting Documents: If requested by the Airport Director or Airport Board, the applicant will submit the following supporting documents to the Airport Director, together with such other documents and information, as may be requested:

- Financial statements, including current/actual balance sheet and income statement, and projected/pro-forma balance sheet and income statement, with the use/activity-sought included.
- Credit report authorization.
- An economic-feasibility study.
- Authorization for release of information from such persons as the Airport Director shall deem necessary, to determine the applicant's qualifications to perform as set forth in the application. The applicant shall also provide a release for any information, which may be required under federal or state law or regulation.
- The Airport Board may require the applicant to post a performance bond.

Review of Application: The Airport Board of Directors after receiving the evaluation and recommendation of the Airport Director, shall determine whether or not the applicant meets the standards and qualifications as herein set out, and whether or not such application should be granted in whole or part, and if so, upon what terms and conditions.

Lease or Agreement: Upon the approval of an application, the Board, will prepare a suitable lease or agreement which sets the terms and conditions of the land and/or the facility use. The lease will incorporate the minimum standards as they exist at the time of the lease's execution. Any permissions issued for commercial aeronautical activities shall be conditional upon or contain the minimum conditions and assurances. The Board may require such additional terms, conditions and assurances, as is deemed necessary in any particular instance. Those standards and or conditions may include:

- The lessee/operator is in compliance with and will remain in compliance with the Minimum Standards required for each activity.
- Any structure or facility to be constructed or placed upon the Airport shall conform to all federal, state and local safety regulations, current building codes, Airport policies, and fire regulations. Any construction once commenced will be diligently pursued to completion. Completion and occupancy of the structure must occur within 24 months after the execution of the lease. Failure to achieve either substantial progress or completion shall constitute cause for the Auburn-Lewiston Airport to cancel the lease, or to extend the completion dates for construction.
- All new construction, external modifications to an existing building, and underground excavation will be coordinated with the Airport Director, and approved by all appropriate federal, state and city agencies.
- The Board reserves the right to amend these Minimum Standards. Any lease or agreement may be terminated or cancelled in the event of failure to comply with Minimum Standards after notice thereof has been given. Any lessee who is aggrieved by such amendments may apply to the Board for a variance.
- Adequate assurance of performance of the lease by the lessee will be provided to the Auburn-Lewiston Airport. Such assurance may be in the form of a security

agreement, cash bond, or in such other manner or form as the Board deems adequate, in its sole discretion.

- Proper insurance and hold-harmless clauses in such amounts and under such conditions, as the Board deems proper shall be incorporated in said lease.
- There shall be no assignment, transfer or sales of the lease without prior written consent of the Board, which shall not be unreasonably withheld.

PART IV

IMPLEMENTATION, AMENDMENT, REVIEW AND EFFECTIVE DATE

Implementation: These minimum standards shall not supersede existing contracts and/or leases, and in the event of a contradiction between the two, the lease terms and conditions shall prevail.

Where new standards differ markedly from existing conditions, those conditions shall be deemed pre-existing and allowable until such time as contractual circumstances allow change.

Commercial aeronautical service and related commercial non-aeronautical activities shall only be conducted from the terminal building or other facilities designated and approved by the Airport.

Amendment: The Board, with careful consideration and the recommendation of the Airport Director, may amend these Minimum Standards at any time it deems appropriate for the equitable and improved use of the airport by commercial entities and in the best interests of Airport users. These standards will not be modified for the sole purpose of accommodating new business.

Review: The Board shall undertake a full review of these Standards five (5) years from the effective date.

Effective Date: These Minimum Standards shall be in full force and effect from the date of their adoption by the Board by resolution duly enacted and signed.

Adopted on

Aug 9, 2018

Auburn Lewiston Board of Directors



Bettyann Sheats, Chair

Appendix

<div>Commercial Aeronautical Activity</div> <div>Standards</div>	Aircraft Maintenance and Repair	Aircraft Rental	Flight Instruction
	<i>Airframe, power plant, and accessory maintenance and repair.</i>	<i>Renting or leasing of aircraft and/or ultralight vehicles.</i>	<i>Instructing pilots in ground school, dual and solo flight, fixed or rotary wing.</i>
Leases, Licenses/Permits Required	Land lease, sublease, or rented space. Comply with all necessary licenses & permits.	Land lease, sublease, or rented space. Comply with all necessary licenses & permits.	Land lease, sublease, or rented space. Comply with all necessary licenses & permits.
Size, Type, and Amount of Facilities Required	1 permanent restroom; shop space and outside aircraft storage consistent with type of proposed operation.	1 rest room, permanent office. Hangar and/or outside storage.	1 permanent restroom, classroom/office space as appropriate.
Automobile Parking Required	Adequate Customer and employee parking	Adequate Customer and employee parking.	Adequate Customer and employee parking.
Personnel: Number, Training, & Certifications	At least 1 FAA certified A&P mechanic.	Adequate for safe operation	At least 1 FAA CFI
Equipment Needed	As required for FAA certification.	At least 1 aircraft available for rent.	At least 1 aircraft suitable for flight instruction.
Type and Amount of Inventory Needed	As required for FAA certification.	Not Specified	As required.
Environmental, Safety, and Security	As required by regulation.	As required by regulation.	As required by regulation.
Contact Methods/Public Accessibility	After hours contact number posted on building.	Posted after hours contact number on building and at airport director's office.	Maintained current in Airport Directors office
Days and Hours of Operation	Posted on building.	Posted on building.	Not Specified
Insurance Requirements			
General Liability:	Minimum \$1,000,000 combined single limit (CSL)		
Premises Liability	Yes	Yes	Yes
Products & Completed Operations	Yes	No	Yes
Hangarkeepers:	Limit as appropriate for operation		
Ground Only	Yes	No, unless non-owned aircraft are under operator's control.	Yes, if instructing in owner's aircraft.
In-Flight	Required if test flights are conducted.	No, unless non-owned aircraft are under operator's control.	Yes, if instructing in owner's aircraft.
Aircraft Liability:	Minimum \$1M CSL subject to \$100K/seat passenger liability		
	No, unless operator conducts flight operations.	Yes	Yes

Commercial Aeronautical Activity	Aircraft Storage/ Hangar Rentals	Full Service Fuel & Oil Sales	Self-Service Fuel Sales
Standards	<i>Short/ long term rental of aircraft storage hangar or outside aircraft storage.</i>	<i>Sales of fuels, lubricants, & other services supporting itinerant & local aircraft operations.</i>	<i>Provides fuels supporting itinerant & locally based aircraft operations.</i>
Leases, Licenses/Permits Required	Land lease, sublease, or sublet/rented space;	Leasehold to provide aircraft storage, customer parking, building with aircraft storage, office, lounge, rest room, public telephone, etc. Comply with required licenses & permits.	Leasehold of appropriate size for buildings with sufficient floor space for lounge, rest room, properly heated. Comply with all necessary licenses & permits.
Size, Type, and Amount of Facilities Required	Suitable storage space.	Permanent restroom & facilities; flight planning area; pilot lounge & waiting area.	Flight planning area, pilot lounge & waiting area.
Automobile Parking Required	Adequate Customer and employee parking	Adequate Customer and employee parking.	Adequate Customer and employee parking
Personnel: Number, Training, & Certifications	Not Specified	At least one trained line service technician. (i.e.: NATA Safety 1 st Program Certificated)	24/7 response capability with contact names and phone numbers posted on site.
Equipment Needed	Appropriate for year-round grounds maintenance	Fixed fuel system & filters meeting all Federal, state, airport requirements; equipment for ancillary services including aircraft towing (as appropriate), tire inflating, aircraft windscreen washing, & battery charging.	Fixed fuel storage system w/safety fixtures & filters meeting all federal, state & airport requirements.
Type and Amount of Inventory Needed	As applicable to operation	As applicable to operation.	Not Specified.
Environmental, Safety, and Security	Approved SPCC plan.	As required by regulation.	Approved SPCC plan.
Contact Methods/Public Accessibility	Posted contact number on site and at airport director's office.	Posted after hours contact number on building and at airport director's office; 24-hour callout capability.	24/7 response capability contact names and phone numbers posted on site.
Days and Hours of Operation	Not Specified	Posted on building; Available 7 days/week, 24 hours/day including government holidays, etc.	Available 7 days/week, 24 hours/day including government holidays, etc.
Insurance Requirements			
General Liability: Minimum \$1,000,000 combined single limit (CSL)			
Premises Liability	Yes	Yes	Yes
Products & Completed Operations	No	Yes	Yes
Hangarkeepers: Limits appropriate for operation			
Ground Only	Yes	Yes	No
In-Flight	No	No	No
Aircraft Liability: Minimum \$1M CSL subject to \$100K/seat passenger liability			
	No	No	No

Standards	Commercial Aeronautical Activity	Air Taxi/Charter	Specialty Commercial Flying	Engine, Propeller, Avionics, Aircraft Paint, and/or Upholstery
		<i>Air transportation of persons and/or cargo to the general public for hire on unscheduled basis under Part 135.</i>	<i>Sky Diving, sightseeing, aerial application, banner towing, power/pipeline patrol, firefighting, or other activities excluded from Part 135.</i>	<i>Sales of new or used avionics, propellers, instruments, and GA aircraft accessories; May include repair and service of the same.</i>
Leases, Licenses/Permits Required		Comply with all necessary licenses & permits.	Land lease, sublease, or sublet/rented space as appropriate.	Land lease, sublease, or rented space. Comply with all necessary licenses & permits.
Size, Type, and Amount of Facilities Required		Building with sufficient floor space for office, customer lounge, rest room, etc.	As appropriate to the concept of operations.	1 permanent rest-room; shop space and outside aircraft storage consistent with type of proposed operation.
Automobile Parking Required		Adequate Customer and employee parking	Adequate Customer and employee parking	Adequate Customer and employee parking
Personnel: Number, Training, & Certifications		Properly certified and qualified operating crew.	Properly certified and qualified operating crew.	At least 1 FAA certified A&P mechanic.
Equipment Needed Suitable, properly certified aircraft.		Suitable, properly certified aircraft.	Suitable, properly certified aircraft.	As required for FAA certification.
Type and Amount of Inventory Needed		Not Specified.	Not Specified.	As required.
Environmental, Safety, and Security		As required by regulations.	In accordance with regulations.	In accordance with regulations.
Contact Methods/Public Accessibility		Posted after hours contact number on building.	Posted after hours contact number on building.	Posted after hours contact number on building.
Days and Hours of Operation		Posted on building.	Posted on building.	Posted on building.
Insurance Requirements				
General Liability:	Minimum \$1,000,000 combined single limit (CSL)			
Premises Liability	Yes	Yes	Yes	
Products & Completed Operations	N/A	No	Yes	
Hangarkeepers:	Limits appropriate for operation			
Ground Only	No	N/A	Yes	
In-Flight	Yes	N/A	Required if test flights are conducted.	
Aircraft Liability	Minimum \$1M CSL subject to \$100K/seat passenger liability			
	Yes	Yes	No, unless operator conducts flight operations	

<div>Commercial Aeronautical Activity</div> <div>Standards</div>	Flying Clubs		
	<i>A flying club or aero club is a not for profit, member run organization that provides its members with access to aircraft.</i>		
Leases, Licenses/Permits Required	None		
Size, Type, and Amount of Facilities Required	Not Specified.		
Automobile Parking Required	Adequate Customer and employee parking		
Personnel: Number, Training, & Certifications	Not Specified.		
Equipment Needed	One airworthy aircraft.		
Type and Amount of Inventory Needed	Not Specified.		
Environmental, Safety, and Security	In accordance with regulations		
Land lease, sublease, or sublet/rented space	Adequate and proper for operation		
Contact Methods/Public Accessibility	Not Specified.		
Days and Hours of Operation	Not Specified.		
Insurance Requirements			
General Liability	Minimum \$1,000,000 combined single limit (CSL)		
Premises Liability	Yes		
Products & Completed Operations Insurance	No		
Hangarkeepers	Limits appropriate for operation		
Ground Only	Not Specified		
In-Flight	Not Specified		
Aircraft Liability:	Minimum \$1M CSL subject to \$100K/seat passenger liability		
	Yes		



U.S. Department
of Transportation

**Federal Aviation
Administration**

Advisory Circular

Subject: MINIMUM STANDARDS FOR
COMMERCIAL AERONAUTICAL
ACTIVITIES

Date: August 28, 2006
Initiated by: ACO-100

AC No: 150/5190-7
Change:

1. PURPOSE. This advisory circular (AC) provides basic information pertaining to the Federal Aviation Administration's (FAA's) recommendations on commercial minimum standards and related policies. Although minimum standards are optional, the FAA highly recommends their use and implementation as a means to minimize the potential for violations of Federal obligations at federally obligated airports.

2. CANCELLATION. AC 150/5190-5, *Exclusive Rights and Minimum Standards for Commercial Aeronautical Activities* (Change 1), dated June 10, 2002, is cancelled.

3. BACKGROUND. In accordance with the Airport and Airway Improvement Act of 1982, 49 United States Code (U.S.C.) § 47101, *et seq.*, and the Airport Improvement Program Sponsor Assurances, the owner or operator of any airport (airport sponsor) that has been developed or improved with Federal grant assistance or conveyances of Federal property assistance is required to operate the airport for the use and benefit of the public and to make it available for all types, kinds, and classes of aeronautical activity.¹ The Surplus Property Act of 1944 (as amended by 49 U.S.C., §§ 47151-47153) contains a parallel obligation under its terms for the conveyance of Federal property for airport purposes. Similar obligations exist for airports that have received nonsurplus government property under 49 U.S.C. § 47125 and previous corresponding statutes.

These Federal obligations involve several distinct requirements. Most important is that the airport and its facilities must be available for public use as an airport. The terms imposed on those who use the airport and its services must be reasonable and applied without unjust discrimination, whether by the airport sponsor or by a contractor or licensee who has been granted a right by the airport sponsor to offer services or commodities normally required to serve aeronautical users of the airport.

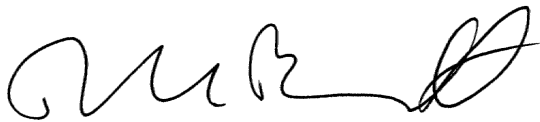
Federal law requires that recipients of Federal grants (administered by the FAA) sign a grant agreement or covenant in a conveyance of property that sets out the obligations that an airport sponsor assumes in exchange for Federal assistance. The FAA's policy recommending minimum standards stems from the airport sponsor's grant assurances and similar property conveyance obligations to make the airport available for public use on reasonable conditions and without unjust discrimination.

¹ The legislative background for the provisions discussed in this AC began as early as 1938 and evolved under the Federal Aid to Airports Program (FAAP), Airport Development Aid Program (ADAP), and Airport Improvement Program (AIP).

4. USE OF THIS AC. This AC addresses FAA's policy on minimum standards and provides guidance on developing effective minimum standards. This AC describes the sponsor's prerogative to establish minimum standards for commercial aeronautical service providers at federally obligated airports. Additionally, this AC provides guidance for self-service operations and self-service rules and regulation of other aeronautical activities. It does not address requirements imposed on nonaeronautical entities, which are usually addressed as part of the airport's contracts, leases, rules and regulations, and/or local laws. The FAA does not approve minimum standards. However, the FAA airports district and regional offices will review proposed minimum standards at the request of an airport sponsor. The FAA regional and district offices may advise airport sponsors on the appropriateness of proposed standards to ensure the standards do not place the airport in a position inconsistent with its Federal obligations.

5. RELATED READING MATERIALS.

- a. *FAA Airport Compliance Requirements*, Order 5190.6A, dated October 16, 1989.
- b. Further information can be obtained at the Airports District Office (ADO) in your area. A listing of ADOs can be found at http://www.faa.gov/airports_airtraffic/airports/regional_guidance/.



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SECTION 1. MINIMUM STANDARDS

1.1. POLICY. The airport sponsor of a federally obligated airport agrees to make available the opportunity to engage in commercial aeronautical activities by persons, firms, or corporations that meet reasonable minimum standards established by the airport sponsor. The airport sponsor's purpose in imposing standards is to ensure a safe, efficient and adequate level of operation and services is offered to the public. Such standards must be reasonable and not unjustly discriminatory. In exchange for the opportunity to engage in a commercial aeronautical activity, an aeronautical service provider engaged in an aeronautical activity agrees to comply with the minimum standards developed by the airport sponsor. Compliance with the airport's minimum standards should be made part of an aeronautical service provider's lease agreement with the airport sponsor.

The FAA suggests that airport sponsors establish reasonable minimum standards that are relevant to the proposed aeronautical activity with the goal of protecting the level and quality of services offered to the public. Once the airport sponsor has established minimum standards, it should apply them objectively and uniformly to all similarly situated on-airport aeronautical service providers. The failure to do so may result in a violation of the prohibition against exclusive rights and/or a finding of unjust economic discrimination for imposing unreasonable terms and conditions for airport use.

1.2. DEVELOPING MINIMUM STANDARDS.

a. Objective. The FAA objective in recommending the development of minimum standards serves to promote safety in all airport activities, protect airport users from unlicensed and unauthorized products and services, maintain and enhance the availability of adequate services for all airport users, promote the orderly development of airport land, and ensure efficiency of operations. Therefore, airport sponsors should strive to develop minimum standards that are fair and reasonable to all on-airport aeronautical service providers and relevant to the aeronautical activity to which it is applied. Any use of minimum standards to protect the interests of an exclusive business operation may be interpreted as the grant of an exclusive right and a potential violation of the airport sponsor's grant assurances and the FAA's policy on exclusive rights.

b. Authority Vested in Airport Sponsors. Grant Assurance 22 *Economic Nondiscrimination* Sections (h) and (i) (see 49 U.S.C. § 47107) provides that the sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

Under certain circumstances, an airport sponsor could deny airport users the opportunity to conduct aeronautical activities at the airport for reasons of safety and efficiency.² A denial based on safety must be based on evidence demonstrating that safety will be compromised if the applicant is allowed to engage in the proposed aeronautical activity. Airport sponsors should carefully scrutinize the safety reasons for denying an aeronautical service provider the opportunity to engage in an aeronautical activity if the denial has the possible effect of limiting competition.

The FAA is the final authority in determining what, in fact, constitutes a compromise of safety. As such, an airport sponsor that is contemplating the denial of a proposed on-airport aeronautical activity

² The word efficiency refers to the efficient use of navigable airspace, which is an Air Traffic Control function. It is not meant to be an interpretation that could be construed as protecting the "efficient" operation of an existing aeronautical service provider at the airport.

is encouraged to contact the local Airports District Office (ADO) or the Regional Airports Office before taking action. Those offices will then seek assistance from FAA Flight Standards (FS) and Air Traffic (AT) to assess the reasonableness and whether unjust discrimination results from the proposed restrictions on aeronautical activities based on safety and efficiency.

c. Developing Minimum Standards. When developing minimum standards, the most critical consideration is the particular nature of the aeronautical activity and operating environment at the airport. Minimum standards should be tailored to the specific aeronautical activity and the airport to which they are to be applied. For example, it would be unreasonable to apply the minimum standards for a fixed-base operator (FBO) at a medium or large hub airport to a general aviation airport serving primarily piston-powered aircraft. The imposition of unreasonable requirements illustrates why “fill-in-the-blank” minimum standards and the blanket adoption of standards of other airports may not be effective. Instead, in Section 2 of this document, the FAA has provided guidance in the form of questions and examples to illustrate an approach to the development and implementation of minimum standards. It is important that the reader understand that what follows does not constitute a complete model for minimum standards, but rather a source of ideas to which the airport sponsor can turn when developing minimum standards.

d. Sponsor Prerogative to Establish Minimum Standards. When the airport sponsor imposes reasonable and not unjustly discriminatory minimum standards for airport operations through the use of reasonable minimum standards, the FAA generally will not find the airport sponsor in violation of the Federal obligations. Considerations for applying those standards may include, but are not limited to, the following:

- (1) Apply standards to all providers of aeronautical services, from full service FBOs to single service providers;
- (2) Impose conditions that ensure safe and efficient operation of the airport in accordance with FAA rules, regulations, and guidance;
- (3) Ensure standards are reasonable, not unjustly discriminatory, attainable, uniformly applied and reasonably protect the investment of providers of aeronautical services to meet minimum standards from competition not making a similar investment;
- (4) Ensure standards are relevant to the activity to which they apply; and
- (5) Ensure standards provide the opportunity for newcomers who meet the minimum standards to offer their aeronautical services within the market demand for such services.

Note: There is no requirement for inclusion of nonaeronautical activities (such as a restaurant, parking or car rental concession) in minimum standards since those activities are not covered under the grant assurances or covenants in conveyance of Federal property.

e. Practical Considerations. Many airport sponsors include minimum standards in their lease agreements with aeronautical service providers. While minimum standards implemented in this manner can be effective, they also render the airport sponsor vulnerable to the challenges of prospective aeronautical service providers on the grounds that the minimum standards are not objective. The FAA encourages airport sponsors to publish their minimum standards periodically. Minimum standards can be amended periodically over time; however, a constant juggling of minimum standards is not encouraged. Notifying aeronautical service providers that the changes to

minimum standards are to improve the quality of the aeronautical service offered to the public can facilitate earlier acceptance of changes. An airport sponsor can provide for periodic reviews of the minimum standards to ensure that the standards continue to be reasonable. To foster a more receptive environment, the FAA encourages airport sponsors to include aeronautical users in the process leading to changes in minimum standards.

f. Factors to Consider. Numerous factors can and should be considered when developing minimum standards. Airport sponsors may avoid unreasonable standards by selecting factors that accurately reflect the nature of the aeronautical activity under consideration. It is impossible for the FAA to present every possible factor necessary for a task, mostly because of the vast differences that exist between individual airports. Obvious factors one should consider are:

- (1) What type of airport is at issue? Is it a large airport or a small rural airport? Will the airport provide service to only small general aviation aircraft or will it serve high performance aircraft and air taxi operators as well?
- (2) What types of aeronautical activities will be conducted on the airport?
- (3) How much space will be required for each type of aeronautical activity that may prospectively operate at the airport?
- (4) What type of documentation will business applicants be required to present as evidence of financial stability and good credit?
- (5) To what extent will each type of aeronautical activity be required to demonstrate compliance with sanitation, health, and safety codes?
- (6) What requirements will be imposed regarding minimum insurance coverage and indemnity provisions?
- (7) Is each minimum standard relevant to the aeronautical activity for which it is to be applied?

g. New Versus Existing Aeronautical Service Providers. Airport sponsors are encouraged to develop minimum standards for new aeronautical business ventures it desires to attract to the airport. Minimum standards may be part of a competitive solicitation to encourage prospective service providers to be more responsive in their proposals. Minimum standards can be modified to reflect the airport's experience and to be watchful for new opportunities (i.e. such as Specialized Aviation Service Operations (SASOs)). Minimum standards should be updated to reflect current conditions that exist at the airport and not those that existed in the past. In any case, once an airport sponsor receives a proposal for a new aeronautical business, it must ascertain whether the existing minimum standards can be used for the new business or new minimum standards should be developed to better fit the new business venture. However, in all cases, the airport sponsor must ensure that in changing minimum standards for whatever reason, it is not applying unreasonable standards or creating a situation that will unjustly discriminate against other similarly situated aeronautical service providers. The FAA stands by the principle that once minimum standards have been established, airport sponsors must uniformly apply them to all similarly situated aeronautical service providers. Some points of consideration are as follows:

- (1) Can new minimum standards be designed to address the needs of both existing and future aeronautical business? If not, can a tiered set of minimum standards be developed to address the

same type of aeronautical activity but differ significantly in scale and investment (i.e. an FBO building large hangars and serving high performance aircraft and a second FBO building and only T-hangars and serving only smaller general aviation aircraft)?

(2) Was the minimum standard created under a lease agreement (with a specific aeronautical service provider) so the subject standard may not be reasonable if applied to other aeronautical service providers?

(3) Has conformance to the minimum standards been made a part of the contract between the aeronautical service provider and the airport sponsor?

(4) Has the financial performance of the airport improved or declined since the time the minimum standards were implemented?

1.3. MINIMUM STANDARDS APPLY BY ACTIVITY.

Difficulties can arise if the airport sponsor requires that all businesses comply with all provisions of the published minimum standards. An airport sponsor should develop reasonable, relevant, and applicable standards for each type and class of service.

a. Specialized Aviation Service Operations. When specialized aviation service operations (SASOs), sometimes known as single-service providers or special FBOs, apply to do business on an airport, “all” provisions of the published minimum standards may not apply. This is not to say that all SASOs providing the same or similar services should not equally comply with all applicable minimum standards. However, an airport should not, without adequate justification, require that a service provider desiring to provide a single service or less than full service also meet the criteria for a full-service FBO. Examples of these specialized services may include aircraft flying clubs, flight training, aircraft airframe and powerplant repair/maintenance, aircraft charter, air taxi or air ambulance, aircraft sales, avionics, instrument or propeller services, or other specialized commercial flight support businesses. Airport sponsors generally do not allow fuel sales alone as a SASO, but usually require that fuel sales be bundled with other services.

b. Independent Operators. If individual operators are to be allowed to perform a single-service aeronautical activity on the airport (aircraft washing, maintenance, etc.), the airport sponsor should have a licensing or permitting process in place that provides a level of regulation and compensation satisfactory to the airport. Frequently, a yearly fee or percentage of the gross receipts fee is a satisfactory way of monitoring this type of operation.

c. Self-Fueling and Other Self-Service Activities. Since self-service operations performed by the owner or operator of the aircraft using his or her own employees and equipment are not commercial activities, the FAA recommends that airport sponsor requirements concerning those non-commercial activities be separate from the document designed to address commercial activities. Airport rules and regulations or specific language in leases can better address requirements concerning self-service operations and other airport activities.

Self-fueling means the fueling or servicing of an aircraft (i.e. changing the oil, washing) by the owner of the aircraft with his or her own employees and using his or her own equipment. Self-fueling and other self-services cannot be contracted out to another party. Self-fueling implies using fuel obtained by the aircraft owner from the source of his/her preference. As one of many self-service activities that can be conducted by the aircraft owner or operator by his or her own employees using his or her own equipment, self-fueling, differs from using a self-service fueling pump made available by the airport,

an FBO or an aeronautical service provider. The use of a self-service fueling pump is a commercial activity and is not considered self-fueling as defined herein.

In addition to self-fueling, other self-service activities that can be performed by the aircraft owner with his or her own employees includes activities such as maintaining, repairing, cleaning, and otherwise providing service to an aircraft, provided the service is performed by the aircraft owner or his/her employees with resources supplied by the aircraft owner. Title 14 Code of Federal Regulations (CFR) Part 43 permits the holder of a pilot certificate to perform specific types of preventative maintenance on any aircraft owned or operated by the pilot.

1.4. THROUGH THE FENCE OPERATOR. The owner of an airport may, at times, enter into an agreement (i.e. access agreement or lease agreement) that permits access to the public landing area by independent operators offering an aeronautical activity or to owners of aircraft based on land adjacent to, but not a part of, the airport property. However, a through-the-fence operation could undermine an airport's minimum standards unless the airport sponsor is careful to apply its minimum standards through an airport access agreement, including conditions to protect the airport's ability to meet all of its Federal obligations.

a. No Obligation to Permit Through-the-Fence. The obligation to make an airport available for the use and benefit of the public does not require the airport sponsor to permit ground access by aircraft from adjacent property. Through-the-fence arrangements can place an encumbrance upon the airport property and reduce the airport's ability to meet its Federal obligations. As a general principal the FAA does not support agreements that grant access to the public landing area by aircraft stored and serviced off-site on adjacent property.

In some cases, however, the airport sponsor may opt to grant through-the-fence access, but it should do so on a case-by-case basis and only when the airport retains its ability to meet its Federal obligations. To minimize the possibility of conflict between a through-the-fence agreement and the airports' ability to meet its Federal obligations, the airport sponsor must retain the legal right to require the off-site property owner or party granted access to the airport to conform in all respects to the requirements of any existing or proposed grant agreement or Federal property conveyance obligation. This includes requirements to ensure operating safety and equitable compensation for use of the airport. Special safety and operational requirements should be incorporated into any access agreement to ensure that the through-the-fence access does not complicate the control of vehicular and aircraft traffic or compromise the security of the airfield operations area.

Proposed new agreements granting access to a public landing area from off-site locations should be reported to the FAA Regional Airports Division with a full statement of the circumstances and a copy of the proposed through-the-fence or access agreement so the FAA can review it for consistency with the airport sponsor's Federal obligations and incorporate it into the current Airport Layout Plan (ALP).

b. Access Agreement. Any through-the-fence access should be subject to a written agreement between the airport sponsor and the party granted access. The access agreement should specify what specific rights of access are granted; payment provisions that provide, at a minimum, parity with similarly situated on-airport tenants and equitable compensation for the use of the airport; expiration date; default and termination provisions; insurance and indemnity provisions; and a clear statement that the access agreement is subordinate to the grant assurances and/or Federal property conveyance obligations and that the sponsor shall have the express right to amend or terminate the access agreement to ensure continued compliance with all grant assurances and Federal property conveyance obligations.

The access agreement should have a fixed contract period and the airport sponsor is under no obligation to accept a proposed assignment or sale of the access agreement by one party to another. It is encouraged that airport sponsors expressly prohibit the sale or assignment of its access agreement.

1.5. RESERVED.

SECTION 2. GUIDANCE ON DEVELOPING MINIMUM STANDARDS

2.1. SAMPLE QUESTIONS. As a guide for the airport sponsor, the following series of questions are provided to address some of the various types of specific services or activities frequently offered to the public:

a. Fuel Sales. The on-airport sale of fuel and oil requires numerous considerations that include, but are not limited to, the physical requirements for a safe and environmentally sound operation. Some recommended considerations are listed below:

- (1) Where on the airport will the fuel tanks be installed? Who will control access to the fueling site? What parties will be granted access to the site to receive fueling services?
- (2) Will fuel tanks be installed above or below ground? Will fuel trucks be utilized to fuel remotely parked aircraft?
- (3) Will the fueling operator have sufficient fuel capacity and types of fuel to accommodate the mix of aircraft using the airport?
- (4) How many days' supply of fuel will be available on airport? Are provisions to resupply the on-airport fuel tanks sufficient to ensure a continuous fuel supply?
- (5) Will the fueling operator have suitable liability insurance and indemnify the airport sponsor for liability for its fueling operation, including fuel spills and environmental contamination?

b. Personnel Requirements. An aeronautical service provider's need for personnel will be dictated by the size of the airport and the public demand for aeronautical services. In all instances, an airport sponsor will be well advised to ensure that aeronautical service providers have sufficient personnel to run their operation safely and meet aeronautical demand for the services in question. Naturally, the personnel requirements will vary with the specific aeronautical service being offered.

- (1) How many fully trained and qualified personnel will be available each day and over what hours to provide aeronautical services? Will this reasonably meet the demand by aeronautical users?
- (2) Describe the training and qualifications of personnel engaged in the services provided to aeronautical users.

c. Airport and Passenger Services. This is a necessary consideration in those instances where the airport has aeronautical service providers engaged in handling services for air carrier and/or cargo carriers that do not provide their own support personnel on-site:

(1) Provide a list of the equipment and services (both above and below wing) that will be provided by the aeronautical service provider, including ground power units, over night parking areas, towing equipment, starters, remote tie-down areas, jacks, oxygen, compressed air, tire repair, sanitary lavatory service, ticketing and passenger check-in services, office and baggage handling services and storage space.

(2) What provisions have been made regarding passenger conveniences and services?

(a) Access to passenger loading bridges/steps, sanitary rest rooms, boarding hold rooms, telephones, food and beverage service, and other passenger concessions.

(b) Access to concession and ground transportation services for the benefit of passengers and/or crewmembers.

d. Flight Training Activities. On-airport flight training can be provided by the airport sponsor/owner or by a service provider. The minimum standards imposed on flight instruction operations should take the following information into consideration:

(1) What type of flight training will the service provider offer?

(2) What arrangements have been made for the office space the school is required to maintain under 14 CFR 141.25? What is the minimum amount of classroom space that the service provider must obtain?

(3) Will flight training be provided on a full-time or part-time basis?

(4) What type of aircraft and how many will be available for training at the on-airport location?

(5) What provisions have been made for the storage and maintenance of the aircraft?

(6) What provisions will be made for rest rooms, briefing rooms, and food service?

(7) What coordination and contacts exist with the local Flight Standards District Office?

e. Aircraft Engine/Accessory Repair and Maintenance. The applicant for an on-airport repair station is subject to several regulatory requirements under 14 CFR Part 145 *Repair Stations*. Depending on the type and size of the proposed repair station, the following questions may provide helpful guidelines:

(1) What qualifications will be required of the repair station employees? Typically, the holder of a domestic repair station certificate must provide adequate personnel who can perform, supervise, and inspect the work for which the station is rated.

(2) What repair station ratings does the applicant hold?

(3) What types of services will the repair station offer to the public? These services can vary from repair to maintenance of aircraft and include painting, upholstery, etc.

(4) Can the applicant secure sufficient airport space to provide facilities so work being done is protected from weather elements, dust, and heat? The amount of space required will be directly related to the largest item or aircraft to be serviced under the operator's rating.

(5) Will suitable shop space exist to provide a place for machine tools and equipment in sufficient proximity to where the work is performed?

(6) What amount of space will be necessary for the storage of standard parts, spare parts, raw materials, etc.?

(7) What type of lighting and ventilation will the work areas have? Will the ventilation be adequate to protect the health and efficiency of the workers?

(8) If spray painting, cleaning, or machining is performed, has sufficient distance between the operations performed and the testing operations been provided to prevent adverse affects on testing equipment?

f. Skydiving. Skydiving is an aeronautical activity. Any restriction, limitation, or ban on skydiving on the airport must be based on the grant assurance that provides that the airport sponsor may prohibit or limit aeronautical use for the safe operation of the airport (subject to FAA approval). The following questions present reasonable factors the sponsor might contemplate when developing minimum standards that apply to skydiving:

(1) Will this activity present or create a safety hazard to the normal operations of aircraft arriving or departing from the airport? If so, has the local Airports District Office (ADO) or the Regional Airports Office been contacted and have those FAA offices sought the assistance from FAA Flight Standards (FS) and Air Traffic (AT) to assess whether safe airport operations would be jeopardized?

(2) Can skydiving operations be safely accommodated at the airport? Can a drop zone be safely established within the boundaries of the airport? Is guidance in FAA AC-90-66A *Recommended Standards Traffic Patterns and Practices for Aeronautical Operations at Airports Without Operating Control Towers*, 14 CFR Part 105 and United States Parachute Association's (USPA) *Basic Safety Requirements* being followed?

(3) What reasonable time periods can be designated for jumping in a manner consistent with Part 105? What experience requirements are needed for an on-airport drop zone?

(4) What is a reasonable fee that the jumpers and/or their organizations can pay for the privilege of using airport property?

(5) Has the relevant air traffic control facility been advised of the proposed parachute operation? Does the air traffic control facility have concerns about the efficiency and utility of the airport and its related instrument procedures?

(6) Will it be necessary to determine the impact of the proposed activity on the efficiency and utility of the airport, related instrument approaches or nearby Instrument Flight Rules (IFR)? If so, has FAA Air Traffic reviewed the matter and issued a finding?

g. Ultralight Vehicles and Light Sport Aviation. The operation of ultralights and light sport aircraft are aeronautical activities and must, therefore, be generally accommodated on airports that have been

developed with Federal airport development assistance. Airport sponsors are encouraged to consider some of the following questions:

- (1) Can ultralight aircraft be safely accommodated at the airport? Is guidance in FAA AC-90-66A *Recommended Standards Traffic Patterns and Practices for Aeronautical Operations at Airports Without Operating Control Towers* and 14 CFR Part 103 being followed?
- (2) Can all types of Light Sport aircraft be safely accommodated at the airport?
- (3) Will this activity present or create a safety hazard to the normal operations of aircraft arriving or departing from the airport? If so, has FAA Flight Standards reviewed the matter and issued a finding?
- (4) Will an FAA airspace study be necessary to determine the efficiency and utility of the airport when considering the proposed activity? If so, has FAA Air Traffic reviewed the matter and issued a finding?

h. Fractional Aircraft Ownership. Fractional ownership programs are subject to an FAA oversight program similar to that provided to air carriers, with the exception of en route inspections. The FAA has for a long time and under certain circumstances, interpreted an aircraft owner's right to self-service to include operators. For example, a significant number of aircraft operated by airlines are not owned but leased under terms that give the operator airline owner-like powers. The same is true for other aeronautical operators such as charter companies, flight schools, and flying clubs, which may not hold title to the aircraft, but through leasing arrangements, for example, retain full and exclusive control of the aircraft for long periods of time. The same is true of 14 CFR Part 91 Subpart K. Fractional ownership companies are subject to operational control responsibilities, maintenance requirements, and safety requirements not unlike 14 CFR Part 135 operators. For additional information on fractional ownership, contact your local Flight Standards District Office.

i. Other Requirements. When drafting minimum standards documents, airport sponsors may have to take into account other Federal, state, and local requirements. This includes Federal requirements and guidance by the Transportation Safety Administration (TSA) and the Environmental Protection Agency (EPA), state requirements such as aircraft registration (in some states) and local fire regulations. For guidance on matters such as these, please contact the FAA's Airports District Office (ADO) in your area and/or state aviation agency. A listing of ADOs can be found at http://www.faa.gov/airports_airtraffic/airports/regional_guidance/. Information and contacts regarding state aviation agencies is available at <http://www.nasao.org/>.

2.2. THROUGH 2.5. RESERVED.

APPENDIX 1. DEFINITIONS

1.1. The following are definitions for the specific purpose of this AC.

a. Aeronautical Activity. Any activity that involves, makes possible, or is required for the operation of aircraft or that contributes to or is required for the safety of such operations. Activities within this definition, commonly conducted on airports, include, but are not limited to, the following: general and corporate aviation, air taxi and charter operations, scheduled and nonscheduled air carrier operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and services, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, parachute or ultralight activities, and any other activities that, because of their direct relationship to the operation of aircraft, can appropriately be regarded as aeronautical activities. Activities, such as model aircraft and model rocket operations, are not aeronautical activities.

b. Airport. An area of land or water that is used, or intended to be used, for the aircraft takeoff and landing. It includes any appurtenant areas used, or intended to be used, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon. It also includes any heliport.

c. Airport District Office (ADO). These FAA offices are outlying units or extensions of regional airport divisions. They advise and assist airport sponsors with funding requests to improve and develop public airports. They also provide advisory services to the owners and operators of both public and private airports in the operation and maintenance of airports. See the FAA Web site for a complete listing of all ADO offices at http://www.faa.gov/airports/airtraffic/airports/regional_guidance/.

d. Airport Sponsor. The airport sponsor is either a public agency or a private owner of a public-use airport that submits to the FAA an application for financial assistance (such as AIP grants) for the airport. In accepting an application for financial assistance, the FAA will ensure that the airport sponsor is legally, financially, and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants and other obligations required of sponsors, which are contained in the AIP grant agreement and property conveyances.

e. Commercial Self-Service Fueling. A fueling concept that enables a pilot to fuel an aircraft from a commercial fuel pump installed for that purpose by an FBO or the airport sponsor. The fueling facility may or may not be attended.

f. Exclusive Right. A power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred either by express agreement (i.e. lease agreement), by the imposition of unreasonable standards or requirements, or by any other means. Such a right conferred on one or more parties, but excluding others from enjoying or exercising a similar right or rights, would be an exclusive right.

g. Federal Airport Obligations. All references to a Federal grant program, Federal airport development assistance, or Federal aid contained in this AC are intended to address obligations arising from the conveyance of land or from grant agreements entered under one of the following acts:

(1) Surplus Property Act of 1944 (SPA), as amended, 49 U.S.C. §§ 47151-47153. Surplus property instruments of transfer were issued by the War Assets Administration (WAA) and are now issued by its successor, the General Services Administration (GSA). However, the law imposes upon the FAA (delegated to FAA from The Department of Transportation) the sole responsibility for determining and enforcing compliance with the terms and conditions of

all instruments of transfer by which surplus airport property is or has been conveyed to non-Federal public agencies pursuant to the SPA. 49 U.S.C. § 47151(b).

(2) Federal Aid to Airports Program (FAAP). This grant-in-aid program administered by the agency under the authority of the Federal Airport Act of 1946, as amended, assisted public agencies in the development of a nationwide system of public airports. The Federal Airport Act of 1946 was repealed and superseded by the Airport Development Aid Program (ADAP) of 1970.

(3) Airport Development Aid Program (ADAP). This grant-in-aid program administered by the FAA under the authority of the Airport and Airway Development Act of 1970, as amended, assisted public agencies in the expansion and substantial improvement of the Nation's airport system. The 1970 act was repealed and superseded by the Airport and Airway Improvement Act of 1982 (AAIA).

(4) Airport Improvement Program (AIP). This grant-in-aid program administered by the FAA under the authority of the Airport and Airway Improvement Act of 1982, 49 U.S.C. § 47101, *et seq.*, assists in maintaining a safe and efficient nationwide system of public-use airports that meet the present and future needs of civil aeronautics.

h. Federal Grant Assurance. A Federal grant assurance is a provision within a Federal grant agreement to which the recipient of Federal airport development assistance has agreed to comply in consideration of the assistance provided. Grant assurances are required by statute, 49 U.S.C. § 47101.

i. Fixed-Base Operator (FBO). A commercial business granted the right by the airport sponsor to operate on an airport and provide aeronautical services such as fueling, hangaring, tie-down and parking, aircraft rental, aircraft maintenance, flight instruction, etc.

j. Fractional Ownership. Fractional ownership operations are aircraft operations that take place under the auspices of 14 CFR Part 91 Subpart K. This type of operation offers aircraft owners increased flexibility in the ownership and operation of aircraft including shared or joint aircraft ownership. It provides for the management of the aircraft by an aircraft management company. The aircraft owners participating in the program agree not only to share their own aircraft with others having a shared interest in that aircraft, but also to lease their aircraft to other owners in the program (dry lease exchange program).³ A fractional owner or owner means an individual or entity that possesses a minimum fractional ownership interest in a program aircraft and that has entered into the applicable program agreements. For additional information, please see 14 CFR 91.1001 *Applicability* at http://www.access.gpo.gov/nara/cfr/waisidx_04/14cfr91_04.html and contact your local Flight Standards District Office.

k. Grant Agreement. A Federal grant agreement represents an agreement made between the FAA (on behalf of the United States) and an airport sponsor for the grant of Federal funding.

l. Public Airport. Means an airport open for public use that is publicly owned and controlled by a public agency.

m. Public-Use Airport. Means either a public airport or a privately owned airport open for public use.

³ A dry lease aircraft exchange means an arrangement, documented by the written program agreements, under which program aircraft are available, on an as needed basis without crew, to each fractional owner.

n. Specialized Aviation Service Operations (SASO). SASOs are sometimes known as single-service providers or special FBOs performing less than full services. These types of companies differ from a full service FBO in that they typically offer only a specialized aeronautical service such as aircraft sales, flight training, aircraft maintenance, or avionics services for example.

o. Self-Fueling and Self-Service. Self-fueling means the fueling or servicing of an aircraft (i.e. changing the oil, washing) by the owner of the aircraft with his or her own employees and using his or her own equipment. Self-fueling and other self-services cannot be contracted out to another party. Self-fueling implies using fuel obtained by the aircraft owner from the source of his/her preference. As one of many self-service activities that can be conducted by the aircraft owner or operator by his or her own employees using his or her own equipment, self-fueling, differs from using a self-service fueling pump made available by the airport, an FBO, or an aeronautical service provider. The use of a self-service fueling pump is a commercial activity and is not considered self-fueling as defined herein. In addition to self-fueling, other self-service activities that can be performed by the aircraft owner with his or her own employees includes activities such as maintaining, repairing, cleaning, and otherwise providing service to an aircraft, provided the service is performed by the aircraft owner or his/her employees with resources supplied by the aircraft owner.

p. Through-the-Fence Operations. Through-the-fence operations are those activities permitted by an airport sponsor through an agreement that permits access to the public landing area by independent entities or operators offering an aeronautical activity or to owners of aircraft based on land adjacent to, but not a part of, the airport property. The obligation to make an airport available for the use and benefit of the public does not impose any requirement for the airport sponsor to permit ground access by aircraft from adjacent property.

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
9000 Airport Operations							
9000 Airport Operations							
9000 420035 Fees - Fuel Flowage	-13,500	0	-13,500	-719.13	.00	-12,780.87	5.3%
9000 420040 Fees - Landings	-27,000	0	-27,000	-16,276.79	.00	-10,723.21	60.3%
9000 429005 Christian Hill Mate	-100,000	0	-100,000	-18,423.06	.00	-81,576.94	18.4%
9000 429025 Rental Fees	-207,500	0	-207,500	-32,998.51	.00	-174,501.49	15.9%
TOTAL NO PROJECT	-348,000	0	-348,000	-68,417.49	.00	-279,582.51	19.7%
TOTAL Airport Operations	-348,000	0	-348,000	-68,417.49	.00	-279,582.51	19.7%
9001 Airport Personnel							
9001 611000 Regular salaries	262,035	0	262,035	42,822.99	.00	219,212.01	16.3%
9001 613000 Overtime	4,000	0	4,000	687.51	.00	3,312.49	17.2%
9001 617020 Fringe Benefits	159,620	0	159,620	21,607.45	.00	138,012.55	13.5%
9001 617030 Professional Develo	6,000	0	6,000	-50.00	.00	6,050.00	-.8%
TOTAL NO PROJECT	431,655	0	431,655	65,067.95	.00	366,587.05	15.1%
TOTAL Airport Personnel	431,655	0	431,655	65,067.95	.00	366,587.05	15.1%
9002 Airport Operations							
9002 628000 Contract Services	9,000	0	9,000	5,879.00	.00	3,121.00	65.3%
9002 633030 Fuels and Oil for v	20,000	0	20,000	7,205.50	.00	12,794.50	36.0%
9002 633040 Snow and Ice Contro	18,000	0	18,000	.00	.00	18,000.00	.0%
9002 641100 Utilities	125,500	0	125,500	12,491.41	.00	113,008.59	10.0%
TOTAL NO PROJECT	172,500	0	172,500	25,575.91	.00	146,924.09	14.8%
TOTAL Airport Operations	172,500	0	172,500	25,575.91	.00	146,924.09	14.8%
9003 Airport Maintenance							
9003 628000 PS - Gen/Profession	0	0	0	30.00	.00	-30.00	100.0%

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03

ACCOUNTS FOR:	ORIGINAL	TRANFRS/	REVISED				AVAILABLE	PCT
9000 Airport Operations	APPROP	ADJSTMTS	BUDGET	YTD	ACTUAL	ENCUMBRANCES	BUDGET	USE/COL
9003 628019 Building Maintenan	23,100	0	23,100	1,173.70		.00	21,926.30	5.1%
9003 628020 Vehicle Maintenance	17,831	0	17,831	651.19		.00	17,179.81	3.7%
9003 628021 Radio Maintenance	1,700	0	1,700	.00		.00	1,700.00	.0%
9003 628038 Electrical Maintena	7,000	0	7,000	.00		.00	7,000.00	.0%
9003 628039 Airfield Maintenance	30,750	0	30,750	.00		.00	30,750.00	.0%
9003 633041 Computer/Office Mac	20,500	0	20,500	2,199.40		.00	18,300.60	10.7%
9003 633042 Pavement Maintenan	6,000	0	6,000	.00		.00	6,000.00	.0%
TOTAL NO PROJECT	106,881	0	106,881	4,054.29		.00	102,826.71	3.8%
TOTAL Airport Maintenance	106,881	0	106,881	4,054.29		.00	102,826.71	3.8%
9004 Airport Administration								
9004 620000 Advertising and Pr	6,500	0	6,500	1,094.00		.00	5,406.00	16.8%
9004 628000 Professional Servic	35,800	0	35,800	394.21		.00	35,405.79	1.1%
9004 628016 Legal Services	45,000	0	45,000	8,925.14		.00	36,074.86	19.8%
9004 628041 Hangar Lease	12,000	0	12,000	.00		.00	12,000.00	.0%
9004 633000 Office Supplies	4,100	0	4,100	198.88		.00	3,901.12	4.9%
9004 640000 Telephone and Inter	5,700	0	5,700	2,442.95		.00	3,257.05	42.9%
9004 645000 Insurance Premiums	40,200	0	40,200	15,711.00		.00	24,489.00	39.1%
TOTAL NO PROJECT	149,300	0	149,300	28,766.18		.00	120,533.82	19.3%
TOTAL Airport Administration	149,300	0	149,300	28,766.18		.00	120,533.82	19.3%
9005 Airport Other Income								
9005 401600 Municipal Subsidy	-410,000	0	-410,000	-256,250.00		.00	-153,750.00	62.5%
9005 420063 Service Fees	-500	0	-500	-7,823.25		.00	7,323.25	1564.7%
9005 422000 Investment Income	-1,000	0	-1,000	-968.26		.00	-31.74	96.8%
9005 429013 Sale of Assets	-75,000	0	-75,000	-142,938.26		.00	67,938.26	190.6%
9005 429019 FLIGHT SIMULATOR	-6,500	0	-6,500	.00		.00	-6,500.00	.0%
TOTAL NO PROJECT	-493,000	0	-493,000	-407,979.77		.00	-85,020.23	82.8%
TOTAL Airport Other Income	-493,000	0	-493,000	-407,979.77		.00	-85,020.23	82.8%
9010 Airport-FBO								
9010 420035 Fees - Fuel and Oi	-661,372	0	-661,372	-287,255.36		.00	-374,116.64	43.4%

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03

ACCOUNTS FOR:	ORIGINAL	TRANFRS/	REVISED				AVAILABLE	PCT
9000 Airport Operations	APPROP	ADJSTMTS	BUDGET	YTD	ACTUAL	ENCUMBRANCES	BUDGET	USE/COL
9010 420051 Tie Down/Hangar/Co	-50,000	0	-50,000	-16,568.00		.00	-33,432.00	33.1%
9010 420059 Fees-Catering	0	0	0	-125.51		.00	125.51	100.0%
9010 420060 After Hour Call Out	-5,625	0	-5,625	-4,075.00		.00	-1,550.00	72.4%
9010 420061 Flight Line Service	-6,620	0	-6,620	-1,631.00		.00	-4,989.00	24.6%
9010 420064 Rental Car	-3,340	0	-3,340	-654.94		.00	-2,685.06	19.6%
9010 420076 LAV CART	0	0	0	-75.00		.00	75.00	100.0%
9010 420915 Service Lease	-7,200	0	-7,200	.00		.00	-7,200.00	.0%
9010 633047 PROCESSING FEE	0	0	0	946.71		.00	-946.71	100.0%
TOTAL NO PROJECT	-734,157	0	-734,157	-309,438.10		.00	-424,718.90	42.1%
TOTAL Airport-FBO	-734,157	0	-734,157	-309,438.10		.00	-424,718.90	42.1%
9015 Services (FBO) Expenses								
9015 611000 Regular salaries	150,000	0	150,000	35,125.19		.00	114,874.81	23.4%
9015 613000 Overtime	4,000	0	4,000	31.98		.00	3,968.02	.8%
9015 617020 Fringe Benefits	0	0	0	107.28		.00	-107.28	100.0%
9015 620000 Advertising	1,200	0	1,200	.00		.00	1,200.00	.0%
9015 628000 Prof/Contracted Ser	0	0	0	16,732.38		.00	-16,732.38	100.0%
9015 628021 Plant Equipment	2,065	0	2,065	.00		.00	2,065.00	.0%
9015 628044 Ground Support Equi	16,000	0	16,000	5,543.93		.00	10,456.07	34.6%
9015 628071 Fuel Flowage	12,500	0	12,500	5,809.16		.00	6,690.84	46.5%
9015 633030 Fuels & Oils	525,000	0	525,000	220,720.07	73,470.77	.00	230,809.16	56.0%
9015 641100 Utilities	0	0	0	150.78		.00	-150.78	100.0%
9015 645000 Insurance Premiums	2,500	0	2,500	.00		.00	2,500.00	.0%
TOTAL NO PROJECT	713,265	0	713,265	284,220.77	73,470.77		355,573.46	50.1%
TOTAL Services (FBO) Expenses	713,265	0	713,265	284,220.77	73,470.77		355,573.46	50.1%
TOTAL Airport Operations	-1,556	0	-1,556	-378,150.26	73,470.77		303,123.49*****%	
TOTAL REVENUES	-1,575,157	0	-1,575,157	-786,782.07		.00	-788,374.93	
TOTAL EXPENSES	1,573,601	0	1,573,601	408,631.81	73,470.77		1,091,498.42	

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
9020 Airport Capital Projects Fund							
9020 Airport Capital Projects							
9020 440012 GSE-GPU	0	0	0	-446.84	.00	446.84	100.0%
9020 440025 Airport ILS Reimbur	0	0	0	-3,500.03	.00	3,500.03	100.0%
TOTAL NO PROJECT	0	0	0	-3,946.87	.00	3,946.87	100.0%
L23 AVGAS SELF SERVICE							
9020 401600 L23 Municipal Subsid	0	0	0	-79,450.00	.00	79,450.00	100.0%
9020 650000 L23 Capital AVGAS SE	0	0	0	28,200.00	.00	-28,200.00	100.0%
TOTAL AVGAS SELF SERVICE	0	0	0	-51,250.00	.00	51,250.00	100.0%
PR026 PR026-RUNWAY REHAB							
9020 440000 PR026 Local Airport	0	0	0	-253,234.26	.00	253,234.26	100.0%
TOTAL PR026-RUNWAY REHAB	0	0	0	-253,234.26	.00	253,234.26	100.0%
PR027 PR027-NAVAIDS REIMB							
9020 440000 PR027 Local Airport	0	0	0	-79,421.98	.00	79,421.98	100.0%
TOTAL PR027-NAVAIDS REIMB	0	0	0	-79,421.98	.00	79,421.98	100.0%
PR028 RECONSTRUCT 17/35 TAXI B & J							
9020 440000 PR028 RECONSTRUCT-TA	0	0	0	-325,013.11	.00	325,013.11	100.0%
TOTAL RECONSTRUCT 17/35 TAXI B & J	0	0	0	-325,013.11	.00	325,013.11	100.0%
PR032 RAMP EAST APRON							
9020 440000 PR032 RAMP EAST APRO	0	0	0	-114,709.18	.00	114,709.18	100.0%

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03								
ACCOUNTS FOR:	ORIGINAL	TRANFRS/	REVISED				AVAILABLE	PCT
9020 Airport Capital Projects Fund	APPROP	ADJSTMTS	BUDGET	YTD ACTUAL	ENCUMBRANCES	BUDGET	USE/COL	
TOTAL RAMP EAST APRON	0	0	0	-114,709.18	.00	114,709.18	100.0%	
PRO32 EAST APRON								
9020 650000 PRO32 EAST APRON	0	0	0	8,883.00	.00	-8,883.00	100.0%	
TOTAL EAST APRON	0	0	0	8,883.00	.00	-8,883.00	100.0%	
REA HTA ENGINEERING SERVICES E APRON								
9020 650000 REA EAST APRON	0	0	0	33,967.73	-38,920.83	4,953.10	100.0%	
TOTAL HTA ENGINEERING SERVICES E APR	0	0	0	33,967.73	-38,920.83	4,953.10	100.0%	
TOTAL Airport Capital Projects	0	0	0	-784,724.67	-38,920.83	823,645.50	100.0%	
TOTAL Airport Capital Projects Fund	0	0	0	-784,724.67	-38,920.83	823,645.50	100.0%	
TOTAL REVENUES	0	0	0	-855,775.40	.00	855,775.40		
TOTAL EXPENSES	0	0	0	71,050.73	-38,920.83	-32,129.90		

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03

ACCOUNTS FOR:	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
9030 Airport Land Fund							
90306022 Airport Investment Income							
90306022 422002 Investment Inco	0	0	0	-531.31	.00	531.31	100.0%
TOTAL Airport Investment Income	0	0	0	-531.31	.00	531.31	100.0%
TOTAL Airport Land Fund	0	0	0	-531.31	.00	531.31	100.0%
TOTAL REVENUES	0	0	0	-531.31	.00	531.31	

YEAR-TO-DATE BUDGET REPORT

FOR 2024 03							
	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
GRAND TOTAL	-1,556	0	-1,556	-1,163,406.24	34,549.94	1,127,300.30	*****%
** END OF REPORT - Generated by Gina Klemanski **							

BALANCE SHEET FOR 2024 3

FUND: 9000 Airport Operations			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
9000	011010	Airport Checking	448,186.30	794,305.10
9000	011030	Cash-Petty Cash	.00	700.00
9000	011110	Investments-MM-City	.00	285,425.78
9000	011140	Interest Receivable	.00	.01
9000	011530	Accounts Receivable	58,938.09	165,995.28
9000	011545	Lease Receivable	.00	3,028,598.23
9000	011810	Prepaid Expenses	.00	15,162.01
9000	011811	Prepaid Rent	.00	-9,077.89
9000	011900	INVENTORY FOR RESALE	.00	88,568.46
9000	012110	Land	.00	1,717,208.27
9000	012111	Land Improvements	.00	18,381,864.81
9000	012112	Construction In Progress	.00	8,782,874.81
9000	012310	Buildings & Bldg Improvements	.00	4,458,442.82
9000	012410	Machinery & Equipment	.00	1,514,774.52
9000	012900	Accumulated Depreciation	.00	-17,154,817.76
9000	013000	DEF OUTFLOW-NET PENSION	.00	35,342.94
9000	016000	DUE TO / DUE FROM	-391,386.35	-13,270,007.56
TOTAL ASSETS			115,738.04	8,835,359.83
LIABILITIES				
9000	024210	Accounts Payable	.00	-95,544.80
9000	024230	Loan Payable-City of Auburn	.00	-599,531.67
9000	024231	Loan Payable-City of Lewiston	.00	-599,531.67
9000	024610	Accrued Payroll	.00	-3,758.30
9000	024611	Compensated Absences	.00	-34,747.63
9000	024710	Federal Withholding Taxes	-1,172.74	-1,172.74
9000	024711	State Withholding Taxes	-537.00	-537.00
9000	024712	FICA Withholding Taxes	-1,535.60	-1,535.60
9000	024713	Medicare Withholding Taxes	-359.14	-359.14
9000	024730	ICMA Deferred Comp-City	-220.00	-495.00
9000	024734	ME State Retirement	-765.53	-1,713.32
9000	024742	ICMA-Airport	.00	-2,098.55
9000	024750	Life Insurance-City	.00	8.70
9000	024758	MMA Health Ins-Airport	-2,486.00	-4,238.26
9000	024765	Dental	-37.80	-6.01
9000	024772	Flex Spending-Airport	.00	10.00
9000	024773	Vision	-5.58	-5.64
9000	024829	DUE TO STATE - SALES TAX	-4.63	-174.18
9000	025000	DEF INFLOW NET PENSION	.00	-89,512.00
9000	026000	NET PENSION LIABILITY	.00	5,927.00
9000	029000	Deferred Inflow - Leases	.00	-2,965,603.87
TOTAL LIABILITIES			-7,124.02	-4,394,619.68
FUND BALANCE				
9000	037000	Ctrl Total - Encumbrances	-47,939.00	135,347.10
9000	037100	FB ASSIGNED CITY	.00	-1,836,398.00
9000	037104	FB UNASSIGNED	.00	-2,226,191.89
9000	037201	CTRL TOTAL-BUD FB DESIGNATED	47,939.00	-135,347.10
9000	047000	Ctrl Total - Revenues	-222,700.44	-786,782.07

BALANCE SHEET FOR 2024 3

FUND: 9000 Airport Operations				NET CHANGE FOR PERIOD	ACCOUNT BALANCE
FUND BALANCE					
9000	057000	CTRL TOTAL-EXPENDITURES		114,086.42	408,631.81
		TOTAL FUND BALANCE		-108,614.02	-4,440,740.15
		TOTAL LIABILITIES + FUND BALANCE		-115,738.04	-8,835,359.83

BALANCE SHEET FOR 2024 3

FUND: 9020 Airport Capital Projects Fund			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
9020	011530	Accounts Receivable	75.00	756,167.93
9020	016000	Due to/from Other Funds	391,386.35	13,180,128.29
	TOTAL ASSETS		391,461.35	13,936,296.22
FUND BALANCE				
9020	037000	Ctrl Total - Encumbrances	-4,193.76	383,503.66
9020	037104	FB-UNASSIGNED-CTY	.00	-13,151,571.55
9020	037201	Ctrl Total - Bud FB Designated	4,193.76	-383,503.66
9020	047000	Ctrl Total - Revenues	-404,538.11	-855,775.40
9020	057000	Ctrl Total - Expenditures	13,076.76	71,050.73
	TOTAL FUND BALANCE		-391,461.35	-13,936,296.22
	TOTAL LIABILITIES + FUND BALANCE		-391,461.35	-13,936,296.22

BALANCE SHEET FOR 2024 3

FUND: 9030 Airport Land Fund				NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS					
9030	011111	Investments-MM-Airpark		.00	151,262.97
9030	016000	Due to/from Other Funds		.00	78,879.27
	TOTAL ASSETS			.00	230,142.24
FUND BALANCE					
9030	037000	Ctrl Total - Encumbrances		.00	7,000.00
9030	037104	FB-UNASSIGNED-CTY		.00	-229,610.93
9030	037201	Ctrl Total - Bud FB Designated		.00	-7,000.00
9030	047000	Ctrl Total - Revenues		.00	-531.31
	TOTAL FUND BALANCE			.00	-230,142.24
	TOTAL LIABILITIES + FUND BALANCE			.00	-230,142.24

** END OF REPORT - Generated by Gina Klemanski **

Auburn Air Center - Fuel Sales Comparison for July, August, September (FY19 to FY24)

Quantity (gallons) by Year

Product	Pay Type	FY19	FY20	FY21	FY22	FY23	FY24
Avgas 100LL	Cash	8194.9	8763.5	4943.2	3905.6	2991.2	7611.3
Avgas 100LL	Credit Card	5419.45	5670.2	5047.2	5076.9	4858.45	2985.4
	TOTAL 100LL	13614.35	14433.7	9990.4	8982.5	7849.65	10596.7
Jet A Fuel	Cash	19770.5	22713	3428	5476	1543	1194
Jet A Fuel	Contract Fuel	21711	30302	22089	32254	28118.62	41266.5
Jet A Fuel	Credit Card	14929.1	10727	5442	8891	7511	9658
	TOTAL Jet A	56410.6	63742	30959	46621	37172.62	52118.5

FROM	2018 JUNE	TO	2019 AUGUST	
ACCOUNTS FOR:	ORIGINAL	TRANFRS	REVISED	AVAILABLE
	APPROP	ADJSTMTS	BUDGET	ACTUALS
				BUDGET

9015 Services (FBO) Expenses

611000 Regular Salaries

9015 611000 Regular Salaries	185557	0	185557	52331.14	133225.9
TOTAL Services (FBO) Expenses	185557	0	185557	52331.14	133225.9
TOTAL Airport Operations	185557	0	185557	52331.14	133225.9
TOTAL EXPENSES	185557	0	185557	52331.14	133225.9
GRAND TOTAL	185557	0	185557	52331.14	133225.9

FROM	2019 JUNE	TO	2020 AUGUST	
ACCOUNTS FOR:	ORIGINAL	TRANFRS	REVISED	AVAILABLE
	APPROP	ADJSTMTS	BUDGET	ACTUALS
				ENCUMBR. BUDGET

9015 Services (FBO) Expenses

611000 Regular Salaries

9015 611000 Regular Salaries	0	222950	222950	63057.11	0	159892.9
TOTAL Services (FBO) Expenses	0	222950	222950	63057.11	0	159892.9
TOTAL Airport Operations	0	222950	222950	63057.11	0	159892.9
TOTAL EXPENSES	0	222950	222950	63057.11	0	159892.9
GRAND TOTAL	0	222950	222950	63057.11	0	159892.9

FROM	2020 JUNE	TO	2021 AUGUST	
ACCOUNTS FOR:	ORIGINAL	TRANFRS	REVISED	AVAILABLE
	APPROP	ADJSTMTS	BUDGET	ACTUALS
				ENCUMBR. BUDGET

9015 Services (FBO) Expenses

611000 Regular Salaries

9015 611000 Regular Salaries	189800	0	189800	48674.01	0	141126
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TOTAL Services (FBO) Expenses	189800	0	189800	48674.01	0	141126
TOTAL Airport Operations	189800	0	189800	48674.01	0	141126
TOTAL EXPENSES	189800	0	189800	48674.01	0	141126
GRAND TOTAL	189800	0	189800	48674.01	0	141126

FROM	2021 JUNE	TO	2022 AUGUST	
ACCOUNTS FOR:	ORIGINAL	TRANFRS	REVISED	AVAILABLE
	APPROP	ADJSTMTS	BUDGET	ACTUALS ENCUMBR. BUDGET

9015 Services (FBO) Expenses

611000 Regular Salaries

9015 611000 Regular Salaries	185318	0	185318	35873.16	0	149444.8
TOTAL Services (FBO) Expenses	185318	0	185318	35873.16	0	149444.8
TOTAL Airport Operations	185318	0	185318	35873.16	0	149444.8
TOTAL EXPENSES	185318	0	185318	35873.16	0	149444.8
GRAND TOTAL	185318	0	185318	35873.16	0	149444.8

FROM	2022 JUNE	TO	2023 AUGUST	
ACCOUNTS FOR:	ORIGINAL	TRANFRS	REVISED	AVAILABLE
	APPROP	ADJSTMTS	BUDGET	ACTUALS ENCUMBR. BUDGET

9015 Services (FBO) Expenses

611000 Regular Salaries

9015 611000 Regular Salaries	232398	0	232398	48606.35	0	183791.7
TOTAL Services (FBO) Expenses	232398	0	232398	48606.35	0	183791.7
TOTAL Airport Operations	232398	0	232398	48606.35	0	183791.7
TOTAL EXPENSES	232398	0	232398	48606.35	0	183791.7
GRAND TOTAL	232398	0	232398	48606.35	0	183791.7

FROM	2023 JUNE	TO	2024 AUGUST	
ACCOUNTS FOR:	ORIGINAL	TRANFRS	REVISED	AVAILABLE
	APPROP	ADJSTMTS	BUDGET	ACTUALS ENCUMBR. BUDGET

9015 Services (FBO) Expenses

611000 Regular Salaries

9015 611000 Regular Salaries	150000	0	150000	44985.12	0	105014.9
TOTAL Services (FBO) Expenses	150000	0	150000	44985.12	0	105014.9
TOTAL Airport Operations	150000	0	150000	44985.12	0	105014.9
TOTAL EXPENSES	150000	0	150000	44985.12	0	105014.9
GRAND TOTAL	150000	0	150000	44985.12	0	105014.9

PCT
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Food and Beverage Opportunity at the Auburn-Lewiston Municipal Airport

BID # LA 2024-003

RFP Issued: October 3, 2023

Proposal Due: 11 AM, November 2, 2023

I. The Opportunity

The Auburn-Lewiston Municipal Airport is located on over 600 acres in the City of Auburn, Maine. The airport supports local and regional general aviation, air cargo, and a growing volume of private, charter, and corporate jet activity. The Auburn-Lewiston Municipal Airport has a long history with its sponsors, Auburn and Lewiston, and many improvements have occurred since its beginning in 1935 that have helped to meet changing aviation demands and community needs.

The airport now serves the varied needs of corporate, charter, cargo, and recreational aviation activities. With additional developable acres, close proximity to Exit 75 of the Maine Turnpike, and an adjacent rail intermodal facility, the airport is a center of commerce seeking proposals for food services.

II. The Invitation

The Airport is soliciting proposals from qualified restaurants, catering, or retail operators to enter into a lease to provide a variety of food and beverage support for the traveling public. Proposers could expect a variety of patrons ranging from local community members who are looking for a meal, itinerant flight crews and their passengers looking for a quick bite on their way, or advance calls for catering to be available for traveling groups and individuals.

Proposers should consider the airport is a 24-hour operation, creating an opportunity for continuous availability on some level for food and beverage. The better proposal will provide consistent menu offerings and exploit the ancillary possibilities for catering, and off-hour food and beverage service that locations like the airport provide. In the interest of meeting aviation-related needs, the airport will consider operations that focus on more limited markets like catering handling. A proposal that includes limited beer and wine service as part of the menu will be considered.

The restaurant space at the airport includes airport-owned commercial kitchen equipment and furniture, and potential rights to seating on the airside of the terminal building and in terminal building common areas.

III. Submission Requirements

The Auburn-Lewiston Municipal Airport will evaluate and select qualified respondents to enter into a contract for service and lease space that is commensurate with the selected proposal based on overall capability of the respondent and/or partner(s) and, in whole or part:

- A. The impact on the overall customer service delivery of the Airport to the traveling public
- B. Qualification, interest, and experience in establishment of proposed undertaking

C. Adequate financial resources

A committee will make the selection using an established scoring process. Initial evaluation will be made from proposals submitted to create a short list of proposals from which to invite for a presentation and/or interview by the committee.

IV. Proposal Construction

A. Proposal Contents

In order to facilitate evaluation of the qualifications and experience statement, proposers are instructed to follow the outline below. Statements that do not follow the outline, or do not contain the required information may be considered as unresponsive proposals.

1. *Organization Information* (Evaluation weight 10%):

Provide full legal name of organization, organization structure (e.g., corporation, partnership, etc.) and complete contact information including mailing address, phone and fax and email address. Briefly describe management team as it relates to the proposal. Provide current resumes for management team and key positions.

2. *Proposed Services* (Evaluation Weight 30%)

Communicate how the proposed venue will provide prepared-food table service, takeout service, into plane catering, and/or after-hours food and beverage availability. A prospective menu with tentative pricing should be included. Also, include proposed hours of service availability.

3. *Experience* (Evaluation weight 20%):

Provide a list of previous and current venues that are similar in nature to the proposal that your organization has operated in the last five (5) years. If there is none, please list individual management involvement in previous or current venues. Indicate with any closures whether there were any legal issues or suits involved with the closure.

4. *Ability to Perform Financially* (Evaluation weight 25%):

Include the most recent complete year's financial statements of all venues the proposed management team has been a part. Also, include pro forma financial statements demonstrating the venue's ability to maintain at least financial stability throughout the lease period.

5. *Local Knowledge* (Evaluation weight 10%):

Demonstrate in the proposal your familiarity with how the Auburn - Lewiston Municipal Airport location fits into the community and how the venue will capture that community.

6. *References* (Evaluation weight 5%):

Submit along with the above information three (3) operational and financial references including current contact name(s) and telephone numbers.

B. Time and Place of Submission

Respondents are required to submit one (1) original and one (1) electronic copy of their proposal. All responses must be received before 11:00 AM local time on November 2, 2023. There will be no extensions to this deadline considered.

Interviews may be scheduled for the week of November 6th.

All questions must be submitted in writing before October 19th:

Jonathan P. LaBonte, Board Chair
Auburn Lewiston Municipal Airport
80 Airport Drive
Auburn, ME 04210
manager@flytome.com

All responses to questions will be posted to the airport's website www.flytomaine.com not later than October 26th.

Following receipt of the proposal, a review committee shall evaluate the proposals and select a proposal or, at the discretion of the review committee, select a short list of firms to interview. Emphasis in selecting a proposal shall be placed on the qualifications and experience in projects similar to what has been proposed.

In order to be considered responsive, the proposals must be submitted to

Auburn Lewiston Municipal Airport
ATTN: Jonathan P. LaBonte, Board Chair
80 Airport Drive
Auburn, ME 04210
manager@flytome.com

Proposals must arrive no later than 11:00 AM on November 2, 2023. Proposals are limited to 30 pages (30 single sided, or 15 double sided) or less, include informative message-oriented graphics as necessary, and use size 11-point font including references. Each submission should be in a sealed envelope or cardboard mailer, clearly marked "Request for Proposals for Food and Beverage Opportunity at the Auburn - Lewiston Municipal Airport." Electronic versions may be e-mailed or provided on a portable electronic drive.

The AUBURN-LEWISTON AIRPORT reserves the right to accept or reject any or all Qualification Statements received because of this request, or to cancel, in part or in its entirety, this Request for Qualification, if it is in the best interest of the AUBURN-LEWISTON AIRPORT to do so.

V. CERTIFIED DBE

Certified Disadvantaged Business Enterprise (DBE) organizations are encouraged to apply as the prime responder for this advertisement. Responding Non-DBE firms shall ensure that DBE's have the maximum opportunity to participate in the performance of any project contract in accordance with current requirements for DBE utilization.



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: October 11, 2023

Author: Jonathan P. LaBonte, Board Chair

Subject: Terminating The Cheesy Skillet Lease and Writing Off Accounts Receivable

Information: The Cheesy Skillet ended operations at the airport at the end of September, after also closing their Topsham location. The Cheesy Skillet had outstanding invoices from the airport totaling \$2,943.44 exclusive of September/October rent and September utilities (natural gas, electric, water/sewer).

The owners of The Cheesy Skillet provided the attached list of equipment that they left behind (their estimated value of \$4,410) and their \$2,000 security deposit remains in our account.

Airport Financial Impacts: Unbudgeted utility expenses for restaurant space until new tenant found

Recommended Action: Approval of Order

Previous Meetings and History:

Attachments:

The Cheesy Skillet Lease

The Cheesy Skillet Equipment List



AUBURN-LEWISTON MUNICIPAL AIRPORT
FOOD AND BEVERAGE CONCESSION AND LEASE AGREEMENT

CONCESSIONAIRE

THE CHEESY SKILLET, LLC

SPONSOR

AUBURN-LEWISTON MUNICIPAL AIRPORT BOARD OF DIRECTORS

Date of Execution: March 31, 2022

Initial Term: April 18, 2022 - April 17, 2025

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EXHIBITS:

- A-1 Operations
- A-2 Dry and Cold Storage
- A-3 Additional overflow seating area
- A-4 Opening Menu
- A-5 Business Plan and Mission Statement

LEASE AND CONCESSION AGREEMENT

THIS AGREEMENT, made and entered into this 9th day of April, 2022, by and between AUBURN-LEWISTON MUNICIPAL AIRPORT a body politic and corporate existing under the laws of the State of Maine, hereinafter referred to as "Sponsor", and THE CHEESY SKILLET, LLC a corporation organized under the laws of the State of Maine, whose principal place of business is 72 Blackmer St. Auburn, Maine 04210 hereinafter referred to as "Concessionaire". The term "Parties" shall refer and apply to both "Sponsor" and "Concessionaire."

WITNESETH:

Whereas, the Sponsor owns and operates the Auburn-Lewiston Municipal Airport ("Airport") located in Auburn, Maine and

Whereas, the Sponsor has constructed upon the Airport a terminal ("Terminal") to serve the needs of the traveling public; and

Whereas, the Concessionaire is engaged in the business of operating food and beverage concessions and is desirous of operating a food and beverage concession at the Airport; and

Whereas, Sponsor desires to provide additional food and beverage concessions in the Terminal to serve the needs of the traveling public and is willing to grant Concessionaire the non-exclusive right to construct and operate a food and beverage concession at the Airport.

Now therefore, for in consideration of the foregoing and of the mutual covenants hereinafter contained, and other good and valuable consideration, the Parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

The following words, terms, and phrases wherever used in this Agreement shall for the purpose of this Agreement have the following meaning:

- A. Agreement - This Lease and Concession Agreement, and as used herein contemplates and includes the lease of space in the terminal and the right and obligation of Concessionaire to use such space to construct and operate a non-exclusive Concession, under the terms and conditions expressly set forth herein.
- B. Agreement Year- the First Agreement Year is April 15, 2022, through April 14, 2023. Each subsequent 12-month period, April 15 through April 14, is another Agreement Year.
- C. Airport - The Auburn-Lewiston Municipal Airport (LEW), located in the City of Auburn, Maine, including any real property, the fee simple title to which is vested in the Sponsor.
- D. Sponsor - AUBURN-LEWISTON MUNICIPAL AIRPORT BOARD OF DIRECTORS, comprised of appointed members from the Sponsor cities of Auburn and Lewiston, to include one member of the Androscoggin Valley Council of

Governments and the Lewiston-Auburn Economic Growth Council, which owns and operates the Airport.

- E. Concessionaire – The Cheesy Skillet, LLC. a corporation organized under the laws of the State of Maine.
- F. Gross Revenues - The total price charged to customers, exclusive of discounts received by Concessionaire in the operation of its business in the Premises, whether such merchandise, food, beverages, rentals, and services are sold directly from the Premises or at any other place within the airport, so long as the products are furnished from the Premises. The term Gross Revenues shall not include (a) sales tax collection allowance paid by the State of Maine to Concessionaire as compensation for the keeping of prescribed records and the proper accounting and remittance of state sales tax; (b) any charges on a reimbursement basis, as mutually agreed upon by Sponsor and Concessionaire; (c) any taxes imposed by law which are separately stated to and paid by the customer and directly payable by the Concessionaire to a taxing authority; (d) tips and gratuities, and free or compensatory meals for employees of Concessionaire; (e) proceeds from the sale of used equipment by Concessionaire; (f) any refunds made by Concessionaire to customers.
- G. Parties - Refers and applies to Sponsor and Concessionaire.
- H. Premises - Areas set forth in Article 3 where the business of Concessionaire may be conducted.
- I. Terminal - The passenger terminal building at the Airport serving the traveling public.

ARTICLE 2

PRIOR AGREEMENTS

This Agreement represents the complete Agreement of the parties and any prior Agreements or representations, whether written or verbal, are hereby superseded.

ARTICLE 3

LEASED PREMISES

Concessionaire accepts all Leased Premises in "as is" condition. Sponsor hereby assigns Leased Premises to Concessionaire, described as follows:

- A. Main Terminal, containing approximately twelve hundred (1,200) square feet of contiguous space for retail operations, as depicted on Exhibit A-1 attached hereto and made a part hereof.

- B. Baggage Area, containing approximately Twenty-five (25) square feet of space for dry storage as depicted on Exhibit A-2 attached hereto and made a part hereof.
- C. Sponsor will allow customers of the Concessionaire to consume food and beverages within the Airport Terminal. Sponsor will work mutually with the Concessionaire to provide seating within the Airport to accommodate restaurant patrons where there is a need for overflow.

The Leased Premises includes:

- A. Extrusions which shall include all equipment necessary to support the Concessionaire's functions, such as exhaust fans, chillers, plumbing stacks, plumbing lines impacted by Concessionaire, electrical panels, and air vents and ducts.
- B. Facades and Walls shall include the facade and/or wall separating the front of the Leased Premises from the Terminal common areas, the exact boundary is deemed to be the external face of the facade and/or wall.
- C. Seating Areas that support the food service units, and the associated furniture and fixtures, trash receptacles, condiment stands, etc.

Concessionaire shall not place or install any racks, stands or other merchandise displays or trade fixtures in any Airport property outside the Leased Premises without the express prior consent of the Sponsor. In no event will Concessionaire engage in any activity on the Airport outside the Leased Premises for the recruitment or solicitation of business without the express prior consent of the Sponsor.

ARTICLE 4 **USE OF PREMISE**

4.1 Concession Rights Granted

The Sponsor hereby grants to Concessionaire, subject to all the terms, covenants, and conditions of this Agreement, the non-exclusive right and obligation to construct, operate and maintain a food and beverage concession. Concessionaire agrees not to undertake any use not authorized by this Agreement. The concession rights and privileges granted to Concessionaire shall be limited to the non-exclusive right to sell food and non-alcoholic beverages, including hot and cold food/beverage, sandwiches, breakfast sandwiches, chips, cookies, soft drinks, iced tea, bottled water, and meals-to-go and on-site consumption.

4.2 Rights Not Exclusive/Right of First Refusal

The concession rights herein granted by the Sponsor to the Concessionaire during the term of this Agreement, as may be amended, shall always be non-exclusive.

4.3 Approval of Merchandise, Menu and Prices

Concessionaire shall not conduct any other business, or sell any type of food, beverage, or logo merchandise, unless specifically authorized in writing to do so by the Sponsor. Concessionaire shall provide menus and prices for all items. The Sponsor reserves the right to approve or disapprove any menu, merchandise, or prices, at any location for any reason. Concessionaire shall update its merchandise, menus, and prices at least annually and submit samples, photographs, or copies of each to the Sponsor for review.

4.4 Office and Storage Space

Concessionaire agrees spaces adjacent to Premises in the Terminal shall be not used for office or storage purposes unless specifically authorized in writing to do so by the Sponsor.

4.5 Hours of Operation

Concessionaire will keep the concession open during peak aeronautical operating times (morning and afternoon) to best serve Airport customers, unless otherwise approved by the Sponsor.

4.6 Operational Requirements

Concessionaire must dispose of all trash, debris, and grease, in areas and containers designated by the Sponsor. Concessionaire may not place or leave or permit to be placed or left in or upon any part of the common areas or corridors adjacent to the Leased Premises any garbage, debris, or refuse. The disposal of any trash, debris, or any components from Concessionaire's operation shall be subject to local, state, and federal environmental laws and regulations to include adopted code of NFPA.

4.7 Right of First Refusal

This Agreement gives the Concessionaire the "Right of First Refusal" to all catering services for Local and Itinerant flights operating from the Airport; and all events which use the Airport as a formal setting for events. Sponsor and Concessionaire work mutually to identify events which enforce this paragraph.

ARTICLE 5 USE OF AIRPORT

Sponsor hereby grants to Concessionaire the following general privileges, uses and rights, all of which shall be subject to the terms, conditions, and covenants hereinafter set forth and all of which shall be non-exclusive:

- A. The general use, in common with others, of all public Airport facilities and Improvements which are now, or hereafter connected with, or appurtenant to, said Airport, to be used by Concessionaire, its agents and employees, patrons, and invitees, suppliers of service, furnishers of material, and its authorized sublessee, if any, in connection with its operations hereunder. For the purposes of this Agreement, "Public Airport Facilities" shall include all necessary roadways, sidewalks, and/or other public facilities appurtenant to said Airport, not specifically leased to or under the contractual control of others.

- B. The non-exclusive right to ingress to and egress from the Premises and over public roadways serving the Airport for Concessionaire, its agents and employees, patrons and invitees, suppliers of service, furnishers or material, and its authorized sublessees, if any. Said right shall be subject to such laws, rules, regulations, and orders as now or may hereafter have application at the Airport.

Nothing herein contained shall be construed to grant Concessionaire the right to use any space or area which is leased to a third party, or which Sponsor has not leased herein. Concessionaire shall have no right or privilege to use any space or area outside of the agreed terms in the exhibits.

ARTICLE 6

TERM OF AGREEMENT

6.1 Initial Term

The Initial Term shall commence April 15, 2022, and continue thereafter through April 14, 2025, unless otherwise amended or terminated as provided herein.

6.2 Renewal Term

Provided Concessionaire remains in compliance with all terms, covenants, and conditions of this Agreement, throughout the term of this Agreement, Concessionaire shall be granted the right of up to three (3) 3-year Renewal Terms, that may be exercised individually by Concessionaire on April 15 of each year throughout the Term of this Agreement. Said Renewal Terms shall be further subject to Concessionaire's execution of Sponsor's then current standard form Lease and Concession Agreement, which shall supersede this Agreement. Concessionaire shall notify Sponsor in writing of its intent to exercise each Renewal Term one hundred eighty (180) days prior to the expiration of the Term, as amended, to the address provided in Article 47, below.

6.3 Holdover Provision

In the event Concessionaire, with Sponsor approval, shall continue to occupy the Leased Premises beyond the Term of this Agreement, such holding over shall not constitute a renewal of this Agreement, but shall be considered a month-to-month tenancy only incorporating all terms and conditions of this Agreement. No such holdover shall be deemed to operate as renewal or extension of the Term. Such month-to-month tenancy may be terminated by the Sponsor or Concessionaire by giving one hundred and eighty (180) days' written notice of said termination to the other party at any time. Concessionaire will have no rights to renew or extend the Term of this Agreement.

ARTICLE 7

CONCESSION FEE

As consideration for Concessionaire's use of the Leased Premises and the privilege of doing business at the Airport, Concessionaire shall pay Sponsor an annual Concession Fee equal to the greater of a Minimum Annual Guarantee (MAG) or a Percentage Payment plus applicable sales or use tax.

7.1 Minimum Annual Guarantee (MAG)

Concessionaire shall pay the Percentage Payment only for the First Agreement Year. For each Agreement Year after the First Agreement Year of the Term, a Minimum Annual Guarantee will be established equal to eighty-five percent (85%) of the previous Agreement Year Percentage Payments. Concessionaire shall pay the greater of the Percentage Payment or MAG. The MAG for each Agreement Year shall be paid in equal monthly installments payable in advance and without demand on or before the first day of each month during the Term of this Agreement.

7.2 Severe Decline in Aeronautical Operations

Defined Term:

- A. "Severe Decline in Aeronautical Operations for Three Months" shall mean that the actual total operations achieved during a one calendar month period is less than eighty percent (80%) of the actual total operations of the same one calendar month period of the previous year, and such shortfall continues for three (3) consecutive months.
- B. "Aeronautical Operations Stabilization for Two Months" shall mean the actual aeronautical operations for a particular calendar month equals or exceeds eighty percent (80%) of the actual aeronautical operations of the same month in the previous year and such threshold is achieved for two (2) consecutive months.

7.3 MAG Suspension

If at any time during the term of the Agreement there is a Severe Decline in Aeronautical Operations for three consecutive months, then the MAG shall be suspended temporarily as follows:

- A. The MAG suspension shall be effective on the first day of the first month immediately following the Severe Decline in Aeronautical Operations for three (3) consecutive months.
- B. During such MAG suspension period, Concessionaire shall be required to pay only the Percentage Payment, unless and until the MAG is reinstated as provided below.

7.4 MAG Reinstatement

Once there is Aeronautical Operations Stabilization for two (2) consecutive months, the MAG shall be reinstated, and will continue unless and until there is another Severe Decline in Aeronautical Operations for three (3) consecutive months, as follows:

- A. Such MAG reinstatement will be effective on the first day of the month following an Aeronautical Operations Stabilization for two consecutive months.
- B. In the event the MAG is reinstated after the commencement of an Agreement Year, or other length of time for annual gross revenue accumulation, specified in the Agreement (i.e., a new MAG is established for that Agreement Year), the MAG will be pro-rated accordingly.

7.5 Percentage Payment

The percentage payment shall be the sum of (i) two percent (2%) of gross revenues which Concessionaire must pay from the sale of food, non-alcoholic beverages, and merchandise.

7.6 Monthly Statements and Fee Payments

Concessionaire shall submit to the Airport by the 20th day of the second month of the Term hereof, and each succeeding month of the Term hereof, an accurate statement of Gross Revenues of the preceding month, and simultaneously therewith shall pay Airport an amount by which the Percentage Payment of the preceding month exceeds one-twelfth (1/12) of the MAG. This statement shall be certified by a manager properly authorized to certify the statement on behalf of Concessionaire.

7.7 Commencement of MAG and Fee Payments

In exchange for Concessionaire's bearing their cost of opening the concession, respectively herein, and the commencement of Concessionaire's operations, granted herein, on or before April 15, 2022, Sponsor agrees to exclude Concessionaire's obligation to pay MAG Payments and Percentage Payments, required in Article 7.1 and Article 7.5, respectively, for the period of year beginning April 15, 2022, and ending April 14, 2023, after which time said Concessionaire's MAG Payment and Percentage Payment obligations shall resume.

7.9 Service Charge on Worthless Checks

In the event Concessionaire delivers a worthless check or draft to Sponsor in payment of any obligation arising under this Agreement, Concessionaire shall incur a service charge of Thirty Dollars (\$30.00) or five percent (5%) of the face amount of such check, whichever is greater; or, if Maine Statute Title 14, §6071 is amended, such other fee as shall be set by said statute.

7.10 Revenue Reports and Submittal of Payments

Concessionaire shall forward all payments required by this Agreement to the following address:

Auburn-Lewiston Municipal Airport
80 Airport Drive
Auburn, Maine 04210

All other reports, including the Statement of Gross Receipts shall be addressed as indicated in the Article entitled "Notices and Communications" in this Agreement.

ARTICLE 8 **Security for Payment**

8.1 Security for Payment

To provide security for the fees and charges, and performance required hereunder, Concessionaire shall deliver to the Airport upon commencing the Agreement, a Deposit of \$2,000.00 which will be held by the Sponsor for the term of the Agreement and subsequent

years while the Agreement is in force. Sponsor may draw upon the Deposit if Concessionaire fails, for a period of thirty (30) days after written notice, to perform its obligations under this Agreement.

Concessionaire must maintain the full amount of the Deposit through the Term of the Agreement. If Sponsor draws upon the Deposit for any act of default by the Concessionaire, Concessionaire will have sixty (60) days to bring the Deposit to the full amount.

8.2 Act of Default

Concessionaire's failure to provide and maintain the required Deposit, for a period of thirty (30) days after written notice, shall constitute a default by Concessionaire and shall be grounds for termination of this Agreement.

8.3 Satisfactory Performance

The refund of the Deposit required pursuant to this Article shall be conditioned on the satisfactory performance of all terms, conditions, and covenants contained herein throughout the entire Term of this Agreement.

ARTICLE 9 **ACCOUNTING RECORDS AND AUDITS**

9.1 Books of Account

Concessionaire shall keep, throughout the entire term of this Agreement or any extension thereof, all books of account and records customarily used in this type of operation as from time to time may be required by Sponsor, including but not limited to gross receipts, contracts, accounts receivable and individual category revenues in accordance with Generally Accepted Accounting Principals (GAAP).

9.2 Inspection of Accounts and Records

All Concessionaire's books and records in relation to its concession at the Airport shall be open for inspection by the authorized representatives of Sponsor at reasonable times during business hours upon request. Concessionaire shall maintain such records for five (5) years after the Term of this Agreement, as may be extended. Sponsor may at any time conduct an audit of the books and records. Should said audit reflect a shortfall in any percentage payment, Concessionaire shall pay the shortfall immediately upon demand by Sponsor.

9.3 Produce Accounts and Records for Special Audit

Within sixty (60) days after receipt of a written request from the Sponsor for a Special Audit, Concessionaire shall provide the books of account requested by the Sponsor. If the books of account and records are kept at locations other than the Airport, Concessionaire shall

arrange for them to be brought to the offices of the auditors for Sponsor for to conduct the audits and inspections as set forth in this Article, or Concessionaire may at its option transport the Sponsor audit team to Concessionaire's headquarters for purposes of undertaking said audit. In such event, Concessionaire shall pay costs of transportation for the Sponsor's audit team.

There may be no limitation in the scope of the examination that would hinder the Sponsor in testing the accuracy and completeness of the reported revenue. Failure to maintain books of accounts and records as defined in Article 9.1 herein or a scope limitation that hinders testing the accuracy and correctness of reported revenue shall be deemed to be a material breach of this agreement. Concessionaire shall have thirty calendar days to comment in writing on the Special Audit report. Failure of Concessionaire to submit such written comments shall constitute acceptance of the Special Audit report as issued.

9.4 Audit Shortfall

If said audit reflects a shortfall in percentage payments in an amount, which is more than two percent (2%) of the percentage payments due on any monthly period, or one and one-half percent (1.5%) in any annual period, then Concessionaire shall immediately pay the shortfall plus the cost of the audit.

ARTICLE 10 **NET AGREEMENT**

This Agreement is net to Sponsor. Concessionaire is responsible for all the costs of all utilities, taxes and assessments of any nature whatsoever incurred on or assessed against the Leased Premises during the Term of this Agreement. Sponsor is authorized to sub-meter or reasonably allocate costs for any utilities and trash removal furnished by Sponsor or not separately metered to Concessionaire and to assess Concessionaire an equitable and commercially reasonable basis for Concessionaire's share of real property taxes or assessments that might be payable on Airport property. Concessionaire will promptly reimburse Sponsor for these costs. Concessionaire will promptly pay bills all separately metered utilities.

ARTICLE 11 **OBLIGATIONS OF CONCESSIONAIRE**

11.1 Operational Standards

During the Term of this Agreement, Concessionaire shall meet and maintain the following minimum operational standards:

- A. Food and Beverage Standard. Provide and maintain a standard of service and food, beverage, and merchandise quality with value equal to or better than comparable high-quality food and beverage operations within the culinary industry.

- B. Taxes. Promptly pay all taxes or assessments levied against its leasehold interest in the Premises, its leasehold improvements, equipment, and personal property, and its operations under this Agreement, and sales, use or similar taxes levied or assessed on any payments made by Concessionaire hereunder.
- C. Liens. Not permit, and take immediate steps to remove, any liens placed against Premises and/or property of Concessionaire used in its operation at the Airport.
- D. Restoration of Premises. At its sole cost and expense, restore to the original new condition, ordinary wear and tear excepted, any area of the Premises modified during the Term of this Agreement. This provision includes restoration of Airport property resulting from removal, alteration, reconfiguration, or any modification accomplished by or for Concessionaire and necessary for proper housekeeping of the Premises throughout the term hereof or at expiration, cancellation, forfeiture, or other termination of this Agreement. Restoration shall include damage to terminal infrastructure and utilities outside of Premises if caused by Concessionaire.
- E. Garbage and Waste. Provide and pay for the proper sanitary handling and daily removal of all trash, garbage, waste materials, and other refuse resulting from its operation. Concessionaire shall cause its agents and employees to use proper waste receptacles for accumulated waste. Concessionaire shall take all steps reasonable and necessary to completely bag and enclose all food stuff products and not to leave same exposed, even in outside garbage receptacles, it being acknowledged by the parties hereto that garbage consisting of food stuffs can be a health menace and can lead to infestation by rodents or pests. In the event Sponsor in its reasonable judgment determines that the disposal of and at the Airport in an orderly and proper manner so as not to annoy, disturb or offend the public and others on Airport premises. The public shall be given the highest consideration in matters affecting the operation and the use of Airport premises.
- G. Maintenance Responsibilities. The Concessionaire shall, continuously during the Term hereof, at the Concessionaire's sole cost and expense, keep the Leased Premises, all furniture, fixtures, equipment, and apparatuses, and every part thereof, in good condition and repair, and in compliance with applicable laws, including the replacement of any facility or equipment of the Sponsor used by the Concessionaire which requires replacement by reason of the Concessionaire's use thereof, minus ordinary wear and tear. In addition, if it becomes reasonably necessary during the term of this Agreement, as determined by the Sponsor, the Concessionaire will, at its sole expense, redecorate and paint fixtures and the interior of the Leased Premises and the improvements thereon, and replace fixtures, worn carpeting, curtains, blinds, drapes, or other furnishings.

Without limit, Concessionaire shall be solely liable for the facade of the Leased Premises including the external face, all windows and display areas, and all finishes. Concessionaire's compliance obligations shall include, without limitation, the obligation to repair and maintain the Leased Premises (including Concessionaire's

Work), regardless of the relationship of the cost of curative action to the concession fee under this Agreement, the length of the then remaining term, the relative benefit of the repairs to Concessionaire or Sponsor, the degree to which curative action may interfere with Concessionaire's use or enjoyment of the Leased Premises, the likelihood that the parties contemplated the particular requirement involved, or the relationship between the requirement involved and Concessionaire's particular use of the Leased Premises. Within the context of this Article, no occurrence or situation arising during the Term, nor any present or future requirement, whether foreseen or unforeseen, and however extraordinary, shall relieve Concessionaire of its obligations, nor give Concessionaire any right to terminate this Agreement in whole or in part or to otherwise seek redress against the Sponsor.

Sponsor at its own discretion will assess all situations to determine if a joint effort between the Concessionaire and Sponsor should be negotiated. Concessionaire understands that all joint efforts in maintaining the Premises in "good order" is an exception and not the rule of this Agreement.

H. Utilities. Concessionaire shall be responsible for the modification and maintenance of all utility services in the Leased Premises. This shall include any janitor services, power, gas, telephone, electricity, water, sewer, and other utility services that are contained within the Concessionaire's Leased Premises or outside the Leased Premises if impacted by Concessionaire's operation. Subject to Article 15.2, Concessionaire shall, at its expense, furnish, install, and maintain any ductwork, plumbing, electrical wiring, and other connections within or leading into or out of the Leased Premises. Should improvements beyond the Leased Premises require repair or replacement, due to damage caused by the use, or previous use by Concessionaire, Concessionaire will be responsible for those repairs or replacements. Concessionaire's premises shall comply with all federal, state, and local building, environmental and fire codes, and regulations.

I. Failure to Maintain or Repair. If Concessionaire refuses or neglects to undertake the prompt maintenance, repair, code, or regulation compliance, or replacements requested by the Sponsor that is Concessionaire's responsibility under this Agreement, the Sponsor shall have the right to make such repairs on behalf of and for Concessionaire. Such work shall be paid for by Concessionaire within ten (10) days following demand by the Sponsor for the funds which were expended. If the work is performed by a contractor hired by the Sponsor, the Sponsor shall be reimbursed by Concessionaire for the Sponsor's actual cost.

J. Annual Repairs and Refurbishment. Concessionaire shall repaint or refinish, at Concessionaire's own cost, high traffic areas subject to greater-than-normal wear on a schedule to be specified by Concessionaire, or as directed by the Sponsor, if Concessionaire fails to specify a reasonable refurbishment schedule. All Concessionaire improvements, and other furnishings that become worn, chipped, dented, or gouged, shall be repaired, or replaced by Concessionaire at Concessionaire's sole expense.

K. Mid-term Refurbishment. Concessionaire agrees to upgrade and refurbish the Leased Premises on or before the commencement of the third (3rd) Agreement Year in a manner acceptable to the Sponsor to maintain an attractive and inviting appearance to customers. Concessionaire shall submit to the Sponsor a schedule of refurbishment for Sponsor approval before starting any work, which shall include painting and repair attributable to ordinary wear and tear, and replacement of furniture, trade fixtures and equipment. Should the Sponsor and Concessionaire mutually agree that the facilities at the mid-term point do not require additional investment, the Sponsor and Concessionaire agree that the funds could be used for other food and beverage concession related purposes.

L. Public Traffic Areas. Concessionaire, its agents, employees, or suppliers, shall not block any areas used for ingress or egress by Airport traffic unless required in an emergency, and further, shall not interfere with the activities of Sponsor, its agents or employees, or any Airport tenant.

11.2 Quality Assurance Audits

The Sponsor may conduct the following regular concession performance inspections ("Quality Assurance Audits") to ensure compliance with all the standards of operation set forth in this Agreement:

- A. The Sponsor may, in its discretion, review each of Concessionaire's concession operations for quality assurance at any time and shall endeavor to do so on a quarterly basis.
- B. The Sponsor shall document all Quality Assurance Audits on a Quality Standards Performance form. All Quality Assurance Audits shall, at a minimum, focus on, but not be limited to, the following:
 - 1) Premises - General upkeep, signage, pricing, maintenance, equipment, and cleanliness.
 - 2) Products - Delivered as represented, taste and attractiveness.
 - 3) Personnel - Professionalism, appearance, customer service, receipts provided and activity.
- C. The Sponsor shall provide Concessionaire with written results of the Quality Assurance Audits. Where deficiencies in performances are noted, the Sponsor shall provide Concessionaire with fifteen (15) days to correct all deficiencies noted in the Quality Assurance Audits. Concessionaire shall promptly notify the Sponsor of the corrections as completed or request additional time to correct outstanding items where the Sponsor determines progress has been made by Concessionaire, to correct such deficiencies.

- D. In the event Concessionaire fails to correct the deficiencies noted in any Quality Assurance Audit as provided in a timely manner, in this Section, the Sponsor may elect to take action in correcting the deficiency and charge Concessionaire for any incurred costs.

ARTICLE 12

DEFAULT BY CONCESSIONAIRE

12.1 Default by Concessionaire

The occurrence of any of the following events shall constitute a default by Concessionaire:

- A. Concessionaire's failure to pay the concession fee or any other sums payable hereunder, and if such failure shall continue for a period of fifteen (15) days after written notice from the Sponsor to Concessionaire.
- B. Concessionaire's failure to provide and maintain current security bond or irrevocable letter of credit as required herein, and if such failure shall continue for a period of thirty (30) days after written notice from the Sponsor to Concessionaire.
- C. Concessionaire's failure to provide and maintain all certificates of insurance as required herein, and if such failure shall continue for a period of thirty (30) days after written notice from the Sponsor to Concessionaire.
- D. Concessionaire's failure to observe, keep or perform any of the other terms, covenants, agreements or conditions of this Agreement or in the Airport Rules and Regulations, and if such failure shall continue for a period of thirty (30) days after written notice from the Sponsor to Concessionaire.
- E. The bankruptcy of Concessionaire.
- F. An assignment by Concessionaire for the benefit for creditors.
- G. A receiver or trustee being appointed for Concessionaire, or a substantial portion of Concessionaire's assets and the receivership is not set aside within 30 days after such appointment.
- H. Concessionaire's voluntary petitioning for relief under, or otherwise seeking the benefit of, any bankruptcy, reorganization, and arrangement or insolvency law and said proceeding is not dismissed, discontinued, or vacated within 30 days.
- I. Concessionaire's allowing any kind of a lien to be placed on any property of Sponsor or attempting to pledge its interest hereunder.

- J. Concessionaire's interest under this Agreement being sold under execution or other legal process.
- K. Concessionaire's interest under this Agreement being modified or altered by any unauthorized assignment or subletting or by operation of law.
- L. Any of the goods or chattels of Concessionaire used in, or incident to, the operation of Concessionaire's business in the Premises being seized, sequestered, or impounded by virtue of, or under authority of, any legal proceeding.
- M. Concessionaire's failure to cooperate with any environmental laws, programs or audits promulgated by Sponsor or applicable regulatory agencies which may be revised from time to time, and if such failure shall continue for a period of 30 days after written notice from Sponsor to Concessionaire.

12.2 Remedies

In the event of any of the foregoing events of default, Sponsor, at its election, may exercise any one or more of the following options or remedies, the exercise of any of which shall not be deemed to preclude the exercise of any others herein listed or otherwise provided by statute or general law at the same time or in subsequent times or actions:

- A. Terminate Concessionaire's rights under the Agreement and bar Concessionaire's entry on Airport premises and enter into a new concession agreement for such concession fees and under such terms and conditions as Sponsor may deem best under the circumstances for the purpose of reducing Concessionaire's liability. Sponsor shall not be deemed to have thereby acquiesced, and Concessionaire shall remain liable for all concession fees or other sums due under this Agreement and for all damages suffered by the Sponsor because of Concessionaire's breach of any of the covenants of the Agreement.
- C. Declare this Agreement to be terminated, ended and null and void, whereupon all right, title and interest of Concessionaire shall end.

12.3 Additional Provisions

No action under this Article by the Sponsor shall be construed as an election on its part to terminate this Agreement, unless a written notice of such intention be given to Concessionaire, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any concession fees or other monies due to the Sponsor hereunder or of any damages accruing to Sponsor by reason of the violations of any of the terms, provision and covenants herein contained. Sponsor's acceptance of concession fees or other monies following any event of default hereunder shall not be construed as Sponsor's waiver of such event of default. No forbearance by Sponsor of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance

by Sponsor to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. Legal actions to recover for loss or damage that Sponsor may suffer by reason of termination of this Agreement or the deficiency from any reletting as provided for above shall include the expense of repossessions or reletting and any repairs or remodeling undertaken by Sponsor following repossession.

ARTICLE 13

WAIVER OF JURY TRIAL

The parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of, or in any way connected with, this Agreement, the relationship of Sponsor and Concessionaire, Concessionaire's use, or occupancy of the Premises and/or building, and/or claim or injury or damage. In the event Sponsor commences any proceeding to enforce this Agreement or the Sponsor/Concessionaire relationship between the parties or for nonpayment of concession fees (of any nature whatsoever) or additional monies due Sponsor from Concessionaire under this Agreement, Concessionaire will not interpose any counterclaim of whatever nature or description in any such proceedings. In the event Concessionaire must, because of applicable court rules, interpose any counterclaim or other claim against Sponsor in such proceedings, Sponsor and Concessionaire covenant and agree that, in addition to any other lawful remedy of Sponsor, upon motion of Sponsor, such counterclaim or other claim asserted by Concessionaire shall be severed out of the proceedings instituted by Sponsor and the proceedings instituted by Sponsor may proceed to final judgment separately and apart from and without consolidation with or reference to the status of each counterclaim or any other claim asserted by Concessionaire.

ARTICLE 14

TIME OF THE ESSENCE

Time is of the essence of this Agreement; and in case Concessionaire shall fail to perform the covenants or conditions on its part to be performed at the time fixed for the performance of such respective covenants or conditions by the provisions of this Agreement, Sponsor may declare Concessionaire to be in default of such Agreement, excepting unavoidable delays beyond the control of Concessionaire.

ARTICLE 15

ALTERATIONS AND IMPROVEMENTS

The Parties recognize the value, necessity, and importance of maintaining the food and beverage facilities in well-kept conditions with an attractive decor and aesthetic presentation. Concessionaire shall not make any alterations or improvements to any real or tangible personal property of the Sponsor's property without the prior written consent of the Sponsor which may be withheld at Sponsor's sole discretion.

Sponsor will provide a professionally cleaned Premise prior to the Concessionaire occupying the Premise, which includes hood cleaning, fire suppression inspection, fixture replacements for restrooms, ceiling lighting, proper electrical outlets, and switches. Concessionaire shall inspect the Premise to ensure prior to occupying.

15.1 General

Concessionaire shall make no alterations, additions, improvements to, or installations on the Leased Premises under this Agreement without the prior written approval of the Sponsor. Any such alterations or improvements shall be without cost to the Sponsor. The ultimate control over the quality and acceptability of the Improvements (Sponsor Improvements and Concessionaire Improvements, each defined hereinafter) to the Leased Premises will be retained by the Sponsor. Design of the Leased Premises shall require the review and written approval of the Sponsor at the 30%, 60% and 90% tenant design construction drawings prior to any installation.

15.2 Structures and Fixtures

Concessionaire shall design, erect, construct and install all fixtures, furnishings, carpeting, decorations, finishings, equipment, counters, or other necessary alterations required for its operation under this Agreement. Concessionaire shall complete all alterations and repairs at its sole cost and expense unless the parties hereto mutually agree to share a cost and notice is provided in writing by the Sponsor. All construction shall be in conformity with the Sponsor's work authorization letter, and in conformity with the approved plans and specifications submitted by the Concessionaire and shall meet all applicable local building codes and ordinances as well as all other laws. Concessionaire shall submit complete plans and specifications to the Sponsor, and prior to commencing any construction work, obtain the Sponsor's written approval of said plans and specifications as contained in this Agreement. Concessionaire shall make no change or alteration in the plans and specifications without prior written approval of the Sponsor. In the event Concessionaire fails to submit plans and specifications which meet the approval of the Sponsor within thirty (30) days after the execution of this Agreement, the Sponsor may suspend this Agreement. In the event of any of the following, the parties will negotiate in good faith for a reasonable extension of time: (1) acts of nature occurring after the date of execution hereof which directly affect the Leased Premises, including without limitation fire, floods, tropical storms, and other such occurrences; or (2) labor disputes, including without limitation, strikes, slowdowns, and other similar occurrences; or (3) delays in obtaining approvals from Sponsor; or (4) action or inaction of governmental authorities that prevents or delays Concessionaire from obtaining appropriate permits or approvals necessary in connection with the construction or operation of the Leased Premises. Discarded furniture and other materials associated with demolition or construction work shall be removed from airport property, not deposited in common waste areas. Sponsor shall provide utilities up to or within a maximum of six (6) feet from the demising line of the Leased Premises. Should utilities or other improvements beyond six feet require repair or replacement due to damage caused by previous use by Concessionaire, Concessionaire will be responsible for those

repairs or replacements, but the cost cannot be counted as part of Concessionaire's Capital Investment Commitment.

ARTICLE 16
TITLE TO IMPROVEMENTS

All improvements made to Premises by Concessionaire shall be and remain the property of Concessionaire until the expiration or earlier termination of this Agreement, at which time said improvements, shall become the property of Sponsor. Notwithstanding anything to the contrary in this Agreement, all equipment, trade fixtures, materials, and supplies of Concessionaire ("Trade Fixtures") remain the property of Concessionaire unless Concessionaire shall fail to remove the Trade Fixtures within twenty (20) days following the expiration or earlier termination of this Agreement and provided Concessionaire is not in default under the Agreement. It is further provided Concessionaire must exercise care in the removal of said Trade Fixtures and that Concessionaire repairs any damage to the premises caused by said removal. Failure on the part of the Concessionaire to remove its Trade Fixtures within twenty (20) days following termination shall constitute a gratuitous transfer of title thereof to Sponsor for whatever disposition is deemed to be in the best interest of Sponsor. Any costs incurred by Sponsor in the disposition of such Trade Fixtures shall be borne by Concessionaire.

ARTICLE 17
TAXES, PERMITS, LICENSES

Concessionaire shall maintain in force all licenses, permits and other certificates required by federal, state, county, or municipal authorities for its operation under the terms of this Agreement. Concessionaire shall bear, at its own expense, all costs of operating its equipment and business, including any applicable sales taxes, as well as all other taxes assessed against food and beverage operations, furnishings, equipment or stocks of merchandise and supplies and shall obtain and pay for all permits, licenses, or other authorizations required by authority of law in connection with the operation of its business at the Airport.

ARTICLE 18
INSURANCE

Concessionaire shall, at its expense, continuously during the term of this Agreement, retain the following insurance coverages and limits:

- A. Commercial General Liability insurance, including broad form contractual liability insurance, products/completed operations, independent contractor, and broad form property damage with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.

- B. Commercial Umbrella or Excess Liability Insurance with a limit of not less than two million Dollars (\$2,000,000) aggregate. Sponsor and its Board of Directors shall be named as additional insured with right of notice in the policy.
- C. Liquor Liability, if applicable, occurring on or in any way related to the Premises or occasioned by reason of the operations of Concessionaire combined single limit of not less than two million dollars (\$2,000,000).
- D. All Risk Property Insurance, including flood or earthquake, on all equipment and improvements now or hereafter located upon the Premises in an amount equal to the replacement cost of such improvements. Said insurance shall contain loss payable endorsements in favor of the parties as their respective interests may appear hereunder. Concessionaire agrees to personally assume total responsibility for any damage, destruction or theft of its displays and equipment which may occur from Concessionaire's operations. Concessionaire agrees that Sponsor shall not be responsible for any damage or losses incurred by Concessionaire from its operations at the Airport.
- E. Workers' Compensation insurance as required by law or letter of exemption stating thereon the reason for the exemption.

The certificates of insurance evidencing the foregoing coverage shall contain a certification that the policy cannot be canceled or changed in any manner which might adversely affect Sponsor, without thirty (30) days prior written notice to the Sponsor. They shall also state that coverage required by this Agreement has been endorsed to include Sponsor as an additional insured.

Concessionaire agrees to procure such other insurance in amounts and containing provisions as the Sponsor may reasonably require from time to time in its discretion. All such insurance shall be carried in solvent insurance companies authorized to do business in the State of Maine and approved by Sponsor.

Concessionaire's failure to provide and maintain current, all Certificates of Insurance required pursuant to this Article shall constitute a default by Concessionaire.

ARTICLE 19

INDEMNIFICATION

Concessionaire agrees to protect, defend, reimburse, indemnify and hold Sponsor, its agents, employees and appointed officers and each of them, free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including attorney fees) and causes of action of every kind and character against or from Sponsor by reason of any damage to property or the environment, including any contamination of Airport property such as the soil or storm water by fuel, gas, chemicals or other substances deemed by the EPA to be environmental contaminants at the time this Agreement is executed or as may be redefined by the appropriate regulatory agencies in

the future, or bodily injury (including death) incurred or sustained by any agent or employee, and any third party whomsoever, or any governmental agency, arising out of or incident to or in connection with Concessionaire's performance under this Agreement, Concessionaire's use or occupancy of the Premises, Concessionaire's acts, omissions or operations hereunder or the performance, nonperformance or purported performance of Concessionaire or any breach of the terms of this Agreement. Provided, however that Concessionaire shall not be responsible to the Sponsor for all claims, liability, expenses, losses, costs, fines, and damages (including attorney fees) and causes of action occasioned solely by any gross negligent or willful misconduct of the Sponsor, its agents, employees, officers, representatives, and contractors. Concessionaire recognizes the broad nature of this indemnification and hold harmless clause, and voluntarily makes this covenant and expressly acknowledges that it is an express condition of this Agreement. This clause shall survive the termination of this Agreement. Compliance with the insurance requirements as attached hereto shall not relieve Concessionaire of its liability or obligation to indemnify Sponsor as set forth in this Article.

ARTICLE 20

DAMAGE OR DESTRUCTION

20.1 Obligation to Restore Premises

Concessionaire hereby assumes full responsibility for the character, acts, and conduct of all its agents, employees, officers, representatives, contractors, invitees, or any person admitted to the Premises by or with the actual or constructive consent of Concessionaire and acting for or on behalf of Concessionaire. If the Premises, or any part thereof, or any other Airport facilities, during the Term of this Agreement or any extension thereof, shall be damaged by the act, default, or negligence of Concessionaire, or of Concessionaire's Members, agents, employees, officers, representatives, or contractors, Concessionaire shall at its sole cost and expense restore said Premises to the condition existing prior to such damage.

20.2 Right to Enter and Restore

If Concessionaire fails, within reasonable time to commence restoration of the said Premises as required above, Sponsor shall have the right to enter the Premises and perform the necessary restoration, and Concessionaire hereby expressly agrees that it shall fully assume and be liable to Sponsor for reimbursement of the costs. Reimbursement costs shall be due and payable within sixty (60) days following the Sponsor's invoicing.

20.3 Fire or Other Casualty

Notwithstanding the foregoing, at any time during the term of this Agreement or any extension thereof except as otherwise provided in Article 20.5 below, should the improvements constructed by or for Sponsor or Concessionaire upon the Premises be damaged or destroyed in whole or in part by fire or other casualty, Concessionaire shall give prompt notice in writing to Sponsor, and Concessionaire, may, subject to prior written

approval of Sponsor, repair, replace and the same to the satisfaction of Sponsor. Such repairs, replacements or rebuilding shall be made by Concessionaire at Concessionaire's sole cost and expense, in accordance with Sponsor's requirements; provided that, prior to commencing construction, Sponsor may require Concessionaire to furnish a performance and payment bond and builder's risk insurance, all of which shall be in such amounts and in such form as shall be acceptable to Sponsor in its sole discretion. Upon compliance with the foregoing, and after settlement shall have been made with the insurance company or companies and said proceeds of such insurance policy or policies shall have been paid jointly to Concessionaire and Sponsor, Concessionaire shall commence such repair, replacements, or rebuilding within a reasonable time and shall continue such work with reasonable diligence until completion.

20.4 Insurance Proceeds

Upon receipt by Concessionaire of the proceeds of any insurance policy or policies, the proceeds shall be deposited in an escrow account approved by Sponsor so as to be available to pay for the cost of such repair, replacement, or rebuilding. Such proceeds shall be disbursed during construction to pay the costs of such work. If the amount of such insurance proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Concessionaire shall pay any additional sums required into said escrow account. If the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be remitted to Concessionaire.

20.5 Right to Cancel

Should the improvements on the Premises be damaged or destroyed in whole or in part by fire or other casualty, Concessionaire, may, subject to approval by Sponsor at its sole discretion, be relieved of the obligation to repair, replace, or rebuild the same and have the right to cancel this Agreement. In such event, Concessionaire shall provide Sponsor written notice within thirty (30) days after the date of any such damage or destruction and, upon approval by Sponsor, this Agreement shall terminate, and the insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by Sponsor. All fees payable under this Agreement shall be prorated and paid to the date of such termination. The receipt and acceptance of insurance proceeds by Sponsor under this Article 20.5 will relieve Concessionaire from any responsibility to restore the Premises to their former condition, and Concessionaire further waives any claim against Sponsor for damages or compensation, should this Agreement be so terminated.

20.6 Termination Upon Destruction or Other Casualty

Except as otherwise provided in this Agreement, in the event that the Premises or any part thereof shall be destroyed or damaged in whole or part by fire, water, or any other cause, or if any other casualty or unforeseen occurrence shall likewise render the fulfillment of this Agreement by Sponsor impossible, then thereupon this Agreement shall terminate and Concessionaire shall pay fees for said Premises only up to the time of such termination,

and Concessionaire shall hereby waive any claim for damages or compensation should this Agreement be so terminated.

ARTICLE 21

RULES AND REGULATIONS

Concessionaire shall at all times comply with applicable Federal, State, and local laws and regulations, Airport Rules and Regulations, all applicable health rules and regulations, and other mandates whether existing or as promulgated from time to time by the federal, state, or local government, Sponsor or Airport Management including, but not limited to, permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations, fire codes and any other operational matters related to the operation of the Airport. This shall include, but not be limited to, Concessionaire precluding its employees, agents, customers, or invitees from entering upon any restricted area of the Airport as noted in procedures, rules or regulations of Sponsor or the Department of Homeland Security. In addition to other remedies provided hereunder, any violation of Airport or Department of Homeland Security procedures regarding security shall subject Concessionaire to an administrative Call Out payment of \$100.00 (in consideration for the administrative processing required by Sponsor to process and to respond to a violation). This amount must be paid by Concessionaire within ten (10) days of receipt of written notice by the Sponsor.

ARTICLE 22

ENVIRONMENTAL REGULATIONS

Notwithstanding any other provision of this Agreement, Concessionaire acknowledges that certain properties and use of properties within the Airport are subject to environmental regulations. Concessionaire agrees to observe and abide by said regulations as applicable to its use of the Airport, and in addition to any and all other Agreement requirements, and any other covenants and warranties herein, Concessionaire hereby expressly warrants, guarantees, and represents to Sponsor, upon which Sponsor expressly relies, that Concessionaire is aware of federal, state, regional and local governmental laws, ordinances, regulations, orders and rules, without limitation, which govern or which apply to the direct or indirect results and impacts to the environment and natural resources due to, or in any way resulting from, the conduct by Concessionaire of its operations pursuant to or upon the Premises. Concessionaire expressly represents, covenants, warrants, guarantees, and agrees that it shall comply with all applicable federal, state, regional and local laws, regulations and ordinances protecting the environment and natural resources including, but not limited to, the Federal Clean Water Act, Safe Drinking Water Act, Clean Air Act, Resource Conservation Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund") and all rules and regulations promulgated or adopted thereunder as same may from time to time be amended. Concessionaire further expressly represents, covenants, warrants, guarantees, and agrees that it shall fully comply with all state and local laws, ordinances, rules, and regulations protecting the environment. Concessionaire agrees to keep informed of future changes in the existing environmental laws.

Concessionaire hereby expressly agrees to indemnify and hold Sponsor harmless from and against any and all liability for fines and physical damage to property or injury or deaths to persons, including reasonable expense and attorney's fees, arising from or resulting out of, or in any way caused by, Concessionaire's failure to comply with any and all applicable federal, state and local laws, ordinances, regulations, rulings, orders and standards, now or hereafter, promulgated for the purpose of protecting the environment. Concessionaire agrees to cooperate with any investigation or inquiry by any governmental agency regarding possible violation of any environmental law or regulation.

ARTICLE 23

FEDERAL AVIATION ADMINISTRATION

This Agreement may be subject to review and approval by the Federal Aviation Administration (FAA). If the FAA objects to any portion of the Agreement, the Parties will negotiate to resolve any FAA objection(s).

ARTICLE 24

AMERICANS WITH DISABILITIES ACT

Concessionaire shall comply with the requirements of "The Americans with Disabilities Act" (ADA) as published in the Federal Register, Volume 56, No. 144 and the State of Maine Accessibility Requirements Manual (ARM).

ARTICLE 25

AFFIRMATIVE ACTION

Concessionaire assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Concessionaire assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Concessionaire assures that it will require that its covered sub organizations provide assurances to Concessionaire that they similarly will undertake affirmative action programs and that they will require assurances from their sub organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

ARTICLE 26

NONDISCRIMINATION

Concessionaire, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities; (2) that Concessionaire shall use the Airport Premises in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in

Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

In the event of breach of any of the above nondiscrimination covenants, Sponsor shall have the right to terminate the Agreement and to re-enter into a new agreement as if said Agreement had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, part 21 are followed and completed, including exercise or expiration of appeal rights.

ARTICLE 27

DISADVANTAGED BUSINESS ENTERPRISE

Concessionaire shall comply with Sponsor's approved Airport Concession Disadvantaged Business Enterprise (ACDBE) program submitted in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Office of the Secretary, Part 23, Participation by DBE programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and as said regulations may be amended. Further provided, that no person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with the award and performance of any contract, including subcontracts, covered by 49 CFR Part 23 on the grounds of race, color, national origin or sex. Concessionaire shall make good faith efforts to attain the goal of DBE participation of five percent (5%) as set by the Sponsor for this Agreement from the use of DBE certified vendors and suppliers.

Concessionaire will inform the Airport Sponsor what ACDBEs will be used in providing the services described. Concessionaire agrees that within sixty (60) days after the expiration of each calendar quarter during the term of this Agreement, it will provide a report to the Airport, in a form acceptable to the Sponsor, describing the gross receipts of each such ACDBE (and each substitute ACDBE obtained) or the dollar value of other goods and services purchased by the Concessionaire from each such ACDBE, in each case calculated in accordance with the requirements outlined in 49 CFR Part 23.

Concessionaire agrees that it will also submit within the same period described in (a) above a report to the Sponsor, in a form acceptable to the Sponsor, describing the Concessionaire's total gross receipts for the entire contract, or in the case of a rental car concession, the total dollar value of vehicles and other goods and services purchased by the Concessionaire.

Concessionaire will have no right to terminate an ACDBE for convenience without the Sponsor's prior written consent. If an ACDBE is terminated by the Concessionaire with the Sponsor's consent or because of the ACDBE's default, then the Concessionaire must make a good faith effort, in accordance with the requirements of 49 CFR Part 23.25 (e)1 (iii) and (iv) and 49 CFR Part 26.53 to find another ACDBE to substitute for the original ACDBE to perform the same estimated gross receipts) or in the case of a rental car concession, to sell the same amount of vehicles and other goods and services) under the contract as the ACDBE that was terminated. The Concessionaire breach of its obligations above shall be

a default by the Concessionaire and shall entitle the Sponsor to exercise all its contractual and legal remedies, including termination of this Agreement.

ARTICLE 28

PROPERTY RIGHTS RESERVED

This Agreement shall be subject and subordinate to all the terms and conditions of any instruments and documents under which Sponsor acquired the land or improvements thereon, of which said food and beverage locations are a part and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Concessionaire understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between Sponsor and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity. Sponsor warrants and represents that, as of the date hereof, there are no instruments, documents or other restrictions described in this Article 28 which could operate to restrict, impair or prohibit Concessionaire's ownership and operation of a restaurant in compliance with this Agreement. Sponsor will provide written notice to Concessionaire of the imposition hereafter of any restrictions or other provisions which could operate to restrict, impair or prohibit the operation of such restaurant by Concessionaire.

ARTICLE 29

SUBORDINATION OF BOND RESOLUTION

This Agreement and all rights of Concessionaire hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by Sponsor to secure Bond financing. This Agreement is subject and subordinate to the terms, covenants, and conditions of the Bond Resolution authorizing the issuance of Bonds by Sponsor. Sponsor may amend or modify the Bond Resolution or make any change thereto that does not materially adversely affect Concessionaire's rights under this Agreement. Conflicts between this Agreement and the Bond Resolution shall be resolved in favor of the Bond Resolution. Sponsor warrants and represents that, as of the date hereof, there are no terms or provisions in such agreements, assignments or resolutions described in this Article 29 which could operate to restrict, impair or prohibit Concessionaire's ownership and operation of a restaurant in compliance with this Agreement.

ARTICLE 30

SUBORDINATION TO FEDERAL AGREEMENTS

This Agreement shall be subject and subordinate to all the terms and conditions of any instrument and documents under which the Sponsor acquired the land or improvements thereon and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. Concessionaire understands and agrees that this Agreement

shall be subordinate to the provisions of any existing or future agreement between Sponsor and the United States of America, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Sponsor warrants and represents that, as of the date hereof, there are no terms or provisions in such agreements, assignments or resolutions described in this Article 29 which could operate to restrict, impair or prohibit Concessionaire's ownership and operation of a restaurant in compliance with this Agreement.

ARTICLE 31

EMINENT DOMAIN

In the event the United States of America or the State of Maine shall, by exercise of the right of eminent domain or any other power, acquire title in whole or in part of the Airport, including any portion assigned to Concessionaire, Concessionaire shall have no right of recovery whatsoever against Sponsor but shall make its claim for compensation solely against the United States of America or the State of Maine, as the case may be.

ARTICLE 32

PERSONAL PROPERTY

Any personal property of Concessionaire or of others placed in the Premises shall be at the sole risk of Concessionaire or the owners thereof, and Sponsor shall not be liable for any loss or damage thereto, irrespective of the cause of such loss or damage, and Concessionaire hereby waives all rights of subrogation or recovery for such damage, destruction, or loss.

ARTICLE 33

ASSIGNMENT AND SUBLETTING

Concessionaire shall not assign or subcontract this Agreement, either in whole or in part, without prior written consent of Sponsor which consent may be withheld for any reason whatsoever at the sole discretion of Sponsor. No request for, or consent to, such assignment shall be considered unless Concessionaire shall have paid all fees, and charges which have accrued in favor of Sponsor and Concessionaire shall have otherwise met all other legal obligations to be performed, kept, and observed by it under the terms and conditions of this Agreement or as this Agreement may be subsequently amended or modified. Sponsor reserves the right to investigate the financial capacity of the proposed assignee or subcontractor prior to making its decision.

ARTICLE 34

ADDITIONS, ALTERATIONS AND SIGNS

34.1 Alterations or Additions

Concessionaire shall make no alterations or additions to the Premises or leasehold improvements thereon, without the prior written consent of Sponsor.

34.2 Signs

Concessionaire shall not erect and will not allow to be erected on the Premises any advertising, sign or poster or any other advertising device of whatever kind or notice without prior written approval of Sponsor, which may be withheld for any reason whatsoever at Sponsor's sole discretion. Merchandise display and promotional signs within the Premises are exempt from this requirement provided they are in good taste and satisfy the operational, performance and service standards herein.

ARTICLE 35 RELATIONSHIP OF THE PARTIES

Concessionaire is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and Sponsor shall in no way be responsible therefor.

ARTICLE 36 RIGHTS RESERVED TO SPONSOR

Rights not specifically granted to Concessionaire by this Agreement are expressly and independently reserved to Sponsor. The Sponsor expressly reserve(s) the right to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute a hazard.

ARTICLE 37 RIGHT OF ENTRY

Sponsor shall have the right to enter the Premises for the purpose of protecting Sponsor's rights and interest, providing for periodic inspection of the Premises from the standpoint of safety and health, and monitoring Concessionaire's compliance with the terms of this Agreement.

ARTICLE 38 RIGHT OF FLIGHT

Sponsor reserves, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property owned by Sponsor, including the Premises, together with the right to cause in said airspace, such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the Airport.

Concessionaire expressly agrees for itself, its successors, and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Premises to such a height so as to comply with Federal Aviation Regulations, Part 77, or Maine statute.

Concessionaire further expressly agrees for itself, its successors, and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an airport hazard.

ARTICLE 39
SURRENDER OF PREMISES

Concessionaire shall surrender up and deliver the Premises to Sponsor upon termination of this Agreement in the same condition as existed at the commencement of this Agreement, ordinary wear and tear excepted. Provided Concessionaire is not in default in the payment of fees and charges required under this Agreement, Concessionaire, at the termination of this Agreement, shall remove all its personal property from the Premises forthwith. Failure on the part of Concessionaire to remove same on the date of termination shall constitute a gratuitous transfer of title thereof to Sponsor for whatever disposition is deemed to be in the best interest of Sponsor. Any costs incurred by Sponsor in the disposition of such personal property shall be borne by Concessionaire.

ARTICLE 40
NO ACCEPTANCE OF SURRENDER

No action by Sponsor or Sponsor's agents or employees during the term of this Agreement shall be deemed an acceptance of the surrender of this Agreement and no acceptance of a surrender shall be valid unless in writing.

ARTICLE 41
GOVERNING LAW AND VENUE

This Agreement shall be construed in accordance with the laws of the State of Maine. Venue for any action brought pursuant to this Agreement shall be in Androscoggin County, Maine. Any action for breach of or enforcement of any provision of this Agreement shall be brought in the Androscoggin County District Court.

ARTICLE 42
ATTORNEY'S FEES AND COSTS

In the event legal action is required hereunder to enforce the rights of the parties pursuant to this Agreement the prevailing party in such action shall be entitled to recover costs and attorney's fees, including appellate fees.

ARTICLE 43
INVALIDITY OF CLAUSES

The invalidity of any portion, article, paragraph, provision, or clause of this Agreement shall have no effect upon the validity of any other part of portion thereof.

ARTICLE 44
QUIET ENJOYMENT

Sponsor covenants that Concessionaire shall and may peaceably and quietly have, hold and enjoy the Premises and all parts thereof for the term hereby granted, subject to the terms and provisions hereof.

ARTICLE 45
MORTGAGE RIGHTS OF LESSEE

Concessionaire may mortgage, pledge, or hypothecate its property and leasehold interest provided Concessionaire as a condition precedent first provides to Sponsor written evidence that the priority right of Sponsor under this Agreement will not be adversely affected by such action.

ARTICLE 46
CORPORATE TENANCY

If Concessionaire is a corporation, the undersigned officer of Concessionaire hereby warrants and certifies to Sponsor that Concessionaire is a corporation in good standing and is authorized to do business in the State of Maine. The undersigned officer of Concessionaire hereby further warrants and certifies to Sponsor that he or she, as such officer, is authorized and empowered to bind the corporation to the terms of this Agreement by his or her signature thereto. If there shall occur any change in the ownership of and/or power to vote the majority of the outstanding capital stock of Concessionaire, whether such change or ownership is by sale, assignment, bequest, inheritance, operation of law or otherwise, without the prior written consent of Sponsor, then Sponsor shall have the option to terminate this Agreement upon thirty (30) days' written notice to Concessionaire, furthermore, Concessionaire shall have an affirmative obligation to notify immediately Sponsor of any such change.

ARTICLE 47
NOTICES AND COMMUNICATIONS

All notices or other communications to Sponsor or to Concessionaire pursuant hereto shall be deemed validly given, served, or delivered, upon deposit in the United States mail, certified and with proper postage and certified fee prepaid, addressed as follows:

Sponsor:
Auburn-Lewiston Municipal Airport
80 Airport Drive
Auburn, Maine 04210

Concessionaire:
Danny D. Caron
72 Blackmer St.
Auburn, ME 04210

or to such other address as the addressee may designate in writing by notice to the other party delivered in accordance with the provisions of this paragraph.

ARTICLE 48

FEDERAL RIGHT TO RECLAIM

In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located, for public purposes, then this Agreement shall thereupon terminate, and Sponsor shall be released and fully discharged from all liability hereunder. In the event of such termination, Concessionaire's obligation to pay a concession fee, rents and other charges shall cease, however, nothing herein shall be construed as relieving Concessionaire from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

ARTICLE 49 WAIVERS

No waiver by Sponsor at any time of any of the terms, conditions, covenants, or agreements of this Agreement, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant, or agreement herein contained, nor of the strict and prompt performance thereof by Concessionaire. No delay, failure, or omission of Sponsor to reenter the Premises or to exercise any right, power, privilege, or option arising from any default nor subsequent acceptance of fees and charges then or thereafter accrued, shall impair any such right, power, privilege, or option or be construed to be a waiver of any such default or relinquishment thereof, or acquiescence therein. No notice by Sponsor shall be required to restore or revive time as of the essence hereof after waiver by Sponsor or default in one or more instances. No option, right, power, remedy, or privilege of Sponsor shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, power, options, or remedies given to Sponsor by this Agreement are cumulative and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that the exercise of one (1) right, power, option or remedy by Sponsor shall not impair its rights to any other right, power, option or remedy.

ARTICLE 50 PARAGRAPH HEADINGS

The paragraph headings contained herein are for convenience in reference and are not intended to specifically define or limit the scope of any provision of this Agreement.

ARTICLE 51 FAMILIARITY AND COMPLIANCE WITH TERMS

Concessionaire represents that it has carefully reviewed the terms and conditions of this Agreement and is familiar with such terms and conditions and agrees to faithfully comply with the same to the extent to which said terms and conditions apply to its activities as authorized and required by this Agreement.

ARTICLE 52 SUCCESSORS AND ASSIGNS

All provisions of this Agreement shall extend to bind and inure to the benefit not only of Sponsor and of Concessionaire, but also their legal representatives, successors, and assigns, provided any assignment receives prior written approval of Sponsor.

ARTICLE 53
MISCELLANEOUS PROVISIONS

All terms and provisions hereof shall be binding upon, and the benefits inure to the parties hereto and their heirs, personal representatives, successors, and assigns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders. This Agreement, and instruments of documents relating to same, shall be construed under Maine law. This Agreement may subsequently be amended only by written instrument signed by the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

AUBURN-LEWISTON MUNICIPAL AIRPORT
BOARD OF DIRECTORS

Signature [Signature]

Name Glen E. Holmes

Title Chairman

Date 3/31/22

Witness, as to Sponsor

Signature [Signature]

Name Jennifer L Williams

Title Vice-Chair

THE CHEESY SKILLET, LLC
OWNER

Signature [Signature]

Name Dan Case

Title CEO

Date 3/31/2022

Witness, as to Concessionaire

Signature [Signature]

Name Jennifer L Williams

Title Vice-Chair

Equipment List:

Items:

8 Bar Stools: \$700
2 Soup Kettles: \$250
1 Steam Table: \$100
1 Pasta Cooker: \$175
1 P.O.S with 2 Printers: \$800
2 Large Pots: \$125
2 Heat Lamps: \$210
1 Trash Can with Tray Holder: \$175
Pots & Pans: \$300
1 Toaster: \$50
1 Large Strainer: \$50
5 Double Boilers: \$400
Coffee Accessories: \$100
3rd & 6th inserts: \$75
4 Stainless Steel Shelves: \$600
5 Rectangle Chafer: \$300

Total: \$4,410.00



Auburn – Lewiston Municipal Airport Board Meeting Information Sheet

Board Workshop or Meeting Date: October 11, 2023

Author: Jonathan P. LaBonte, Board Chair

Subject: Expanding the Lease Area in “FBO” Hangar for Dirigo Aerospace

Information: Dirigo Aerospace Solutions LLC currently leases 400 feet of FBO Hangar space and space for a work station in the FBO Hangar office. As their A/P business grows, the airport would like to retain them as a tenant.

While the board has discussed the selling of airport-owned hangars, it is unlikely that current circumstances would allow us to sell this particular hangar during the current fiscal year to accommodate Dirigo’s growth. In lieu of that, it is recommended that we expand the leased premises to the entirety of the FBO Hangar under their current lease.

With current tenants going into winter accounted for, and assuming utility consumption mirrors last fiscal year (with the associated increase from CMP and Unitil), the airport will net about \$350/month from this hangar. This does not include any staff time associated with moving tenant aircraft, operations staff time for maintenance, or capital improvement needs. This hangar has \$195,000 in capital improvement funds appropriated for a hangar door and roof replacement, and those projects are currently on hold. We have made several spot roof repairs over the summer to address on-going leaks.

Given the other challenges we have been navigating, a wholesale revision of rental rates to improve profitability has not been done. Transitioning this hangar in the near term to a triple net lease at \$1,200/month (shifting utility and routine maintenance to the tenant) will improve our margins and provide for growth of an airport tenant.

As a final note, given the reduction of personnel at the airport, the remaining staff work stations in the FBO Hangar Office can be easily eliminated, with all tasks completed in the terminal building operations office.

Airport Financial Impacts: Projected increase in net revenue of at least \$850/month

Recommended Action: Authorizing the Lease Amendment with Dirigo Aerospace

Previous Meetings and History:

Attachments:

Dirigo Aerospace Original Lease
Dirigo Aerospace Proposed Lease Amendment



**AUBURN-LEWISTON MUNICIPAL AIRPORT
AIRCRAFT MAINTENANCE HANGAR LEASE AGREEMENT**

LESSEE

DIRIGO AEROSPACE SOLUTIONS, LLC

LESSOR

AUBURN-LEWISTON MUNICIPAL AIRPORT

Effective Date: December 1, 2022

Initial Term: December 1, 2022 - November 30, 2024

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EXHIBITS:

- A-1 Hangar #2
- A-2 Building #4 (Sand Shed)
- A-3 Tie-Down locations
- A-4 Office Space

THIS LEASE AGREEMENT ("Agreement") is made effective as of the 1st day of December 2022, by and between AUBURN-LEWISTON MUNICIPAL AIRPORT a quasi-governmental body and non-profit corporation existing under the laws of the State of Maine, hereinafter referred to as "Lessor", and **DIRIGO AEROSPACE SOLUTIONS, LLC** a Maine limited liability company organized under the laws of the State of Maine, whose principal place of business is 9 Main St. Sumner, Maine 04292, hereinafter referred to as "Lessee". As used herein, the term "Parties" shall refer collectively to both "Lessor" and "Lessee."

WITNESSETH:

WHEREAS, Lessor operates the Airport and through its board of directors has leasing authority for the Airport; and

WHEREAS, Lessee is engaged in the business of aircraft maintenance, contained within Federal Aviation Regulation Part 65, and is desirous of operating an aircraft maintenance company at the Airport; and

WHEREAS, Lessor has interest in leasing property to Lessee at the Airport.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

The following words, terms, and phrases wherever used in this Agreement shall for the purpose of this Agreement have the following meaning:

- A. Agreement – Shall have the meaning set forth in the preamble above.
- B. Term - Shall have the meaning set forth in Article 7 below.
- C. Airport - The Auburn-Lewiston Municipal Airport (LEW), located in the City of Auburn, Androscoggin County, Maine, including any real property, the fee simple title to which is vested in the Lessor.
- D. Premises or Leased Premises - Shall have the meaning set forth in Article 3 below.

ARTICLE 2
PRIOR AGREEMENTS/RIGHTS

2.1 PRIOR AGREEMENTS

This Agreement represents the complete Agreement of the Parties with respect to the subject matter hereof and any prior agreements or representations, whether written or verbal, are hereby superseded.

2.2 RIGHTS GRANTED

Lessor hereby grants to Lessee, subject to all the terms, covenants, and conditions of this Agreement, the non-exclusive right and obligation to operate and maintain a Part 65 Aircraft

Maintenance Operation at the Premises. Lessee agrees not to undertake any use of the Premises not expressly authorized by this Agreement.

2.3 RIGHTS NOT EXCLUSIVE

The Lessee's rights herein granted by the Lessor to the Lessee during the term of this Agreement, as may be amended, shall always be non-exclusive.

ARTICLE 3 **LEASED PREMISES**

3.1 DESCRIPTION OF LEASED PREMISES

Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor, upon and subject to the terms, conditions, covenants and provisions hereof, the following: (a) 795 square feet of space in "Building #4" (a/k/a the "Sand Shed"), located at 99 Aviation Avenue, Auburn, Maine 04210, together with all existing improvements to such building, as shown on Exhibit A-2 attached hereto and incorporated herein; (b) 400 square feet of hangar space in "Hangar 2" located at 80 Airport Drive, Auburn, Maine 04210, as shown on Exhibit A-1 attached hereto and incorporated herein; (c) 10 square feet of climate-controlled office space located within said "Hangar 2", as shown on Exhibit A-4 attached hereto and incorporated herein; and (d) three (3) tie-down spots located in the vicinity of said "Hangar 2", as shown on Exhibit A-3 attached hereto and incorporated herein (collectively, the "Premises" or "Leased Premises"), together with the non-exclusive right to cross Airport property to and from the Premises (a) to the Airport's entry and exit roads (for vehicles and pedestrians), and (b) to the Airport aprons and runways (for aircraft), together with the non-exclusive right to use with other patrons of the Airport, the Airport parking lots, ramps, runways, and other facilities of a public nature, subject to the Airport's Rules and Regulations (as defined in Article 37 below). Subject to Section 5.2 below, Lessee acknowledges and agrees that this Agreement provides no automobile parking rights located inside the perimeter fence at the Airport and that Lessee shall utilize the Airport parking lot located outside the perimeter fence for parking automobiles. Lessee further acknowledges and agrees that Lessee is leasing the Premises in their current condition, "As Is", "Where Is" with all faults and without warranty or representation by Lessor of any kind, either express or implied. Lessee agrees to accept the Premises in such condition when delivered, subject to the following: (i) all applicable matters of record; (ii) all applicable laws, codes, ordinances, and governmental regulations and orders as may affect the Premises and/or Lessee's use thereof; (iii) any state of facts which an accurate survey may show; and (iv) all taxes, assessments, and water and sewer charges not yet due and payable. Lessee acknowledges that neither Lessor nor any agent of Lessor has made any representation as to the condition of the Premises or the suitability of the Premises for Lessee's intended use. Lessee represents and warrants that Lessee has made its own inspection of and inquiry regarding the Premises and is not relying on any representations of Lessor or Lessor's agents with respect thereto.

3.2 EXPANSION AREA - OPTION

Lessee shall not have an expansion area option under the terms of this Agreement.

ARTICLE 4 **LESSOR'S AND LESSEE'S STORAGE OF AIRCRAFT IN PREMISES**

4.1 AIRCRAFT STORAGE BY LESSOR

Lessee acknowledges and agrees that as part of Lessor's operation of the Airport, Lessor may from time to time use space in Hangar #2 for aircraft storage. This Agreement requires that both Parties shall communicate, in good faith, regarding available space in Hangar #2 to accommodate such storage in order to prevent crowding, minimize disruption in Lessee's or business, mitigate safety risks, or address anything that may cause Lessor to be in default of its obligations under this Agreement.

4.2 AIRCRAFT STORAGE BY LESSEE

Lessee shall not operate an aircraft storage business or program which conflicts with Airport's Rules and Regulations or Minimum Standards (as defined in Article 37 below) or adversely impacts in any way the use of Hangar #2 by the Airport. Notwithstanding the foregoing, Lessee may store no more than two (2) aircraft in Hangar #2 at any one time that are under a maintenance contract or waiting for customer payment, customer pickup, approved third party maintenance/modification, FAA inspection, part of an NTSB investigation, or otherwise approved by Lessor. Aircraft kits and experimental aircraft builds are allowed, provided there is progression towards completion, as determined by Lessor in its sole reasonable discretion.

ARTICLE 5 **PERMITTED USE**

5.1. USE OF LEASED PREMISES

Lessee shall use the Leased Premises only for the maintenance and repair of aircraft owned by Lessee's customers for which Lessee has contracted to maintain or repair, or Lessee's personal aircraft, and for other lawful, necessary and operational purposes directly related to Lessee's aviation maintenance and repair business and for no other purpose. Lessee shall have no right to utilize the Leased Premises, or any improvement thereon, other than as specifically allowed under this paragraph, and it is specifically understood that the Leased Premises shall not be used for living quarters, aviation fixed base operations or storage of transient aircraft, or other non-aeronautical commercial use.

The operation of any commercial aviation activity within the Leased Premises which is not expressly permitted herein, without first obtaining the written approval from Lessor is prohibited and shall be cause for Lessor, in its discretion to immediately terminate this Agreement, with or without notice or opportunity to cure.

The retail sale of goods or the manufacturing of goods for retail sale by Lessee shall be permitted on the Premises.

Airport Rules and Regulations do not permit through-the-fence certified aircraft mechanics to perform commercial aircraft maintenance services for Lessee without first entering into an agreement with Lessor as an authorized commercial business permitted to conduct those services on the Airport. Accordingly, Lessee shall not permit any through-the-fence commercial aircraft maintenance service to be performed on the Leased Premises unless that maintenance service is authorized pursuant to a separate agreement with Lessor and in accordance with all Airport Rules and Regulations and Minimum Standards as currently exist or may be amended or enacted.

5.2 PROHIBITED USES

In addition to the prohibitions specified in Section 5.1 above, Lessee shall not store fuel, shall not block a taxiway, and shall not park any aircraft upon the Leased Premises in such a location as to interfere with Airport operations or restrict other users their right of way to the Airport. Nor shall Lessee perform any act or carry on any practice which may damage the Premises or constitute a nuisance or disorderly conduct or which would have a tendency to disturb other tenants or occupants at the Airport, nor commit or suffer any waste or damage, disfigurement or injury to the Premises, nor permit or suffer any overloading of the structural components, electrical or other systems or otherwise use the Premises in a manner that would place an undue stress on the same beyond safe or design limits, nor conduct nor allow any "non-aviation" or "non-aeronautical" or "commercial activities" (as such terms are defined in the Airport's Minimum Standards at the Premises. Lessee's use of the Premises shall comply in all respects with applicable local, State and Federal rules, regulations, codes, ordinances and laws, as well as with the Airport's Rules and Regulations and the Airport's Minimum Standards, and all applicable FAA regulations, whether any of the foregoing are in force as of the Commencement Date hereof or may in the future be passed, enacted or directed, and Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims and demands, including reasonable attorneys' fees and costs, that may in any manner arise out of or be imposed on or incurred by Lessor as a result of or in any way related to Lessee's failure to comply with the covenants of this Section.

Aircraft service equipment may be stored on the Premises, but only in a manner and in such locations as approved by Lessor in writing. Lessee covenants that it shall not use or permit the Premises to be used for any other purpose without the prior written approval of Lessor. Parking of automobiles may be permitted on a case by case basis with the prior written consent of Lessor and only in parking areas designated by Lessor or within the leased portion of Hangar #2.

ARTICLE 6 **ALTERATIONS**

6.1 ALTERATIONS TO PREMISES

Lessee shall not construct, install, remove and/or modify any of the buildings or the Premises ("Alterations") without the prior written approval of Lessor. Before commencement of any Alterations, Lessee shall submit for approval by Lessor, its plans and specifications for any proposed project, and comply with such other conditions considered by Lessor to be necessary. Furthermore, all construction activity shall comply with all applicable laws, ordinances, statutes, codes and regulations including all applicable Airport Rules and Regulations and shall be performed in a good and workmanlike manner by tradesmen skilled in their respective trades, using only new materials.

To the extent permitted by law, all of Lessee's contracts and subcontracts for Alterations shall provide that no lien shall attach to or be claimed against the Premises or any interest therein other than Lessee's leasehold interest in the Premises, and that all subcontracts let thereunder shall contain the same provision. Whether or not Lessee furnishes the foregoing, Lessee agrees to hold Lessor harmless against all liens, claims and liabilities of every kind, nature and description which may arise out of or in any way be connected with such work.

Lessee shall pay the cost of all Alterations. Upon completion of each Alteration, Lessee shall furnish Lessor with customary contractor's affidavits and full and final waivers of lien and receipted

bills covering all labor and materials expended and used in connection therewith, and "as built" plans thereof or a certificate from Lessee's architect that the Alterations were performed in accordance with the plans and specifications approved by Lessor.

In the event that Lessee makes any Alterations on the Leased Premises, the use thereof shall be enjoyed by Lessee during the term hereof without additional rent. Notwithstanding the foregoing, all Alterations shall, upon installation, become part of the Premises, shall be owned by the Lessor, and shall, unless Lessor requires their future removal at the time it consents to the same, remain at the Premises at the expiration or earlier termination of this Lease without compensation or credit to Lessee. If, at the time it consents to the same, Lessor notifies Lessee that it requires the removal of any Alteration or part thereof, Lessee shall remove all such items and restore the Premises to their original condition, ordinary wear and tear excepted upon expiration or termination of this Lease.

ARTICLE 7

TERM

7.1 INITIAL TERM

The effective date of this Agreement shall be December 1, 2022. The initial term of this Agreement shall be the period commencing on December 1, 2022 (the "Commencement Date") and ending on November 30, 2024 (the "Initial Term" and together with any Extension Terms, as defined below (if exercised), the "Term").

7.2 EXTENSION TERMS

Subject to the terms and conditions in this Section, Lessee shall have the option to extend the Term of this Lease for up to five (5) consecutive periods of two (2) years each (each an "Extension Term" and collectively, the "Extension Terms") commencing on the expiration of the Initial Term, upon all the terms and conditions of this Agreement except for this provision relating to extension of the Term, which may only be exercised five times (the "Extension Option"). Lessee may exercise the Extension Option only if Lessee: (a) is not then in default in performance or observance of any term or condition of this Agreement beyond any applicable notice and cure periods, (b) has neither sublet nor assigned any interest in this Agreement or in the Premises to any party, and (c) is not holding over in the Premises. The Extension Option may be exercised only by Lessee delivering written notice (the "Extension Notice") to Lessor at least ninety (90) days, prior to the scheduled expiration date of the Term. If Lessor does not receive the Extension Notice prior to the expiration of such time period (time being of the essence), then the Extension Option shall become null and void and of no further force or effect. Lessee's leasing of the Premises during the Extension Term shall be upon the same terms and conditions of this Agreement, except for Base Rent which shall be as set forth in Section 8.1 below. Notwithstanding anything to the contrary in this Agreement, no renewal shall extend this Agreement beyond twenty (20) years in total.

7.3 HOLDING OVER

In the event Lessee shall continue to occupy the Leased Premises beyond the expiration of the Term or earlier termination of this Agreement or any extension thereof without Lessor's prior written approval, such holding over shall not constitute a renewal or extension of this Agreement, but shall create a tenancy from month to month which may be terminated at any time by Lessor or Lessee by giving thirty (30) days advanced written notice to the other party. Such

tenancy shall otherwise be subject to the terms and conditions of this Agreement, except for Base Rent, which shall be increased to 150% of the then current Base Rent for the period just preceding such expiration or termination. Acceptance of said rent shall not constitute a waiver by Lessor of any re-entry or other rights of Lessor provided for under this Agreement or by law. At the expiration of the thirty (30) days' notice period for termination of such holdover tenancy, Lessee shall have vacated the Leased Premises. In addition, Lessee shall be liable for all damages, direct and consequential, incurred by Lessor as a result of such holdover. This provision shall not be interpreted as consent or permission by the Lessor for Lessee to holdover at the termination of this AGREEMENT and terms of this holdover provision shall not preclude Lessor from recovering any other damages which it incurs as a result of Lessee's failure to vacate the Premises at the termination of this Agreement.

ARTICLE 8

RENTALS, FEES AND RECORDS

During the Term hereof, Lessee shall pay to Lessor without offset or deduction, and without previous demand therefore, base rent (the "Base Rent") for the Leased Premises according to the following schedule:

8.1 LEASED PREMISES

1. Lessee shall pay to Lessor consideration of one dollar (\$1.00) per month for use of the Premises from the Commencement Date until December 31, 2022.

2. Thereafter, Lessee shall pay Lessor \$600.00 per month. The payment shall be payable in advance beginning on January 1, 2023 and thereafter due on or before the first (1st) day of each month during the term.

3. Base Rent will be adjusted at the beginning of each exercised two-year Extension Term, effective on the first (1st) day of each such exercised two-year Extension Term. The adjustments will be calculated by determining the consumer price index for all urban consumers (or its closest successor index in Lessor's judgment) ("CPI-U") for the most current available month prior to the month in which the Term commences and the CPI-U for the same month of each year thereafter for the entire Term of this Agreement.

4. In the event that CPI-U in any succeeding year is greater or less than the initial index, the annual rental for the following year shall be adjusted accordingly. In the event the CPI-U is no longer published, Base Rent shall be adjusted in accordance with a comparable index as determined by the U.S. Department of Labor.

5. Should the adjustment not yet be available at the time Base Rent is due, Lessee shall pay the same amount as it paid for the preceding year and shall pay the amount of the adjustment within thirty (30) days of receiving written notice of the new Base Rent amount.

6. Lessee will not be obligated for utility costs for either Hangar #2 or the Sand Shed. This Agreement recognizes that Lessee and Lessor have agreed that Lessee's utility requirements are of minimal significance and reasonable.

8.2 PLACE OF PAYMENTS

The foregoing Base Rent shall be payable to:

Auburn-Lewiston Municipal Airport

(Attn: Accounts Receivable)
80 Airport Drive
Auburn, Maine 04210

8.3 EXPENSES, DAMAGES, LATE CHARGES AND INTEREST

Lessor shall be entitled to, and Lessee agrees to pay, interest on account of all Base rent, charges or fees due based on this Agreement that are past due 30 days from the due date, to be charged at the rate of one and one half percent (1 ½%) per month; or a minimum of \$35.00 per month. Lessee further agrees to pay a \$25.00 fee for any returned check. Said interest charges, late fees or returned check fees shall be included as service charges and be deemed additional rent required by this Agreement. The Lessee further agrees to pay Lessor any expenses and costs, including reasonable attorney's fees, incurred by Lessor in enforcing this Agreement, including collecting Base rent and any other amounts due under this Agreement.

ARTICLE 9 **SECURITY FOR PAYMENT**

9.1 SECURITY FOR PAYMENT

To provide security for payment of the Base Rent, fees and charges, and performance by Lessee required hereunder, Lessee shall deliver to Lessor upon the execution of this Agreement, a security deposit of \$400.00 (the "Deposit") which will be held by Lessor for the Term of this Agreement and for so long as Lessee shall occupy the Premises. Lessor may apply any portion of the Deposit for the payment of any payments of Base Rent or other sums due to Lessor hereunder for which Lessee is in default, to discharge any liens which Lessee fails to discharge as required hereunder and for any damages to the Premises (excluding reasonable wear and tear) caused by the affirmative or negligent act or omission by Lessee, its employees, servants, agents or invitees. Promptly following any application of the Deposit, Lessee shall pay to Lessor on demand an amount needed to restore the Deposit to its original amount. Upon the expiration of this Agreement and Lessee's vacating of the Premises, Lessor shall return the Deposit to Lessee less any amounts applied by Lessor pursuant to the terms hereof, within sixty (60) days.

9.2 SATISFACTORY PERFORMANCE

The refund of the Deposit required pursuant to this Article shall be conditioned on the satisfactory performance of all terms, conditions, and covenants contained herein throughout the entire Term of this Agreement.

9.3 ACT OF DEFAULT

Lessee's failure to provide and maintain the required Deposit, for a period of thirty (30) days after written notice, shall constitute a default by Lessee and shall be grounds for termination of this Agreement.

ARTICLE 10 **DEFAULT BY LESSEE**

10.1 DEFAULT BY LESSEE

The occurrence of any of the following events shall constitute a default by Lessee:

A. Lessee's failure to pay any Base Rent, fees or any other sums payable hereunder, and if such failure shall continue for a period of fifteen (15) days after written notice from Lessor to Lessee.

C. Lessee's failure to provide and maintain all certificates of insurance as required herein, and if such failure shall continue for a period of five (5) days after written notice from the Lessor to Lessee.

D. Lessee's failure to observe, keep or perform any of the other terms, covenants, agreements or conditions of this Agreement or in the Airport Rules and Regulations, and if such failure shall continue for a period of thirty (30) days after written notice from Lessor to Lessee.

E. The bankruptcy of Lessee.

F. An assignment by Lessee for the benefit for creditors.

G. A receiver or trustee being appointed for Lessee, or a substantial portion of Lessee assets and the receivership is not set aside within thirty (30) days after such appointment.

H. Lessee voluntary petitioning for relief under, or otherwise seeking the benefit of, any bankruptcy, reorganization, and arrangement or insolvency law and said proceeding is not dismissed, discontinued, or vacated within thirty (30) days.

I. Lessee allowing any kind of a lien to be placed on any property of Lessor or attempting to pledge its interest hereunder.

J. Lessee interest under this Agreement being modified or altered by any unauthorized assignment or subletting or by operation of law.

K. Any of the goods or chattels of Lessee used in, or incident to, the operation of Lessee business in the Premises being seized, sequestered, or impounded by virtue of, or under authority of, any legal proceeding.

L. Lessee's failure to cooperate with any environmental laws, programs or audits promulgated by Lessor or applicable regulatory agencies which may be revised from time to time, and if such failure shall continue for a period of thirty (30) days after written notice from Lessor to Lessee.

M. Lessee interest under this Agreement being sold under execution or other legal process.

N. The abandonment of the Leased Premises by Lessee.

O. The failure to replace any improvements which may have been damaged or destroyed by any means not caused by Lessor, including but not limited to: fire, explosion, wind, etc., within twelve (12) months from the date of such destruction, subject to the provisions of Articles 15 and 21 below.

P. The material breach of any security regulations or requirements, including, but not limited to, any actions resulting in FAA and/or TSA fines or penalties; failure to maintain locked doors to airside areas; misuse or abuse of security credentials.

ARTICLE 11 **REMEDIES FOR DEFAULT**

11.1 REMEDIES

In the event of any of the foregoing events of default, Lessor may lawfully, immediately and at any time thereafter, and without further notice or demand and without prejudice to any other remedies, enter into and upon the Premises or any part thereof, in the name of the whole, or provide or mail a notice of termination to Lessee, and upon such entry or the date specified in such notice, this Agreement shall immediately terminate and be forfeited by Lessee and all rights of Lessee under this Agreement shall terminate and upon such termination or forfeiture Lessor may expel Lessee and those claiming through or under Lessee from the Premises in accordance with Maine law, and remove their effects without being deemed guilty of any manner of trespass and without prejudice to any rights or remedies which might otherwise be used for arrears of rent or previous breach of covenant. In addition, Lessor will have all rights afforded to it under Maine law, including, without limitation the remedy of entry and detainer and Lessee covenants that in case of such termination, Lessee shall, as of the date of such termination, be liable for and pay to Lessor the entire unpaid rental and all other balances due under this Agreement for the remainder of the then current Term. In addition, Lessee agrees to pay to Lessor, as damages for any above described breach, all costs and expenses, including reasonable attorneys' fees and costs, incurred by Lessor in recovering sums due hereunder, recovering possession of the Premises, or otherwise enforcing this Agreement or pursuing Lessor's rights and remedies against Lessee or any assignee, sublessee or other transferee, and all costs of reletting the Premises including, but not limited to, real estate commissions, legal fees and expenses, and costs of renovating the Premises to suit the new Lessee. No remedy herein or otherwise conferred upon or reserved to Lessor shall be considered to exclude or suspend any other remedy, but the same shall be cumulative and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute, and every power and remedy given by this Agreement to Lessor may be exercised from time to time and so often as occasion may arise or as may be deemed expedient.

11.2 SELF HELP

Without in any way limiting Lessor's rights hereunder, Lessee covenants and agrees that, if it shall at any time fail to make any payment or perform any other act on its part to be made or performed as in this Agreement provided, Lessor, in its sole discretion, may, after due notice to or demand upon Lessee, make any payment or perform any other act on the part of Lessee to be made and performed as in this Agreement provided, in such manner and to such extent as Lessor may reasonably deem desirable, and in exercising any such rights, Lessor may pay necessary and incidental costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and costs. The making of any such payment or the performing of any other act by Lessor pursuant to this Section shall not waive, or release Lessee from any obligations of Lessee in this Agreement contained. All sums so paid by Lessor and all reasonably necessary and incidental costs and expenses in connection with the performance of any such act by Lessor shall, except as otherwise in this Agreement expressly provided, be payable to Lessor on demand as additional rent hereunder, and Lessee covenants to pay any such sum or sums promptly.

11.3 Additional Provisions

No action under this Article by the Lessor shall be construed as an election on its part to terminate this Agreement, unless a written notice of such intention be given to Lessee, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any monies due to the Lessor hereunder or of any damages accruing to Lessor by reason of the violations of any of the terms, provision and covenants herein contained. Lessor's acceptance of rent or other monies following any event of default hereunder shall not be construed as Lessor's waiver of such event of default.

No forbearance by Lessor of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance by Lessor to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. Legal actions to recover for loss or damage that Lessor may suffer by reason of termination of this Agreement or the deficiency from any reletting as provided for above shall include the expense of repossessions or reletting and any repairs or remodeling undertaken by Lessor following repossession.

ARTICLE 12 **OBLIGATIONS OF LESSEE**

12.1 MAINTENANCE OF PREMISES AND OPERATIONS

Lessee shall maintain the Leased Premises at all times in a safe, neat and attractive condition, and shall not permit the accumulation of any trash, paper or debris at the Premises or anywhere on the Airport property. Lessee shall: (a) repair all damage to the Leased Premises caused by its employees, agents, invitees, and patrons, or related in any way to Lessee's operations thereon; (b) maintain and repair all equipment thereon in good an operational condition.

Lessor shall be responsible for and perform all routine maintenance of the Premises and leased ground beneath the Premises, including but not limited to:

1. Supply and replacement of light bulbs belonging to the Premises;
2. Cleaning of stoppages in plumbing fixtures, drain line;
3. Maintenance of Hangar and Sand Shed structure and doors;
4. Building's interior and exterior, including painting;
5. Repair or replacement of equipment and utility systems;
6. Shall provide and maintain a hand fire extinguisher for the interior of all buildings per the National Fire Protection Association (NFPA) 10 in accordance with the International Fire Code (IFC) 906 entitled Standard for Portable Fire Extinguishers and to include any future updates;

Lessee shall be responsible for:

1. Snow removal within five (5) feet of the of the Leased Premises;
2. All maintenance on all Lessee equipment and Lessee-constructed Alterations.

3. Maintaining electric loads within the designed capacity of the system.

12.2 ASSIGNMENT AND SUBLEASING

Lessee covenants and agrees that it will not by operation of law or otherwise assign, sublease, mortgage or encumber the whole or any part of the Premises without in each instance having first received the express written consent of Lessor. The Airport Board of Directors and Lessor shall have the right to examine and vet all business records of any intended assignee or subtenant or new business owner prior to assignment of this Agreement or sublet of the Premises. Lessee shall be responsible for and upon request pay to Lessor as additional rent hereunder, Lessor's costs incurred to review any such request for assignment, sublease or mortgage including reasonable attorney's fees.

In any case where Lessor shall consent to such transfer, assignment or subletting, Lessee named herein shall remain fully liable for the obligations of Lessee hereunder, including, without limitation, the obligation to pay the rent and other amounts provided under this Agreement except that if Lessor is satisfied with the credit worthiness and business skill of such assignee or subtenant, Lessor at its option, may release Lessee of such obligations. For the purposes of this Section the term "assignment" shall include but shall not be limited to a transfer of any part or all of the corporate, limited liability company, or partnership (as the case may be) shares of Lessee so as to result in a change in the effective voting control of Lessee. Notwithstanding anything to the contrary, however, Lessor shall have the right to require that all or any portion of the Premises which Lessee proposes to sublease or as to which Lessee proposes to assign, be surrendered to Lessor for the term of the proposed sublease or assignment in consideration of the appropriate pro rata adjustment of, or cancellation of, the Lessee's obligations hereunder.

Any attempt by Lessee to transfer, assign or sublet an interest in this Agreement or the Premises, by document or other agreement or by operation of law in violation of the terms of this Agreement, shall be void and confer no rights on any third party and shall, at Lessor's option, constitute a default under this Agreement. The consent by Lessor to any transfer, assignment or sublease shall not constitute a waiver of the necessity of such consent to any subsequent transfer, assignment or sublease.

12.3 TRASH, GARBAGE, ETC.

Lessee shall pick up, and provide for, a complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all trash, garbage, and other refuse caused as a result of the operation of its business.

Piling of boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Leased Premises, shall not be permitted.

12.4 SIGNS

Lessee shall not erect, maintain, or display upon the outside of any improvements on the Leased Premises any billboards or advertising signs; provided however, that Lessee may, at its sole cost and expense, maintain on the outside of Hanger #2 and the Sand Shed, its own name and services on signs, the size, location and design of which shall be subject to prior written approval by Lessor. All signage shall comply with the requirements of the Airport and all applicable Federal, State and local laws, codes, regulations and ordinances. Said signage shall be removed by Lessee immediately upon the expiration of the term or earlier termination of this Agreement

and Lessee shall repair any damage to the Premises caused by such removal. As used in this Section the words "sign" or "signage" shall be construed to include any placard, light or other advertising symbol or object, irrespective of whether the same be temporary or permanent.

12.5 UTILITIES.

Lessee is not responsible for the modification and maintenance of all utility services in the Leased Premises. This shall include any power, gas, telephone, electricity, water, sewer, and other utility services that are contained within the Leased Premises or outside the Leased Premises if impacted by Lessee operation.

12.6 NON-DISCRIMINATION

Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree

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

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

(3) that Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended, to the extent that said requirements are applicable as a matter of law to Lessee.

12.7 AFFIRMATIVE ACTION

With respect to the Leased Premises, Lessee covenants and agrees that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall, on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E; that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program activity covered by that Subpart; and that it will require that its covered suborganizations provide assurance to the Lessee that they similarly will undertake affirmative action programs, and that they will require assurances from their suborganizations, as required by 14 CFR Part 52, Subpart E, to the same effect, to the extent that said requirements are applicable, as matter of law, to Lessee.

12.8 OBSERVANCE OF STATUTES, ETC.

The granting of this Agreement and its acceptance by Lessee is conditioned upon the right to use the Airport facilities in common with others authorized to do so, provided, however, that Lessee shall observe and comply with any and all requirements of the constituted public authorities and with all Federal, State or Local statutes, ordinances, regulations and standards applicable to Lessee for its use of the Leased Premises, including but not limited to, rules and regulations promulgated from time to time by the Airport, including the Airport's Security Manual and the Airport's Minimum Standards.

12.9 AIRPORT SECURITY

Lessee shall be responsible for the locking and securing of all gates adjacent to the buildings in which the Premises are located at all times with no exceptions. Any fines assessed against Airport or Lessor by the FAA, TSA, or other agency as a result of Lessee's failure to comply with the provisions of this paragraph or other intentional or negligent acts or omissions of Lessee's employees or agents will be paid promptly to Airport by Lessee within thirty days (30) days of the date of Airport's receipt of invoice from the FAA, TSA, or other agency.

12.10 ENVIRONMENTAL STATUTES

For purposes of this Agreement, the term "**Hazardous Materials**" shall mean and include any and all hazardous, pathological, radioactive, special, medical, toxic or dangerous waste substance or material, including pollutants, contaminants, underground storage tanks, asbestos, waste oil, lube oil, jet fuel and petroleum products, defined in, or regulated by any Environmental Laws (as defined below).

Lessee agrees, at its sole expense, to comply with all Environmental Laws affecting the Premises. Lessee shall not install any underground storage tanks on the Premises. Lessee shall not discharge, release, store, create, use, move onto or remove from the Leased Premises any Hazardous Materials, except that Lessee may use small quantities of cleaning fluids, jet fuel, lube oil and other petroleum products, as well as any other Hazardous Materials necessary for the operation of Lessee's business provided the same are used, stored and disposed of in strict compliance with all applicable Environmental Laws. Upon request of Lessor, Lessee shall provide Lessor with a material safety data sheet with respect to each Hazardous Material which Lessee utilizes on the Premises. Lessee further covenants and agrees: (i) that, with respect to any Hazardous Materials which Lessee, its agents or employees, may use, handle, store or generate in the conduct of its business at the Premises Lessee will comply with all applicable Environmental Laws which relate to the treatment, storage, transportation and handling of the Hazardous Materials; (ii) that Lessee will in no event permit or cause any disposal of Hazardous Materials in, on or about the Premises and in particular will not deposit any Hazardous Materials in, on or about the floor or in any drainage system or in the trash containers which are customarily used for the disposal of solid waste; (iii) that with respect to any off-site disposal, shipment, storage, recycling or transportation of any Hazardous Materials, it shall properly package the Hazardous Materials and shall cause to be executed and duly filed and retained all records required by federal, state or local law; (iv) that at all reasonable times, upon reasonable prior notice, it shall permit Lessor or its agent or employees to enter the Premises to inspect the same for compliance with the terms of this Section and will further provide upon ten (10) days' notice from Lessor copies of all records which Lessee may be obligated to obtain and keep in accordance with the terms of this Section 31; (v) that upon termination of this Agreement, it shall at Lessee's expense, remove all Hazardous Materials placed on the Premises by Lessee from the Premises and, if applicable, comply with Maine and federal law as the same may be amended from time to time, including without limitation Chapter 851 of the Regulations for the Maine Department of Environmental Protection, Section 11 relating to "**Closure**"; and (vi) to deliver the Premises to Lessor at the expiration or termination of this Agreement, free of all Hazardous Materials placed on the Premises by Lessee.

Lessee covenants and agrees to provide to Lessor, immediately upon receipt, copies of any correspondence, notice, pleading, citation, indictment, complaint, order, decree or other document from any source asserting or alleging a circumstance or condition which requires, or

may require, a clean-up, removal, remedial action, or other response by or on the part of Lessee for an alleged violation of Environmental Laws.

Lessee further agrees to advise the Lessor in writing as soon as Lessee becomes aware of any condition or circumstances which may result in a potential violation of any Environmental Laws. Lessee agrees, at its expense, and at the request of Lessor to permit an environmental audit solely for the benefit of Lessor, to be conducted by Lessor. This provision shall not relieve Lessee from conducting its own environmental audits or taking any other steps necessary to comply with Environmental Laws.

If in the opinion of Lessor, there exists any uncorrected violation by Lessee of an Environmental Law or any condition which requires, or may require, a cleanup, removal or other remedial action by Lessee under an Environmental Law and such cleanup, removal or other remedial action is not completed within ninety (90) days from the date of written notice from Lessor to Lessee, the same shall, at the opinion of Lessor, constitute an event of default hereunder.

For the purpose of this Article, the term "Environmental Law" shall mean all Federal, State and Local laws including statutes, regulations, ordinances, codes, rules and other governmental restrictions and requirements relating to the environment or Hazardous Materials including, but not limited to, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendment, the Reauthorization Act of 1986, the Hazardous Materials Transportation Act (49 USC Section 1802, et. seq.) and all regulations of the Environmental Protection Agency, all regulations of the Nuclear Regulatory Agency, and all regulations of any State Department of Natural Resources of State Environment Protection Agency relating to or imposing liability or standards of conduct concerning the environment or any hazardous, toxic or dangerous waste, substance or material, as now or anytime hereafter in effect.

Lessee agrees fully to indemnify and save and hold harmless Lessor from and against all claims and actions and all expenses incidental to the investigation and defense thereof, including Lessor's reasonable litigation expenses and attorney's fees, based on or arising out of damages or employee's violation of any Environmental Laws with respect to Lessee's use and occupancy of the Leased Premises.

Lessor shall give to Lessee prompt and reasonable notice of any such claim or action, and Lessee shall have the right to investigate, compromise, and defend the same.

ARTICLE 13

OBLIGATIONS OF LESSOR

13.1 OPERATION AS PUBLIC AIRPORT

Lessor covenants and agrees that at all times it will operate and maintain the Airport facilities, as defined hereinabove, as a public airport consistent with and pursuant to the Lessor's Assurances given by Lessor to the United States under the Federal Airport Act.

13.2 INGRESS AND EGRESS

Upon paying the rental hereunder and performing the covenants of this Agreement, Lessee shall have the right of ingress and egress from the Leased Premises for the Lessee, its officers, employees, agents, servants, customers, vendors, suppliers, patrons, and invitees over

the roadway provided by Lessor serving the Leased Premises. Lessor's roadway shall be used jointly with other tenants on the Airport, and Lessee shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as Lessor deems necessary.

13.3 ADDITIONAL SERVICES

Lessor shall have no responsibility or liability to furnish any services to Lessee other than those specified in this Agreement, but Lessee may negotiate with Lessor for any additional services it may request and shall pay for such additional services the consideration so negotiated.

ARTICLE 14 **LESSOR'S RESERVATIONS**

14.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES

Lessor, at its sole discretion, reserves the right to further develop or improve the aircraft operating area and other portions of the Airport, including the right to remove or relocate any structure on Airport, as it sees fit, and to take any action it considers necessary to protect the instrument approaches of the airport against obstructions, together with the right to prevent Lessee from erecting or permitting to be erected, any buildings or other structure on the Airport which, in the opinion of Lessor would limit the usefulness of the Airport or constitute a hazard to aircraft.

In the event Lessor requires the Leased Premises for expansion, improvements, or development of the Airport, Lessor reserves the right, on thirty (30) days' written notice, to relocate or replace Lessee's improvements in substantially similar form at another generally comparable location on the Airport.

14.2 INSPECTION OF LEASED PREMISES

Lessor, through its duly authorized agent, with prior notice, shall have at any reasonable time, the full and unrestricted right to enter the Leased Premises for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement.

14.3 SUBORDINATION TO U.S. GOVERNMENT

This Agreement shall be subordinate to the provisions of any existing or future agreements between Lessor and the United States, relative to the operation and maintenance of the Airport (Grant Assurance 19), the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement of Lessor for Federal funds for the development of the Airport. Lessor and Lessee expressly agree and understand that due to the funding and providing of services by governmental entities, Lessor has entered into certain agreements and accepted certain obligations under laws and governmental regulations, ordinances, codes and policies. Any subtenant of Lessor, any other person or entity who provides services on the Airport or conducts operations on the Airport shall be subject to the requirements of these agreements and obligations and the conditions of all written agreements, contracts, permits and other similar instruments shall be subordinate to these obligations. Therefore, Lessee expressly acknowledges that this Agreement and the rights of Lessee hereunder or under any other operating agreement for access to and use of Airport property are subject and subordinate to the provisions of any such existing or future federal agreements and the related laws and regulations, and any amendments thereto, imposed upon Lessor because of such agreements.

If some future such federal agreement or future change to the laws or regulations imposed under them shall operate to substantially terminate Lessor's quiet enjoyment of the Leased Premises or otherwise destroy the expectations of the parties in entering into this Agreement, including the Lessor's ability to make use of the Leased Premises as contemplated hereunder, then this Agreement shall be terminated without default of or liability to either party.

14.4 WAR OR NATIONAL EMERGENCY

During the time of war or national emergency, Lessor shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease is executed, the provisions of this Agreement insofar as they are inconsistent with the lease to the Government shall be suspended, and in that event, a just and proportionate part of the rent hereunder shall be abated.

14.5 INSTRUMENTS AND EQUIPMENT

The Federal Aviation Administration and Lessor are hereby granted the right and privilege by Lessee to place on and around the Leased Premises, without cost to Lessor, whatever instruments and equipment they desire during the terms of this Agreement, so long as said instruments or equipment do not materially and adversely interfere with the intended use of the Leased Premises, and are kept up to present a neat and professional appearance by the Lessee.

ARTICLE 15 **INDEMNITY AND INSURANCE**

15.1 INDEMNIFICATION

Lessee shall fully indemnify, defend and save and hold Lessor harmless from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof (including reasonable attorneys' fees), based on or arising out of claims for damages or injuries to third persons, including wrongful death, and arising out of Lessee's use or occupancy of the Leased Premises; provided however, that Lessor shall give to Lessee prompt and reasonable notice of any such claims or actions, and Lessee shall have the right to investigate, compromise and defend the same; and provide further that Lessee shall not be liable for any claims, actions, injury, damage or loss occasioned by any gross negligence or intentional misconduct of Lessor, its agents or employees. Lessee shall also fully indemnify, defend and save and hold Lessor harmless from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, by carriers serving Lessee, provided, however, Lessee shall not be liable for any claims, actions, injury, damage or loss occasioned by any gross negligence or intentional misconduct of Lessor, its agents or employees. The provisions of this Section shall survive the expiration of the Term or earlier termination of this Agreement.

15.2 INSURANCE

Lessee shall, at its sole cost and expense, procure and keep in full force at all times during the Term of this Agreement from a financially sound and reputable company acceptable to Lessor, commercial general liability insurance, with contract liability and workers' compensation coverages, in the amount of at least One Million Dollars (\$1,000,000.00) combined single limit coverage, and whenever and so long as any construction work or alteration work is in progress at or on the Premises, Lessee shall also procure and maintain builder's risk insurance on a completed

value form and all-risk basis with a replacement cost provision, insuring Lessee and Lessor for personal injury and property damage, and such other insurance necessary to protect Lessor from such claims and actions aforesaid. Insurance shall be obtained in the name of or shall expressly provide coverage for the Lessee identified in this Agreement and for Lessee's use of the Leased Premises. Lessee shall name the "Auburn-Lewiston Municipal Airport" as additional insured on the certificate of insurance.

Lessee shall also, at its sole cost and expense, procure and keep in full force at all times during the Term of this Agreement from a financially sound and reputable company acceptable to Lessor, a Causes of Loss-Special Form "all risk" property insurance policy on a full value, repair or replacement basis, upon the Leased Premises.

On or prior to the Commencement Date, Lessee shall furnish Lessor with a certificate of insurance as evidence of such coverage. Said insurance shall not be cancelled or materially modified except upon at least ten (10) days advance written notice to Lessor. Coverage is to be written on the broadest liability form which is customarily available at reasonable cost.

Lessor and Lessee and all parties claiming under them hereby mutually release and discharge each other from all claims and liabilities arising from or caused by any hazard covered by insurance in connection with the Premises, regardless of the cause of the damage or loss. It is understood and agreed, however, that any such release, discharge or waiver by Lessor is contingent upon Lessee's having continuously maintained all insurance protection and coverage as contemplated by this Agreement and that, if any such insurance required to be provided or carried by Lessee shall become void, shall lapse or shall otherwise not be in effect, any release, discharge or waiver by Lessor is, as of that moment, automatically withdrawn and of no effect.

15.3 APPLICATION OF INSURANCE PROCEEDS

In the event of damage to or destruction or loss of fixed improvements placed upon the Leased Premises, Lessee shall promptly repair, restore and rebuild said fixed improvements as nearly as possible to the condition they were immediately prior to such damage or destruction. This requirement shall not apply to damage or destruction caused by an act of God consisting of storms, flood, or lightning strike and for which there is no insurance coverage and the lack of such insurance coverage is not otherwise a breach or default of a requirement of this Agreement. If the fixed improvements shall be damaged in such manner as to render them unusable in whole or part, the rental provided to be paid under the terms of this Agreement shall be abated or reduced proportionately during the period from the date of such damage or destruction until the work or repairing, restoring or reconstruction of such building or buildings is complete.

If the fixed improvements placed upon the Leased Premises shall be totally destroyed or extensively damaged and Lessee shall, in its sole discretion, elect not to restore the same to their previous condition, the proceeds of insurance payable by reason of such loss shall be paid to Lessor.

If the damage results from an insurable cause and the Lessee shall elect, in its sole discretion, to restore the same with reasonable promptness, it shall be entitled to receive and apply the entire proceeds of any insurance covering such loss to said restoration in which event this Agreement shall continue in full force and effect.

ARTICLE 16
TERMINATION OF LEASE BY LESSEE

16.1 AUTOMATIC TERMINATION

This Agreement shall automatically terminate at the end of the Term. Due to the changing nature of aviation and the possibility of a need to utilize the Leased Premises for a different purpose, Lessor does not guarantee the extension of this Agreement beyond the Initial Term and Extension Terms provided herein.

16.2 TERMINATION BY LESSEE

Lessee may terminate this Agreement and terminate its obligation hereunder at any time that Lessee is not in default hereunder including in the payment of rentals to Lessor hereunder by giving Lessor at least sixty (60) days advance written notice to be served as hereinafter provided, and by surrender of the Leased Premises, upon or after the happening of any one of the following events:

1. The issuance by any court of competent jurisdiction of an injunction in a way preventing or restraining the use of the Airport, and the remaining in force of such injunction for a period of at least ninety (90) days; provided, however, that such injunction is not due to Lessee's operations at the Airport.

2. The default by Lessor in the performance of any covenant or agreement herein required to be performed by Lessor, provided that Lessor shall have a period of sixty (60) days from the date of Lessee's notice of termination as provided above to cure said default. In the event that Lessor shall have remedied the default with such sixty (60) day period, Lessee's right to terminate hereunder shall be voided.

3. The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport and facilities, or any substantial part or parts therein in a manner as substantially to restrict Lessee for a period of at least ninety (90) days from full use of its Leased Premises, and in that event, a just and proportionate part of the rent hereunder shall be abated.

ARTICLE 17
TERMINATION OF LEASE BY LESSOR

17.1 TERMINATION BY LESSOR

Lessor, in addition to any other right to which may be entitled by law, may declare this Agreement terminated in its entirety upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Leased Premises:

1. Any default hereunder by Lessee as described in Article 10 above.

2. Any decision by Lessor to sell, abandon, or otherwise terminate the operations of the Airport, or to expand or redesign the Airport, or to otherwise require use of the Leased Premises for other Airport purposes. In the event this Agreement is terminated under this paragraph 2,

17.2 WAIVER OF STATUTORY NOTICE TO QUIT

In the event Lessor exercises its option to cancel this Agreement upon the happenings of any or all of the events set forth in this Article, Lessor shall send notice of cancellation to Lessee as provided herein. Lessee hereby agrees that it will forthwith surrender up possession of the Premises to the Lessor. Lessee hereby expressly waives the receipt of any statutory notice to quit or notice of termination which would otherwise be given by Lessor.

17.3 POSSESSION BY LESSOR

In the event of termination of this Agreement by Lessor, Lessor may take immediate possession of the Premises, and Lessee shall have thirty (30) days to remove all property. Failure of Lessor to declare this Agreement terminated upon default of Lessee for any of the reasons set out shall not operate to bar, destroy, or waive the right of Lessor to cancel this Agreement by reason of any subsequent violation of the terms hereof.

ARTICLE 18 **RIGHTS UPON TERMINATION**

18.1 SURRENDER OF SAPCE AND REMOVAL OF PERSONAL PROPERTY

Upon the expiration of the Term or earlier termination of this Agreement, Lessee shall remove all personal property, from the Leased Premises within thirty (30) days after said expiration or termination and the Leased Premises will be delivered to Lessor in good condition, reasonable wear and tear and matters covered by insurance excepted. Reasonable wear and tear shall be determined at the sole reasonable discretion of Lessor upon inspection of the Leased Premises from time to time. If Lessee fails to remove said personal property, said property may thereafter be removed or disposed of by Lessor at Lessee's expense in accordance with Maine Law, and with no liability to Lessor.

ARTICLE 19 **TIME IS OF THE ESSENCE**

Time is of the essence of this Agreement; and in case Lessee shall fail to perform the covenants or conditions on its part to be performed at the time fixed for the performance of such respective covenants or conditions by the provisions of this Agreement, Lessor may declare Lessee to be in default of such Agreement, excepting unavoidable delays beyond the control of Lessee.

ARTICLE 20 **F.A.A. LEASE REQUIREMENTS**

A. Lessor reserves the right to further develop or improve the Airport property, to include all movement and non-movement areas of the Airport as it sees fit, regardless of the desires or view of Lessee. However, Lessor will, in good faith of this Agreement, give notice to the Lessee of all

planned construction and development which may impact the Lessee's business operation around or near the Leased Premises.

B. Lessor reserves the right but shall not be obligated to Lessee to maintain and keep in repair the pavement areas of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.

C. This Agreement shall be further subordinate to the following agreements, provisions, requirements, laws, or regulations:

1. **U. S. Law and Regulations.** The Airport and its facilities were funded in part by the U.S. government, and this places certain obligations on both Lessor and Lessee under existing laws and regulations. Lessee, as a tenant of Lessor, is also subject to certain obligations and responsibilities which Lessor is required to pass through to the Lessee. Therefore, Lessor and Lessee acknowledge that this Agreement and the tenancy created by it are subject and subordinate to the provisions of any agreements heretofore or hereafter made between Lessor and the United States relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to Lessor for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. Lessor covenants that it has no existing agreements with the United States in conflict with the express provisions hereof.
2. **Required Provisions of Law or Regulations.** The parties incorporate herein by this reference all provisions lawfully required to be contained herein by any governmental body or agency.
3. **No Economic Discrimination.** To the extent that Lessee is authorized to operate a commercial Aircraft Maintenance business, Lessee shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable, and not unjustly discriminatory prices for each unit of service.
4. **No Exclusive Rights.** To the extent that Lessee is authorized to operate a commercial Aircraft Maintenance business, it is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).
5. **Right of Federal Government to Enforce.** Noncompliance with any subsections above shall constitute a material breach of this Agreement, and in the event of such noncompliance, Lessor shall have the right to terminate this Agreement and the estate hereby created without liability for it or, at the election of Lessor or the United States, either Lessor or the U.S. Government shall have the right to judicially enforce these subsections.
6. **Public Interest.** Lessor is obligated to act in the public interest and must operate the Airport and offer access to all users in a fair, reasonable and not unjustly discriminatory

manner. Therefore, in executing this Agreement and its provisions and in any future amendments, or changes to it, Lessor is and will in the future act with the intent to carry out this provision.

D. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation regulations with respect to improvements on the Leased Premises.

E. It is understood and agreed that nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act.

F. There is hereby reserved to the Lessor, 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 Leased Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation or flight in the air, using said airspace for landing at, taking off from, or operating on the Airport.

G. Lessee by accepting this Agreement expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object nor permit the growth of any tree on the Leased Premises above that elevation established by Lessor. In the event the aforesaid covenant is breached, the Airport reserves the right to enter upon the Leased Premises and to remove the offending structure, object, or cut the offending tree; all of which shall be at the expense of the Lessee.

H. Lessee will not make use of the Leased Premises in any manner which might interfere with the operations of aircraft from the Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Lessor reserves the right, without notice, to enter upon the Leased Premises and cause the abatement of such interference at the expense of the Lessee.

ARTICLE 21 **DAMAGE OR DESTRUCTION**

21.1 OBLIGATION TO RESTORE PREMISES

Lessee hereby assumes full responsibility for the character, acts, and conduct of all its agents, employees, officers, representatives, contractors, invitees, or any person admitted to the Premises by or with the actual or constructive consent of Lessee and acting for or on behalf of Lessee. If the Premises, or any part thereof, or any other Airport facilities, during the Term of this Agreement or any extension thereof, shall be damaged by the act, default, or negligence of Lessee, or of Lessee Members, agents, employees, officers, representatives, or contractors, Lessee shall at its sole cost and expense restore said Premises to the condition existing prior to such damage.

21.2 INSURANCE PROCEEDS

Upon receipt by Lessee of the proceeds of any insurance policy or policies, the proceeds shall be deposited in an escrow account approved by Lessor so as to be available to pay for the cost of such repair, replacement, or rebuilding. Such proceeds shall be disbursed during construction to pay the costs of such work. If the amount of such insurance

proceeds is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged improvements, Lessee shall pay any additional sums required into said escrow account. If the amount of such insurance proceeds is in excess of the costs thereof, the amount of such excess shall be remitted to Lessee.

21.3 RIGHT TO CANCEL

Should the improvements on the Premises be damaged or destroyed in whole or in part by fire or other casualty, Lessee, may, subject to approval by Lessor at its sole discretion, be relieved of the obligation to repair, replace, or rebuild the same and have the right to cancel this Agreement. In such event, Lessee shall provide Lessor written notice within thirty (30) days after the date of any such damage or destruction and, upon approval by Lessor, this Agreement shall terminate, and the insurance proceeds received or receivable under any policy of insurance shall be paid to and retained by Lessor.

All fees payable under this Agreement shall be prorated and paid to the date of such termination. The receipt and acceptance of insurance proceeds by Lessor under Article 15.4 will relieve Lessee from any responsibility to restore the Premises to their former condition, and Lessee further waives any claim against Lessor for damages or compensation, should this Agreement be so terminated.

21.4 TERMINATION UPON DESTRUCTION OR OTHER CASUALTY

Except as otherwise provided in this Agreement, in the event that the Premises or any part thereof shall be destroyed or damaged in whole or part by fire, water, or any other cause, or if any other casualty or unforeseen occurrence shall likewise render the fulfillment of this Agreement by Lessor impossible, then thereupon this Agreement shall terminate and Lessee shall pay fees for said Premises only up to the time of such termination and Lessee shall hereby waive any claim for damages or compensation should this Agreement be so terminated.

ARTICLE 22 **FEDERAL AVIATION ADMINISTRATION**

This Agreement may be subject to review and approval by the Federal Aviation Administration (FAA). If the FAA objects to any portion of the Agreement, the Parties will negotiate in good faith to resolve any FAA objection(s).

ARTICLE 23 **EMINENT DOMAIN**

In the event the United States of America or the State of Maine shall, by exercise of the right of eminent domain or any other power, acquire title in whole or in part of the Airport, including any portion assigned to Lessee, Lessee shall have no right of recovery whatsoever against Lessor but shall make its claim for compensation solely against the United States of America or the State of Maine, as the case may be.

ARTICLE 24 **RELATIONSHIP OF THE PARTIES**

Lessor shall not become or be deemed to be a partner or joint venturer with Lessee by reason of the provisions of this Agreement. Lessee is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and Lessor shall in no way be responsible therefor.

ARTICLE 25

GENERAL PROVISIONS

25.1 INCONVENIENCE DURING CONSTRUCTION

Lessee recognizes that from time to time during the term of this Agreement it will be necessary for Lessor to initiate and carry forward programs of construction, reconstruction, expansion, relocation, maintenance and repair in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity which will require accommodation, and that such construction, reconstruction, expansion, relocation, maintenance, and repair may inconvenience or interrupt operations at the Airport.

Lessee agrees that no liability shall attach to Lessor, its officers, agents, employees, contractors, subcontractors, and representatives by reason of such inconvenience or interruption, and for and in further consideration of the premises, Lessee waives any right to claim damages or other consideration therefore, provided; however, that this waiver shall not extend to, or be construed to be a waiver of any claim for physical damage to property resulting from Lessor's gross negligence or willful misconduct.

25.2 ATTORNEY'S FEES

In recognition that the Airport is a publicly airport, publicly operated, and is subject to various federal and state laws and regulations for the operation of public airports, including but not limited to federal grant assurances and transportation safety and security laws and regulations, the parties agree to the following provision for allocation of attorney's fees in the event of any dispute under this Agreement.

In any action or lawsuit brought by either party to this Agreement for the enforcement or interpretation of any provisions of this Agreement, in the event that the prevailing party in such action or lawsuit, shall be entitled to recover from its reasonable attorney's fees, expenses and costs incurred in bringing or defending the action or lawsuit.

25.3 LICENSE FEES AND PERMITS

Lessee shall obtain and pay for all licenses, permits, fees or other authorization or charges as required under Federal, State or local laws and regulations insofar as they are necessary to comply with the requirements of this Agreement and the privileges extended hereunder.

25.4 SECURITY AGREEMENT

Lessee shall have the use of and access to the Air Operations Area and agrees to execute, as a condition of this Agreement, an Airport Security Agreement if required by Lessor in accordance with FAA regulations, Title 49 CFR Part 1542 et seq, which agreement requires Lessee to control and regulate any doors, openings or entrances to the Air Operations Area.

25.5 GOVERNING LAW

This Agreement shall be governed and construed in all respects and the rights of the parties hereto shall be determined in accordance with the laws of the State of Maine. Any suits or claims arising out of this Agreement shall be filed in Androscoggin County, Maine.

25.6 NOTICES

Every notice, approval, consent or other communication authorized or required by this Agreement shall not be effective unless the same shall be in writing and either delivered in person or sent postage prepaid by United States registered or certified mail, return receipt requested, directed to the other party at its address set forth hereinbelow, or sent by FedEx or other nationally recognized overnight carrier for next day delivery, or such other address as either party may designate by notice from time to time in accordance with this Section. Each such notice shall be deemed to have been given when delivered in person or, if mailed, the date of delivery as shown on the return receipt or if by FedEx or other nationally recognized overnight carrier the day after the notice is sent. The Base Rent and all other sums payable by Lessee hereunder shall be paid to Lessor at the same place where a notice to Lessor is herein required to be directed. All such notices and other communications initially shall be addressed as follows:

To Lessor:

Auburn-Lewiston Municipal Airport
Attn: Airport Manager
80 Airport Drive
Auburn, ME 4210

To Lessee:

Dirigo Aerospace Solutions, LLC is, ,
9 Main St. Sumner
Maine 04292
Email: dasllcmk@yahoo.com
Phone: 207-388-2412
Cell: 207-225-3490

or such place as either Party shall by written directive designate in the manner herein provided.

25.7 SIGNATORY AUTHORITY

Each person signing this Agreement in a representative capacity expressly represents that the signatory has the subject party's authority to so sign and that the subject party will be bound by the signatory's execution of this Agreement. Each Party expressly represents that except as to approval specifically required by this Agreement; such Party does not require any third party's consent to enter into this Agreement, including the consent of any insurer, assignee, licensee, secured lender or regulatory agency.

25.8 SEVERABILITY

If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, or in conflict with an applicable law, regulation or cognizant governmental unit or agency, it is agreed that the remainder of the Agreement shall remain in full

force and effect as if such invalid or inconsistent provision was not included. Lessor and Operator agree to negotiate a change in this Agreement to incorporate the intent of the invalid or inconsistent provision.

25.9 WAIVER

No delay or omission in the exercise of any right or remedy of either party on any default by either party shall impair such a right or remedy or be construed as a waiver. Any waiver by either party of any default on the part of the other must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

25.10 FORCE MAJEURE

In the event that Lessor or Lessee shall be delayed, hindered in or prevented from the performance of any act (except for the payment of Base Rent or other amounts due to be paid by Lessee hereunder) required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, the act, failure to act or regulations, riots, insurrection, the act, failure to act or default of the other party, war or other reason beyond their control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

25.11 LESSOR'S DEFAULT

Lessor shall in no event be in default in the performance of any of its obligations, warranties or representations hereunder unless and until Lessor shall have failed to perform such obligations, warranties or representations within thirty (30) days or such additional time as is reasonably required to correct any such default after written notice by Lessee to Lessor properly specifying wherein Lessor has failed to perform and such obligation.

25.12 LIMITED RECOURSE OF LESSOR

Anything in this Agreement to the contrary notwithstanding, the Lessee, and any mortgagee, assignee, subtenant, licensee or concessionaire of Lessee shall look solely to the estate and property of the Lessor or any successor in ownership to Lessor in the Premises for the satisfaction of any claim for the payment of money against the Lessor arising out of or related to this Agreement, and no other property or assets of the Lessor shall be subject to levy, execution or other enforcement procedure for the satisfaction of any claims by such persons arising out of or related to this Agreement. In no event shall Lessor ever be liable for indirect or consequential damages.

ARTICLE 26 **RIGHTS RESERVED TO LESSOR**

Rights not specifically granted to Lessee by this Agreement are expressly and independently reserved to Lessor. The Lessor expressly reserves the right to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute a hazard or deemed a non-compliance of Lessor's Minimum Standards or FAA Grant Assurances.

ARTICLE 27
RIGHT OF ENTRY

Lessor and its employees, agents and designees shall have the right to enter the Premises at all reasonable times for the purpose of protecting Lessor's rights and interest, providing for periodic inspection of the Premises from the standpoint of safety and health, and monitoring Lessee compliance with the terms of this Agreement. Lessor may retain pass keys and enter upon the Premises for any and all of said purposes and may exercise any and all of the foregoing rights hereby reserved without being deemed guilty of any eviction or disturbance of Lessee's use or possession of the Premises and without being liable in any manner to Lessee.

ARTICLE 28
NO ACCEPTANCE OF SURRENDER

No action by Lessor or Lessor's agents or employees during the term of this Agreement shall be deemed an acceptance of the surrender of this Agreement and no acceptance of a surrender shall be valid unless in writing.

ARTICLE 29
QUIET ENJOYMENT

Lessor covenants that upon paying the Base Rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements and conditions of this Agreement on its part to be kept, Lessee shall and may peaceably and quietly have, hold and enjoy the Premises and all parts thereof for the Term hereby granted, subject to the terms and provisions hereof.

ARTICLE 30
CORPORATE / LLC TENANCY

If Lessee is a corporation or limited liability company, the undersigned officer of Lessee hereby warrants and certifies to Lessor that Lessee is a corporation or limited liability company (as applicable) in good standing and is authorized to do business in the State of Maine. The undersigned officer of Lessee hereby further warrants and certifies to Lessor that he or she, as such officer, is authorized and empowered to bind Lessee to the terms of this Agreement by his or her signature thereto. If there shall occur any change in the ownership of and/or power to vote the majority of the outstanding capital stock or membership interest (as applicable) of Lessee, whether such change or ownership is by sale, assignment, bequest, inheritance, operation of law or otherwise, without the prior written consent of Lessor, then Lessor shall have the option to terminate this Agreement upon thirty (30) days' written notice to Lessee, furthermore, Lessee shall have an affirmative obligation to notify immediately Lessor of any such change.

ARTICLE 31
WAIVERS

No waiver by Lessor at any time of any of the terms, conditions, covenants, or agreements of this Agreement, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant, or agreement herein contained, nor of the strict and prompt performance thereof by Lessee.

No delay, failure, or omission of Lessor to reenter the Premises or to exercise any right, power, privilege, or option arising from any default nor subsequent acceptance of fees and charges then or thereafter accrued, shall impair any such right, power, privilege, or option or be construed to be a waiver of any such default or relinquishment thereof, or acquiescence therein. No notice by Lessor shall be required to restore or revive time as of the essence hereof after waiver by Lessor or default in one or more instances.

No option, right, power, remedy, or privilege of Lessor shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, power, options, or remedies given to Lessor by this Agreement are cumulative and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that the exercise of one (1) right, power, option or remedy by Lessor shall not impair its rights to any other right, power, option or remedy.

ARTICLE 32

PARAGRAPH HEADINGS

The paragraph headings contained herein are for convenience in reference and are not intended to specifically define or limit the scope of any provision of this Agreement.

ARTICLE 33

FAMILIARITY AND COMPLIANCE WITH TERMS

Lessee represents that it has carefully reviewed the terms and conditions of this Agreement and is familiar with such terms and conditions and agrees to faithfully comply with the same to the extent to which said terms and conditions apply to its activities as authorized and required by this Agreement.

ARTICLE 34

SUCCESSORS AND ASSIGNS

All provisions of this Agreement shall extend to bind and inure to the benefit not only of Lessor and of Lessee, but also their legal representatives, successors, and assigns, provided any assignment receives prior written approval of Lessor.

ARTICLE 35

MISCELLANEOUS PROVISIONS

All terms and provisions hereof shall be binding upon, and the benefits inure to the parties hereto and their heirs, personal representatives, successors, and assigns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders. This Agreement, and instruments of documents relating to same, shall be construed under Maine law. This Agreement may subsequently be amended only by written instrument signed by the parties hereto.

ARTICLE 36

ENTIRE AGREEMENT

The foregoing, together with the Exhibits to this Agreement and any other documents incorporated into the Agreement by reference, constitute the entire agreement between the Parties and supersedes all other agreements or representations of any nature related to the subject matter hereof, whether oral or written, made by or between Lessor and Lessee, except those that are expressly acknowledged in this Agreement. Lessor and Lessee understand and agree that they are relying only upon the written representations, covenants and promises contained in this Agreement and that they have consulted legal counsel as to the nature and extent of their obligations contained herein.

ARTICLE 37
ADDITIONAL CONDITIONS

Notwithstanding any language to the contrary contained herein, this Agreement is subject to final approval by the Auburn-Lewiston Municipal Airport Board of Directors and the terms hereof are subject to the Airport's *Minimum Standards for Commercial Activities*, dated August 9, 2018 as the same may be amended from time to time (the "**Airport's Minimum Standards**"), and *Rules and Regulations*, dated September 28, 1993 as the same may be further amended from time to time (the "**Airport's Rules and Regulations**"), both of which are incorporated herein by reference.

ARTICLE 38
EXECUTION

This Agreement may be executed in multiple counterparts, which together shall be construed to be a single document. This Agreement may be transmitted between the Parties by facsimile machine, electronic mail or DocuSign and signatures appearing on any such faxed or electronically transmitted copies shall be treated as original signatures.

[Remainder of page intentionally left blank]

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

AUBURN-LEWISTON MUNICIPAL
AIRPORT

Signature [Signature]

Name James H. Scheller

Title Airport Manager

Date 12/8/2022

Witness, as to Lessor

Signature [Signature]

Name ROBERT J. ROMERO JR.

DIRIGO AEROSPACE SOLUTIONS, LLC

Signature [Signature]

Name Mark J. McGhee

Signature [Signature]

Name Kate McGhee

Title Owner

Date 12-8-2022

Witness, as to Lessee

Signature [Signature]

Name James H. Scheller

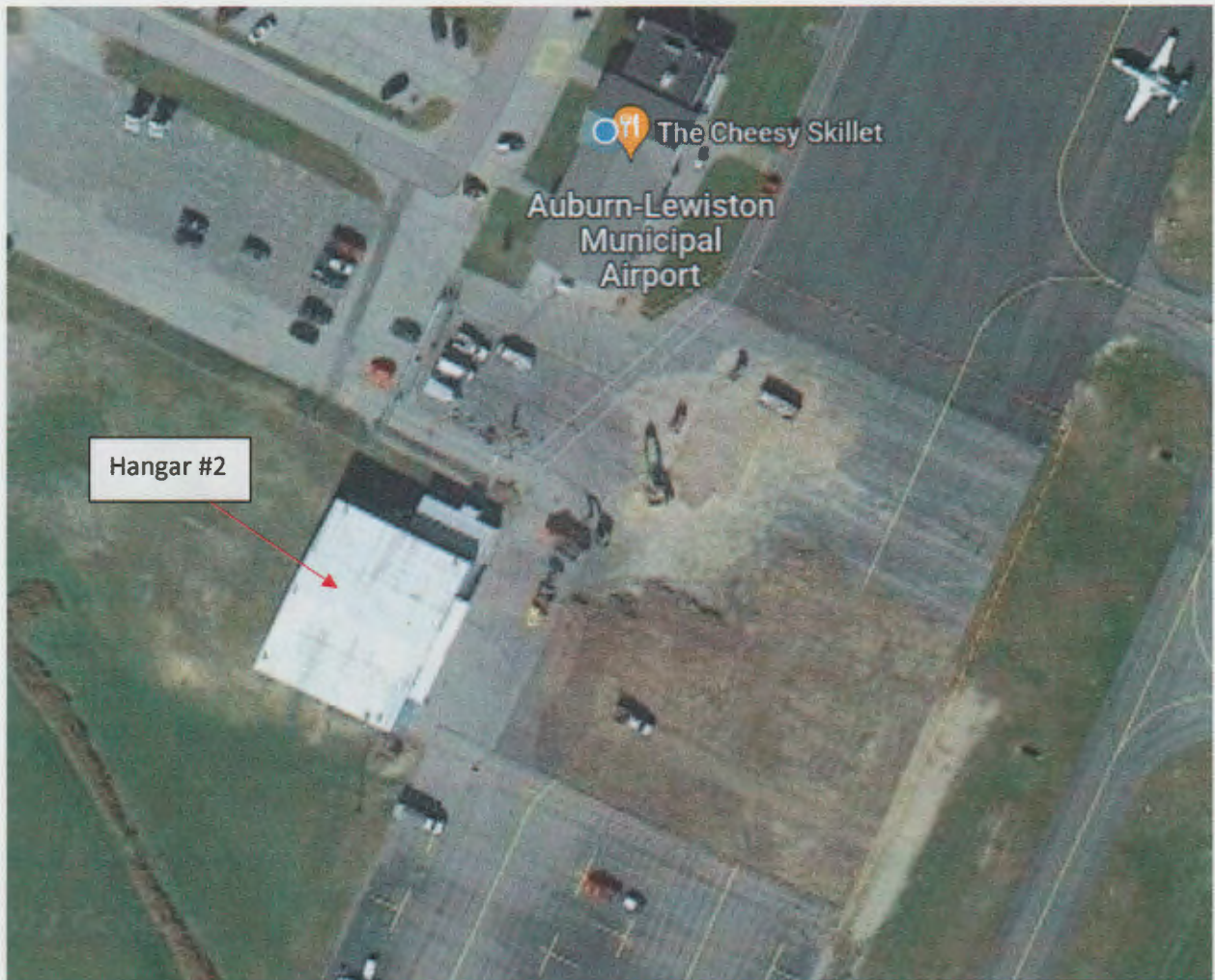


Exhibit shows Hangar #2

EXHIBIT A-1



Exhibit outlines the section of Building #4 (Sand Shed) Dirigo Aerospace Solutions, LLC will occupy.

EXHIBIT A-2



Exhibit shows the three intended aircraft tie-down locations.

EXHIBIT A-3

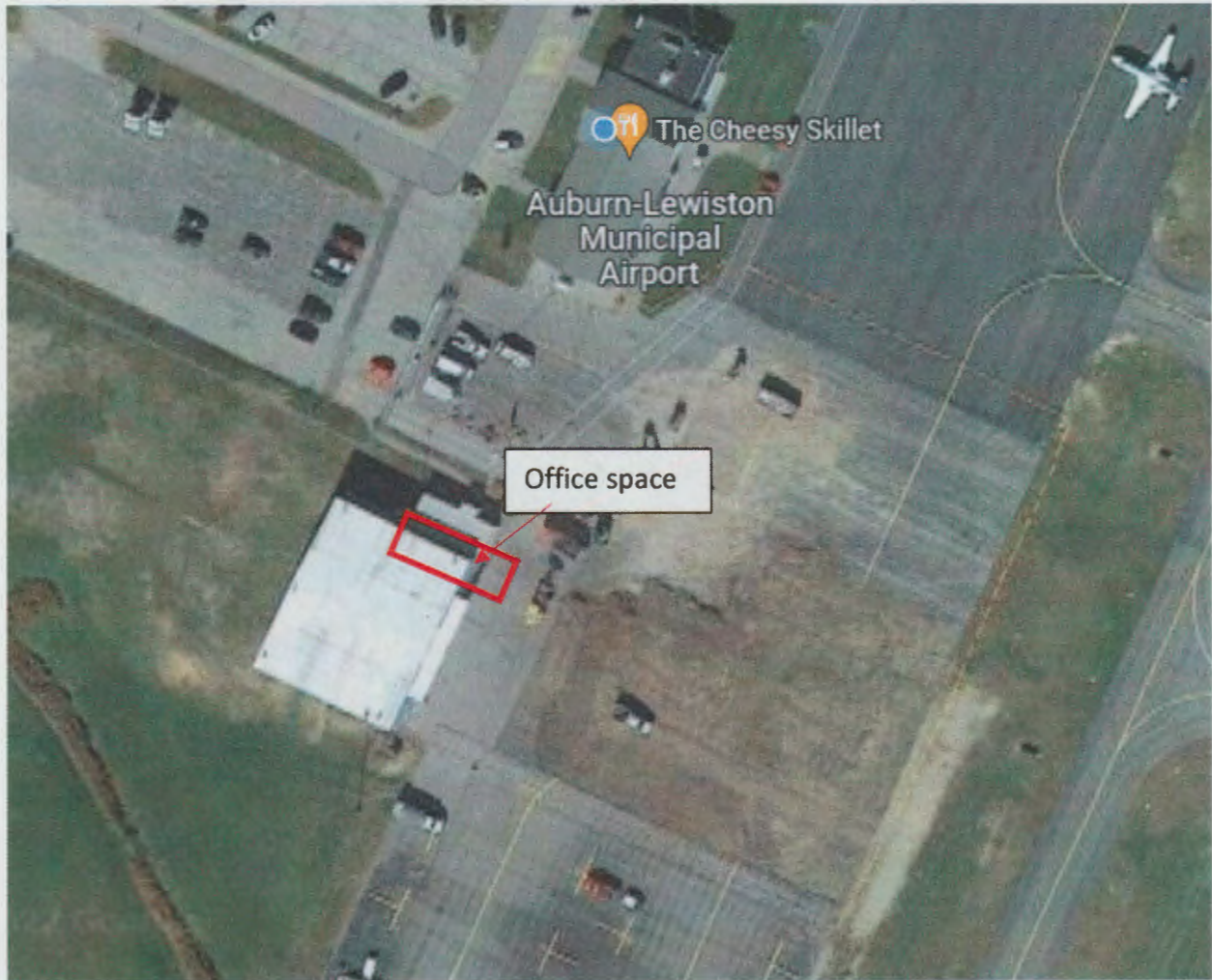


Exhibit shows the building where the ten (10) square feet of Office Space will be provided.

EXHIBIT A-4



CERTIFICATE OF AVIATION LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/17/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Falcon Insurance Agency of Dallas PO Box 706 Addison, TX 75001	CONTACT NAME:			
	PHONE (A/C, No, Ext):	FAX (A/C, No):		
	E-MAIL ADDRESS:			
	PRODUCER CUSTOMER ID No.			
INSURED Dirigo Aerospace Solutions, LLC 40 Airport Road Turner, ME 04282	INSURER(S) AFFORDING COVERAGE		%	NAIC No.
	INSURER A: U.S. SPECIALTY INSURANCE COMPANY		100%	
	INSURER B:			
	INSURER C:			
	INSURER D:			
	INSURER E:			
	INSURER F:			

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

AIRPORT & FBO LIABILITY COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

INSURER LETTER	POLICY NUMBER AP2001452-01	EFFECTIVE DATE 12/01/2022	EXPIRATION DATE 04/01/2023	ADDITIONAL INSURED? (Y/N) Y	SUBROGATION WAIVED? (Y/N) N		
COVERAGE	OPTIONS		LIMIT	APPLIES TO	LIMIT	APPLIES TO	
PREMISIS LIABILITY			\$ 1,000,000	BI EA PER	\$	PD	
			\$ 1,000,000	EA OCC	\$ 2,000,000	AGGR	
PREMISES MEDICAL PAYMENT			\$ 1,000	EA PER	\$ 5,000	EA OCC	
PRODUCTS LIABILITY	EXTENDED		\$ 100,000	BI EA PER	\$ 1,000,000	AGGR	
			\$ 1,000,000	EA OCC			
COMPLETED OPERATIONS LIABILITY	EXTENDED		\$ 100,000	BI EA PER	\$ 1,000,000	AGGR	
			\$ 1,000,000	EA OCC			
HANGERKEEPERS LEGAL LIABILITY	INCLUDING TAXI		\$ 100,000	EA AIRCRAFT	\$ 100,000	EA OCC	
	IN FLIGHT						
			\$				
			\$	EA OCC	\$	AGGR	
			\$	EA OCC	\$	AGGR	
	INCLUDED		EXCLUDED				
COVERAGE							
CODE	DESCRIPTION	OPTIONS		LIMIT	APPLIES TO	LIMIT	APPLIES TO
				\$		\$	

DESCRIPTION OF OPERATIONS / REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Auburn/Lewiston Muni, Auburn/Lewiston, ME
Certificate Holder is included as an Additional Insured.

CERTIFICATE HOLDER

Auburn/Lewiston Municipal Airport
80 Airport Dr.
Auburn, ME 04210

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

PRIVATE HANGAR LIABILITY COVERAGES

PRODUCER CUSTOMER ID: _____

INSURER LETTER		POLICY NUMBER				EFFECTIVE DATE		EXPIRATION DATE		ADDITIONAL INSURED? (Y / N)		SUBROGATION WAIVED? (Y / N)		
COVERAGE			OPTIONS				LIMIT		APPLIES TO		LIMIT		APPLIES TO	
HANGARKEEPERS LEGAL LIABILITY			INCLUDING TAXI				\$		EA AIRCRAFT		\$		EA OCC	
			IN FLIGHT											
COVERAGE			OPTIONS				LIMIT		APPLIES TO		LIMIT		APPLIES TO	
CODE	DESCRIPTION													
							\$			\$				
							\$			\$				

AVIATION PRODUCTS LIABILITY COVERAGES

INSURER LETTER		POLICY NUMBER				EFFECTIVE DATE		EXPIRATION DATE		ADDITIONAL INSURED? (Y / N)		SUBROGATION WAIVED? (Y / N)	
COVERAGE		OPTIONS				LIMIT		APPLIES TO		LIMIT		APPLIES TO	
PRODUCTS LIABILITY		INCL COMP OPS		INCL SPACECRAFT		\$		EA OCC		\$		AGGR	
		EXCL COMP OPS		EXCL SPACECRAFT									
GROUNDING LIABILITY						\$		EA OCC		\$		AGGR	
FOREIGN MILITARY AIRCRAFT PRODUCTS		INCLUDED											
COVERAGE													
CODE	DESCRIPTION	OPTIONS				LIMIT		APPLIES TO		LIMIT		APPLIES TO	
						\$				\$			
						\$				\$			

OTHER COVERAGES

LINE OF BUSINESS												
INSURER LETTER		POLICY NUMBER			EFFECTIVE DATE		EXPIRATION DATE		ADDITIONAL INSURED? (Y / N)		SUBROGATION WAIVED? (Y / N)	
COVERAGE												
CODE	DESCRIPTION	OPTIONS				LIMIT	APPLIES TO	LIMIT	APPLIES TO			
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				
					\$			\$				

OTHER COVERAGES

[illegible]

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (this “**Amendment**”) is entered into as of the ____ day of _____, 2023 (the “**Effective Date**”), by and between **AUBURN-LEWISTON MUNICIPAL AIRPORT**, a body politic and corporate existing under the laws of the State of Maine (“**Lessor**”) and **DIRIGO AEROSPACE SOLUTIONS, LLC**, a Maine limited liability company (“**Lessee**”).

W I T N E S S E T H:

WHEREAS, Lessor and Lessee are parties to that certain Lease Agreement dated as of December 1, 2022 (the “**Existing Lease**”), relating to certain premises (the “**Original Premises**”) in the Lewiston-Auburn Municipal Airport located in Auburn, Maine (the “**Airport**”). The Existing Lease, as amended by this Amendment, shall be referred to herein as the “**Lease**”;

WHEREAS, the Original Premises consists of (a) 795 square feet of space in the “Sand Shed” building; (b) 400 square feet of hangar space in the structure known as “Hangar 2” and identified on Exhibit A-1 to the Existing Lease (“**Hangar 2**”); (c) 10 square feet of climate-controlled office space located within Hangar 2, and (d) three (3) tie-down spots located in the vicinity of Hangar 2, all as more particularly described in the Existing Lease;

WHEREAS, Lessee now desires to lease all remaining leasable space within Hangar 2 (the “**Expansion Premises**”), and Lessor is willing to lease the Expansion Premises to Lessee on the terms and conditions set forth herein;

WHEREAS, the Initial Term of the Lease will expire on November 30, 2024; and

WHEREAS, the parties hereto desire to extend the term of the Lease and to amend and modify the Existing Lease as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. **Extension of Lease Term.** Notwithstanding anything to the contrary set forth in the Existing Lease, the Initial Term of the Lease is hereby extended through December 31, 2025. The parties acknowledge and agree that Lessee’s right to further extend the term of the Lease for up to five (5) two (2) year Extension Terms pursuant to Section 7.2 of the Existing Lease remains in effect and is unmodified by the terms of this Amendment.

2. **Premises.** Lessor hereby demises and leases to Lessee, and Lessee hereby hires and takes from Lessor, the Expansion Premises. Said demise of the Expansion Premises shall be upon all of the terms and conditions of the Lease applicable to the Original Premises, except as expressly provided herein. From and after the Effective Date, all references in the Lease to the “Premises” (or “Leased Premises”, as applicable) shall be deemed to mean the Original Premises

and the Expansion Premises, collectively, and such Premises shall be deemed to consist of the following: (a) 795 square feet of space in the “Sand Shed” building, the location of which is identified on Exhibit A-2 to the Existing Lease; (b) 8,000 square feet of hangar space and 820 square feet of climate-controlled office space located within Hangar 2 (being, collectively, the entirety of said Hangar 2 as identified on Exhibit A-1 to the Existing Lease); and (c) three (3) tie-down spots located in the vicinity of Hangar 2, as shown on Exhibit A-3 to the Existing Lease. Exhibit A-4 is hereby deleted and is of no further force or effect.

3. **Base Rent.** Notwithstanding anything to the contrary set forth in the Existing Lease, Base Rent for and with respect to the period commencing on the Effective Date and continuing through December 31, 2025 shall be payable at the rate of \$1,200.00 per calendar month. For the avoidance of doubt, the rate of Base Rent payable with respect to the Extension Terms shall be determined in accordance with the terms of Article 8 of the Existing Lease.

4. **Use of Premises.** Notwithstanding anything to the contrary set forth in the Existing Lease (including without limitation Section 2.2 and Article 5), Lessee shall have the right, without Lessor’s consent, to use the Premises for aircraft storage purposes provided that such use shall comply in all respects with the Airport’s Minimum Standards and the Airport’s Rules and Regulations, each as defined in Article 37 of the Existing Lease. Article 4 of the Existing Lease entitled “Lessor’s and Lessee’s Storage of Aircraft in Premises” is hereby deleted and is of no further force or effect.

5. **Maintenance and Repairs.** Section 12.1 of the Existing Lease entitled “Maintenance of Premises and Operations” is hereby amended to provide that, from and after the Effective Date, Lessee, at Lessee’s sole cost and expense, shall maintain in good order, condition and repair (including replacements as necessary, but excluding any capital replacements, as determined in accordance with generally accepted accounting principles, which shall be the responsibility of Lessor) Hangar 2 and every part thereof, and all systems and equipment appurtenant thereto, including without limitation the items enumerated 1 through 6 in the second paragraph of said Section 12.1 and all HVAC and utility systems and equipment, whether located within or outside of Hangar 2. Lessor shall have no obligation to maintain, repair or replace any portion of Hangar 2 except as otherwise provided in Article 21 of the Lease. Lessor’s obligations contained in said Section 12.1 shall remain in effect and unmodified by the terms of this Amendment solely with respect to the Sand Shed building.

6. **Utilities.** Notwithstanding anything to the contrary set forth in the Section 12.5 of the Existing Lease, from and after the Effective Date, Lessee shall pay to Lessor, within ten (10) days after receipt of Lessor’s invoice, all bills for all utilities furnished to the Premises, including, but not limited to, electricity, water, sewer, telephone, cable, and gas. Lessor shall have no obligation to provide additional utilities and equipment within the Premises other than what is already provided for as of the Effective Date. In the event that Lessee requires additional utilities or equipment, the installation and maintenance thereof shall be the sole obligation of Lessee, provided that such installation shall be subject to the prior written consent of Lessor.

7. **Miscellaneous.**

- (a) The paragraph headings throughout this instrument are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Amendment.
- (b) Except as herein modified or amended, the provisions, conditions and terms of the Existing Lease shall remain unchanged and in full force and effect.
- (c) In the case of any inconsistency between the provisions of the Existing Lease and this Amendment, the provisions of this Amendment shall govern and control.
- (d) Submission of this Amendment by Lessor is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Lessee. This Amendment shall not be effective and binding unless and until fully executed and delivered by each of the parties hereto. All of the covenants contained in this Amendment, including, but not limited to, all covenants of the Lease as modified hereby, shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, and permitted successors and assigns.
- (e) The capitalized terms used in this Amendment shall have the same definitions as set forth in the Existing Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.
- (f) Lessee acknowledges that Lessor is not in default under the Lease as of the date hereof, and that it is unaware of any condition or circumstance which, but for the passage of time or delivery of notice, or both, would constitute an event of default by Lessor under the Lease. Lessee has no claims, defenses or set-offs of any kind to the payment or performance of Lessee's obligations under the Lease. Nothing contained herein shall be deemed to waive any sums due from Lessee to Lessor, or any default or event which, which the passage of time or delivery of notice, or both, would constitute an event of default by Lessee under the Lease as of the date hereof.
- (g) Lessor and Lessee each represents and warrants to the other that it has not employed or dealt with any broker, agent or finder in carrying on the negotiations relating to this Amendment. Lessor and Lessee shall indemnify and hold the other harmless from and against any claim or claims for brokerage or other commissions asserted by any broker, agency or finder engaged by Lessor or Lessee or with whom Lessor or Lessee has dealt in connection with this Amendment.
- (h) This Amendment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, which counterparts taken together shall constitute one and the same instrument. The parties hereby acknowledge and agree that electronic signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force

and effect as if an original of this Amendment had been delivered. Lessor and Lessee (i) intend to be bound by the signatures (whether original or electronic) on any document sent by electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature.

- (i) Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting.

[This page ends here. Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

LESSOR:

**AUBURN-LEWISTON MUNICIPAL
AIRPORT**

By: _____

Name:

Its:

Hereunto duly Authorized

LESSEE:

DIRIGO AEROSPACE SOLUTIONS, LLC

By: _____

Name:

Its:

Hereunto duly authorized