

EXHIBIT A

SAMPLE LEASE AGREEMENT

LEASE AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2015 between _____, Pinal County, Arizona, a political subdivision of the State of Arizona, with its principal place of business at 31 North Pinal Street, Florence, AZ 85132, (hereinafter called "Lessor") and _____, with its principal place of business at _____ (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner and operator of the Pinal County Airpark, located at 24641 Pinal Airpark Road, Marana, AZ 85653 inclusive of the Demised Premises as described on Exhibit "A" attached hereto (the "Demised Premises"); and

WHEREAS, Lessee will construct a building and other improvements (the "Improvements") on the Demised Premises pursuant to the plans and specifications of Lessee, which are attached hereto as Exhibit "B"; [Anticipated for Lease Area 4, Only – Respondents awarded any lease that calls for capital improvements will be subject to additional provisions regarding the construction, maintenance and ownership of the structure.] and

WHEREAS, the Lessor is desirous of entering into a Lease Agreement with Lessee and Lessee is desirous of entering into a Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and for other valuable considerations, the receipt of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. Description of Premises. Lessor, for and in consideration of the rents received and of the covenants and agreements herein contained on the part of the Lessee to be kept, observed and performed, has Demised and leased, and does hereby demise and lease to the Lessee the Demised Premises described in Exhibit "A" attached hereto.

2. Permissible Use. The demised premises shall only be utilized for Aeronautical Use as such term may be defined from time-to-time by the Federal Aviation Administration (FAA). Lessee will not use or permit or suffer the use of the Leased Premises for any other business or purpose without the written permission of the Lessor, which permission, however, shall not be unreasonably withheld. Lessee shall not conduct or permit to be conducted, nor shall it permit its agents, employees, contractors, invitees, licensees or customers to use the Demised Premises or the Airpark for any use not permitted herein or that is or would be in violation of the rules and regulations of the Airpark, any matters of record or applicable laws, rules, regulations and operating policies of any governmental authority including Lessor. All of Lessee's rights shall be strictly subject to and subordinate to all requirements and directives of the FAA and subject to all requirements and parameters of the Airport Master Plan developed under the auspices of the FAA.

3. Term. The initial term of this Lease shall be ____ (____) years commencing on the ____ day of _____, 2015 and ending on the ____th anniversary of such date.

4. Rental.

a. Base Rent. Lessee agrees to pay Pinal rental for the lease of the Demised Premises or, as applicable, the Replacement Premises, the annual amount of _____ Dollars (\$ _____), payable in equal monthly installments of _____ Dollars (\$ _____) as adjusted from time-to-time as set forth below (the “Base Rent”). The Base Rent shall be payable, in advance, and without any prior demand therefor and without any abatement, deductions or set-offs whatsoever (except as expressly provided otherwise herein).

b. Base Rent Increases. The annual Base Rent paid by Lessee shall be increased on each one (1) year anniversary of the commencement date of this Lease by 3% of the Lessee’s gross revenue for the preceding year as determined by sales tax generated from the facility or the percentage equal to the percentage that the Consumer Price Index (CPI) (as defined below) increased during the immediately preceding twelve (12) month period ending ninety (90) days prior to the date of adjustment, whichever sum is greater. For purposes of this Lease, “CPI” means the United States Department of Labor, Bureau of Statistics Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average (1982-1984=100). If at any time CPI ceases to exist, Pinal may substitute any official index published by the Bureau of Labor Statistics or by a successor or similar government agency as may then exist and which in Pinal's reasonable business judgment shall be most nearly equivalent to the CPI.

c. Common Area Charges. Lessee shall pay to Lessor, without notice, except as may be required in this Lease, and without abatement, deduction or set-off, its Pro-Rata share of Common Area Charges. For purposes of this Lease, “Common Area Charges” is defined as all costs and expenses incurred by Lessor in the operation, maintenance and use of the Common Areas, including, but not limited to, operation, maintenance, repair, replacement of all improvements located thereon, including but not limited to, runways, taxiways, roadways, parking lots, sidewalks, security fences, lighting, control tower, communications equipment and landscaping located thereon, and including any and all labor (direct and indirect), material, supplies and equipment necessary or appropriate to the operation, maintenance, repair and improvement of the Common Areas, together with all taxes, utilities, trash pickup, property management, operations, fire protection, safety and security for applicable portions of the Common Areas, insurance (liability insurance, fire insurance, property insurance, business interruption, loss of rent, workmen’s compensation, etc. for the applicable portions of the Airpark Common Areas), special assessments, improvement district assessments, and the like, expenditures for improvements which might normally be designated as “Capital Improvements,” (provided, however, that the cost of Capital Improvements shall be allocated over the useful life of such improvements unless such capital improvements have a useful life of less than three (3) years or cost less than Ten Thousand Dollars (\$10,000.00)), premiums, fees, interest, charges, reimbursements, expenditures imposed or required by or resulting from the application of statutes or regulations, of any federal, state, county, municipal or other governmental body or agency performing a governmental or other function (including, but not limited to, the Federal Aviation Administration, Environmental Protection Agency and the authority administering the

Occupational Safety and Health Act, the Americans with Disabilities Act, or agencies performing the same or similar functions) or are incurred to reduce energy consumption or costs and expenses necessary or to protect the health and safety of individuals and entities utilizing the Airpark, or to improve the appearance or utility of such portions of the Airport, and all reasonable costs, expenses and obligations of every kind and nature incurred by Pinal in connection with the operation, maintenance and use of the Common Areas which arise and become due during the Term of this Lease. Notwithstanding the foregoing, in no event shall the Common Area Charges include any of the following items: (i) general overhead costs of Lessor, (ii) at any time when there is more than one tenant of the Airpark, the cost of any specific items that are specifically intended to benefit specific tenants other than Lessee, (iii) any costs paid from another source (such as insurance proceeds), and (iv) any costs arising from the gross negligence or willful misconduct of Lessor.

d. Reserve. Lessor may charge Lessee monthly or at any other interval a reserve amount and may establish an impound account to cover reasonable anticipated future expenditures to repair, improve or rebuild Airport runways, taxiways, roadways, parking lots, sidewalks, security fences, lighting, control tower, communications equipment, landscaping, repainting and for other items of a similar nature as designated by Lessor if a reserve is appropriate for creating a fund sufficient to fund such future expenses.

Lessee's "Pro-Rata" share shall be equal to and measured by a fraction, the numerator whereof shall be the area of the Demised Premises, as applicable, measured in square feet, and the denominator which shall be the areas of the Airpark that are occupied by tenants (excluding the area of the Common Areas, and the test track, the hotel, the restaurant and airplane storage areas leased by Marana Aerospace Solutions), measured in square feet. At the date of this Lease, the parties stipulate and agree that the area of the Demised Premises is _____ square feet, the areas of the Airpark that are occupied by tenants (excluding the area of the Common Areas, and the test track, the hotel, the restaurant and airplane storage areas leased by Marana Aerospace Solutions) is _____ square feet, and the area of the Common Area is _____ square feet. Accordingly, Lessee's Pro-Rata share, at the date hereof is __%.

e. Airport Rates and Charges Schedule. In addition to the foregoing, to the extent that Lessee operates aircraft at or on the Airpark, Lessee shall pay the most current Airport Rates and Charges at the time of receipt of service or use of covered facilities outside of the Premises. If currently available, the current Airport Rates and Charges schedule is included as Exhibit " " and is subject to reasonable change without prior notice or approval of Lessee. If not currently available, in the future, Lessor may publish an Airport Rates and Charges schedule that is reasonable. The Airport Rates and Charges may include (but not limited to): fuel flowage fees, landing fees, tie down fees. Lessee acknowledges and agrees that Lessor may amend the Airport Rates and Charges schedule at any time at Lessor's reasonable discretion, but that no fee shall apply to the use of the Demised Premises or access to the Demised Premises (provided however, the foregoing does not restrict Lessor's right to prescribe reasonable landing fees).

f. Payment. All Base Rent payments shall be paid to Lessor, in monthly installments, in advance, on the first day of each calendar month, commencing on the commencement date through the remaining Term.

If Lessee fails to pay any installment of Base Rent in full on or before the third (3rd) day of the month in which such rental is due (the "Base Rent Due Date"), Lessee shall be responsible for interest on the unpaid installment at a per annum rate equal to the prime rate of interest, as published in the Wall Street Journal (or other national publication) on the first business day of each month, plus two percent (2%) from said Base Rent Due Date until payment in full is made. In addition, in the event any installment of Base Rent is paid more than three (3) days after said Base Rent Due Date, a late penalty of five percent (5%) of the amount of such delinquent installment shall be due and payable in addition thereto.

5. Renewal Option. At the expiration of the initial term hereof, this Lease may be renewed by Lessee for two additional terms of ____ (____) years each commencing the day following the expiration of the initial term hereof, upon the same terms and conditions herein; provided, however, the minimum monthly rent payable during such additional terms shall be established at the beginning of any renewal term. Lessee shall give Lessor at least 180 days written notice of Lessee's election to exercise this renewal option.

6. Insurance and Indemnification.

a. Public Liability and Casualty Insurance. Lessee agrees that it will at all times maintain public liability insurance from a company duly licensed by the State of Arizona possessing a current A.M. Best, Inc. rating of B++6, in the aggregate amount of not less than \$1,000,000, or such other types or amounts as Lessor may reasonably require. Lessee shall, at its expense, maintain fire, windstorm and extended coverage insurance on the Demised Premises and all improvements which may be located thereon at any time in an amount not less than eighty percent (80%) of the full replacement value of the improvements. Lessee shall be responsible for insuring any of its personal property located on the Demised Premises. Lessee shall provide to the Lessor a certificate of insurance evidencing the required insurance and shall cause the Lessor to be named as additional insured on the public liability insurance policy with not less than thirty (30) days written notice of cancellation or termination to the Lessor.

b. Workers' Compensation Insurance. Lessee covenants and agrees that the Lessee will maintain in force throughout the term of this Lease, workers' compensation insurance in the amount of at least \$1,000,000, or such other amounts as Lessor may reasonably require or which may be mandated by law and will save harmless the Lessor and the Demised Premises at all times during the continuation of this Lease from all damages, claims, fines, penalties, costs and expenses whatsoever which may result to the Lessor under the provisions of the Workers' Compensation Act and other statutory provisions of a similar nature arising out of any acts or omissions of Lessee or its officers or employees and comply with its indemnification obligations otherwise arising under this Lease.

c. Indemnification by Lessee. Except for claims, demands, debts, liabilities or causes of action arising out of the negligence or intentional misconduct of the Lessor or the Lessor's directors, officers, employees, contractors or agents, the Lessee, at its sole cost and expense, shall defend any suit, action or proceeding instituted against the Lessor, or its Commissioners, officers, employees or agents and shall indemnify and hold the Lessor, its Commissioners, officers, employees or agents harmless from any and all claims, demands, debts, liabilities or causes of action of every kind or character, whether in law or in equity, arising by reason of any death, injury or damage to any person or persons, or damage or destruction of property, or loss of use thereof, whether it be to the person or property of either party, its agents, employees, or contractors, or to any other person, from any cause or causes whatsoever (including, but not limited to, testing and sampling, remedial, recovery and cleanup costs arising from damage to property, soil, groundwater or air, and loss of value thereto, from any hazardous or toxic waste, material or substance, pollutant or contaminate), including, but not limited to, reasonable attorneys' fees and expenses, arising directly or indirectly from any act or omission of the Lessee, its officers, employees or agents in connection with the use or occupancy of the Demised Premises, conduct of its operations or performance of the terms of this Lease, unless and except to the extent caused by the Lessor's actions or omissions.

d. Waiver of Subrogation. Lessor and Lessee hereby waive all claims, rights of recovery and causes of action that either party or any party claiming by, through or under such party may now or hereafter have by subrogation or otherwise against the other party or against any of the other party's officers, directors, shareholders, or employees for any loss or damage that may occur to the Demised Premises, Lessee's Improvements or any of the contents of any of the foregoing by reason of fire or other casualty, or by reason of any other cause except negligence or willful misconduct that could have been insured against under the terms of this Lease. Lessor and Lessee shall cause an endorsement to be issued to their respective insurance policies recognizing this waiver of subrogation.

e. Builder's Risk Insurance. Lessee agrees that it will require of all contractors performing any construction work on the Demised Premises commencing as of Lessee's occupancy to carry appropriate Builder's Risk Insurance naming Lessor as an additional insured.

f. Indemnification by Lessor. Lessor shall hold the Lessee harmless from any and all claims for damages arising on the Demised Premises resulting as a direct consequence of the occupation and use of the Demised Premises by the Lessor. Lessor shall be responsible for insuring any of its personal property located on the Demised Premises.

7. Liens.

a. It is expressly covenanted and agreed by and between the parties hereto that nothing in this Lease contained shall authorize Lessee to do any act which shall in any way encumber the title of Lessor in and to said Demised Premises, nor shall the interest or estate of Lessor in said Demised Premises be in any way subject to any claim

by way of lien or encumbrance, whether by operation of law or by virtue of any express or implied contract by Lessee, and any claim to or lien upon said Premises arising from any act or omission of Lessee shall in all respects be subject and subordinate to the paramount title and rights of Lessor in and to said Premises and any improvements thereon. Notwithstanding the foregoing, Lessee may mortgage its leasehold interest, providing the mortgage is at all times subordinate to the interest of the Lessor. Lessee will not knowingly permit the Demised Premises to become subject to any mechanics', laborers' or materialmen's lien on account of labor or material furnished to the Lessee or claimed to have been furnished to the Lessee in connection with work of any character performed or claimed to have been performed on the Demised Premises by or at the direction or sufferance of the Lessee, provided, however, that Lessee shall have the right to contest in good faith and with reasonable diligence the validity of any such lien or claimed lien if Lessee shall give to the Lessor such reasonable security as may be demanded by the Lessor to insure payment thereof and to prevent any sale, foreclosure or forfeiture of the Demised Premises by reason of nonpayment thereof. On final determination of the lien or claim for lien, the Lessee will promptly (within ten (10) days) pay any judgment rendered with all proper costs and charges and will at its own expense have the lien released and any judgment satisfied.

b. In case Lessee shall fail to contest the validity of any lien or claimed lien and give security to Lessor to insure payment thereof, or having commenced to contest the same, and having given such security, shall fail to prosecute such contest with diligence, or shall fail to have the same released and satisfy any judgment rendered thereon, then Lessor may, at its election (but shall not be required to do so), remove or discharge such lien or claim for lien (with the right in its discretion to settle or compromise the same) and any amounts advanced by Lessor for such purposes shall be so much additional rental due from Lessee to Lessor at the next rent day after any such payment.

8. Surrender of Premises. Upon the expiration of the terms of this Lease or any renewal thereof, the Lessee shall surrender the leased Premises to the Lessor in as good condition as when the Lessee took possession, ordinary wear and loss by fire, casualty or other causes beyond Lessee's control excepted.

9. Indemnity for Litigation. All reasonable costs, expenses and attorney's fees incurred by either of the parties to this lease in enforcing any of the terms of the lease shall be paid by the nonprevailing party.

10. Inspection of Premises. The Lessee agrees to permit the Lessor and the authorized representative of the Lessor to enter the Demised Premises following 24 hours prior notice during Lessee's regular business hours for the purpose of inspecting the same. Notwithstanding the foregoing, Lessor shall be allowed to immediately enter upon and inspect the Demised Premises at any time should the Lessor determine, in its sole discretion, that an emergency condition or situation exists.

11. Fixtures. All buildings and improvements and all plumbing, heating, lighting, electrical and air-conditioning fixtures and other articles of personal property used in the

operation of such building(s) (as distinguished from operations incident to the business of the Lessee) hereafter attached to said land or any buildings thereon hereafter located upon said land, sometimes herein referred to as "building fixtures", shall be and will remain a part of the Demised Premises and shall constitute the property of the Lessor, save and except, and notwithstanding any other provision in this Lease Agreement, Lessee shall have the right to remove equipment, machinery and other items owned by Lessee incident to its operations, provided that any damage done to the Premises in their removal shall be repaired in a workmanlike manner by the Lessee. Lessee agrees to comply with the notification and review requirements contained in Part 77 of the Federal Aviation Regulations (14 C.F.R. Part 77) in the event any future structure or building is planned for the premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the premises. Lessee expressly agrees that it will not erect or permit the erection of any structure or object such that the object encroaches into any Part 77 airspace. In the event that Lessee allows or fails to mitigate an object that encroaches into any Part 77 airspace, the Lessor reserves the right to enter into the Leased premises and remove the offending structure or object at the expense of the Lessee.

12. Re-entry Upon Default.

a. If Lessee defaults in the payment of the rent or any part thereof when due as herein provided, and such default shall continue for 15 days after written notice thereof, or if default shall be made in any of the other material covenants, agreements, conditions or undertakings herein contained to be kept, observed and performed by the Lessee, and such default shall continue for 30 days after notice thereof or after such additional time, if any, that is reasonably necessary to promptly and diligently cure the default, in writing to the Lessee, or if (a) proceedings in bankruptcy be instituted by or against Lessee, or (b) a receiver or trustee is appointed for all or substantially all of Lessee's business or assets on the ground of Lessee's insolvency, or (c) if Lessee shall make an assignment for the benefit of its creditors, or shall vacate or abandon the Demised Premises, then and in any such event it shall be lawful for Lessor at its election to declare the said term ended and the said Demised Premises and the building and improvements then situated thereon or any part thereof, with process of law, to re-enter, and Lessee and all persons occupying in or upon the same under them to expel, remove and put out, using such force as may be necessary in so doing, and the said Premises and the buildings and improvements then situated thereon again to repossess and enjoy as on their first and former state, without such re-entry and possession working a forfeiture of the rents to be paid and the covenants to be performed by the Lessee during the full term of this agreement. As it relates to a default in payment, Lessee shall be entitled to written notice twice (2) in any calendar year, after which no written notice is required and Lessor shall be entitled to re-entry as provided for herein in the event Lessee defaults in the payment of rent or any part thereof and such default continues for fifteen (15) days. Lessor covenants and agrees to use its best efforts in such event to relet the Demised Premises on the best business terms and conditions available for such property in the area, so as to minimize and/or eliminate this forfeiture provision, However, in so agreeing, Lessor does not represent and/or warrant that a new tenant will be found or what the best business terms in the market will be. If default shall be made in any covenant, agreement, condition or undertaking herein contained to be kept, observed and

performed by Lessee, other than the payment of rent as herein provided, which cannot with due diligence be cured within a period of 30 days, and if notice thereof in writing shall have been given to Lessee, and if Lessee prior to the expiration of 30 days from and after the giving of such notice commences to eliminate the cause of such default and proceeds diligently and with reasonable dispatch to take all steps and do all work required to cure such default and does so cure such default, the Lessor shall not have the right to declare the said term ended by reason of such default; provided, however, that the curing of any default in such manner shall not be construed to limit or restrict the right of Lessor to declare said term ended and enforce all of its rights and remedies hereunder for any other default not so cured.

b. The foregoing provisions for the termination of this lease for any default in any of its covenants shall not operate to exclude or suspend any other remedy of Lessor for breach of any of said covenants or for the recovery of said rent or any advance of Lessor made thereon, and in the event of the termination of this lease as aforesaid, Lessee covenants and agrees to indemnify and save harmless Lessor from any loss arising from such termination and re-entry, except for losses, costs or expenses related to any injury or damage to person or to property caused by Lessor's negligent actions or omissions or willful misconduct and to that end, Lessee covenants and agrees to pay to Lessor after such termination and re-entry, at the end of each month of the Demised term, the difference between the net income actually received by Lessor from said Demised Premises during such month and the rent agreed to be paid by the terms of this lease during such month, together with the reasonable expenses of reletting and altering the improvements on said Demised Premises together with reasonable commissions and attorneys' fees. Lessor covenants and agrees to use its best efforts in such event to relet the Demised Premises on the best business terms and conditions available for such property in the area, so as to minimize and/or eliminate this forfeiture provision, However, in so agreeing, Lessor does not represent and/or warrant that a new tenant will be found or what the best business terms in the market will be.

c. Lessor's failure to perform or observe any obligation imposed hereunder after a period of thirty (30) days or such shorter time as provided for in this Lease or the additional time, if any, that is reasonably necessary to promptly and diligently cure the failure, after it receives notice from Lessee setting forth in reasonable detail the nature and extent of the failure shall constitute a default of Lessor. Lessee in addition to the remedies given in this Lease or under the law may terminate this lease without further financial or performance obligation. In the event of Lessor's default, Lessor shall be liable for and shall pay and hold Lessee harmless from all reasonable costs, expenses and attorneys' fees incurred by Lessee on account of Lessor's Default, which sums shall become due and payable promptly (within ten (10) days) upon written demand.

13. Lessee's Bankruptcy. In the event that during the term of this lease the Lessee is adjudicated a bankrupt, or in the event of insolvency or the appointment of a receiver for all or substantially all of the Lessee's business or assets on the ground of Lessee's insolvency, or if a trustee is appointed for Lessee after a petition has been filed for Lessee's reorganization under the Bankruptcy Act of the United States or Lessee shall make an assignment for the benefit of its creditors, and such condition shall continue without dismissal or conclusion for thirty (30) days

or the additional time, if any, that is reasonably necessary to promptly and diligently cure the condition, then, and in any such event, Lessor shall have the right, at its election, or any time thereafter, to re-enter and take complete possession of the leased Premises, and to declare the term of this lease ended. Thereupon, the lease and all the right, title and interest of the Lessee hereunder shall terminate and be of no further force or effect.

14. Taxes and Assessments. Lessee agrees to pay all water, rents, taxes and assessments general and special, sanitary and storm sewer assessments and user fees, and all other impositions ordinary and extraordinary, of every kind and nature whatsoever (“Impositions”) levied or assessed upon the Demised Premises or any part thereof or upon any of the buildings or improvements at any time situated thereon or levied or assessed upon the interest of the Lessee or the Lessor in or under this Lease during the term of this Lease. The Impositions shall be paid by the Lessee prior to delinquency. Lessee covenants and agrees to deliver to the Lessor, at the place where rent is payable, documentation showing the payments of the Impositions within thirty (30) days after the respective payments evidenced thereby. It is further agreed that the Lessor shall have the right at all times during the term of this Lease to pay any Impositions upon the Demised Premises, the buildings at any time situated thereon or any interest therein remaining unpaid after the same shall have become delinquent and to pay, cancel, and clear all liens, charges and claims upon or against the Demised Premises which the Lessee is obligated by this Lease to pay and redeem any of them from time to time, and the amount so paid, including reasonable expenses, shall be additional rent due from the Lessee to the Lessor the day rent is next payable with interest at an annual rate equal to the Prime Rate as published in the Wall Street Journal, plus two percent (2%) from the date of the payment thereof by the Lessor until the repayment thereof to the Lessor by the Lessee; it being expressly agreed, however (all other provisions of this Lease to the contrary notwithstanding) that the Lessee shall not be required to pay, discharge or remove any Impositions or charge upon or against the Demised Premises or any part thereof or the improvements at any time situated thereon so long as the Lessee shall in good faith contest the same or the validity thereof by appropriate proceedings, which shall operate to prevent the collection of the Impositions so contested or the sale of the Demised Premises or any part thereof to satisfy the same and that pending the outcome of any such proceedings the Lessor shall not have the right to pay, remove, or discharge the Impositions thereby contested. The Lessee shall at all times indemnify and hold the Lessor harmless from any and all legal claims arising out of Lessee’s nonpayment of the Impositions, unless and except where legitimately contested or disputed pursuant to the terms of this Lease or to the extent caused by the Lessor’s actions or omissions. Notwithstanding the exceptions to Lessee’s indemnification obligation contained in this Paragraph 14, the parties do not intend, and this Paragraph 14 does not, negate or nullify any right on the part of the Pinal County to levy taxes and other assessments as provided by and in accordance with Arizona law.

15. Utilities. All water, gas, electricity, telephone, and other public utility services used on or furnished to the Demised Premises during the term hereof shall be separately metered for Lessee’s account and installed at Lessee’s expense. Lessee shall pay all undisputed utility charges for the Demised Premises prior to delinquency to the utility provider, however, Lessee shall be responsible for resolving and paying upon resolution any disputed utility charge.

16. Maintenance.

a. The Lessee shall at its own expense keep and maintain in good repair and condition the entire property leased to it including any improvements that may hereafter be erected thereon and shall keep the Demised Premises free of any mechanic's or materialmen's liens.

b. The Lessee shall indemnify and save Lessor harmless from and against any and all costs, expenses, claims, losses, damages, fines or penalties, including reasonable attorney's fees, because of or due to the Lessee's failure to comply with this section, and the Lessee shall not call upon the Lessor for any disbursement or outlay of money in connection with any such failure and hereby expressly releases and discharges the Lessor of and from any liability or responsibility whatsoever in connection therewith, unless and except to the extent caused by Lessor's actions or omissions. The Lessor shall indemnify and save Lessee harmless from and against any and all costs, expenses, claims, losses, damages, fines or penalties, including reasonable attorneys' fees, because of or due to Lessor's failure to comply with this Section or because of or due to the Lessor's actions or omissions that cause conditions requiring maintenance or repair.

c. Lessee shall be responsible for the care and maintenance of the leased premises due to its activities or the activities of its guests, suppliers, customers, etc. upon the Demised Premises. Lessee at its expense shall properly maintain and care for any and all grass, shrubs or other landscaping which it may cause to be grown on the Premises.

17. Use and Care of Premises. At the time of acceptance, Lessee will certify that it has inspected the Demised Premises and finds them to be in apparent safe and satisfactory condition and acknowledges that Lessor has made no representation to Lessee, other than the representations contained herein, as to the condition, safety, fitness for use or state of repair thereof. Lessee covenants and agrees that it will not use or knowingly permit any person to use said Demised Premises or any part thereof for any use or purpose in violation of any municipal, state, or federal laws. Except to the extent the following may occur out of Lessor's actions or omissions, Lessee will keep the Lessor harmless and indemnified at all times against any loss, damage, cost or expense beyond that which is covered by any insurance, arising by reason of Lessee's action in any respect or by reason of any accident, loss or damage resulting to persons or property from any use which Lessee makes of said Premises or by reason of or growing out of any act or thing done or omitted to be done by or on behalf of Lessee; and Lessee covenants that it will save, hold and keep the Lessor and the Demised Premises free and clear of and from any and all claims, demands, penalties, liabilities, judgments, costs and expenses, including reasonable attorneys' fees, arising out of any damage which may be sustained by adjoining property or adjoining owners or other persons or property in connection with any construction, remodeling, altering or repairing of any building or buildings which may be erected on the Demised Premises by or at the instruction of Lessee, except as may arise out of Lessor's actions or omissions. Lessor covenants that it will save, hold and keep the Lessee and the Demised Premises free and clear of and from any and all claims, demands, penalties, liabilities, judgments, costs and expenses, including reasonable attorneys' fees, arising out of any damage which may be sustained by adjoining property or adjoining owners or other persons or property in connection with any remodeling, altering or repairing of any building or buildings on the Demised Premises by or at the instruction of Lessor, except as may arise out of Lessee's actions or omissions.

18. Sign. Lessee is hereby granted permission to erect a sign on the Demised Premises, provided that the Lessee will comply with all ordinances and regulations of Pinal County and the State of Arizona relating to such signage. Lessee will pay all fees required in and about said installation.

19. Quiet Enjoyment. If the Lessee shall perform all of the material covenants and agreements herein imposed upon it, the Lessor shall warrant and defend the Lessee in the enjoyment and peaceful possession of the Demised Premises throughout the term of this lease. Lessee shall have the exclusive right to occupy and use the Demised Premises while any rights given to access other portions of the Airpark are nonexclusive.

20. Access. Lessee is granted the right of reasonable access to and from the Demised Premises via such portion of the Airpark as are or may be reasonably necessary to allow Lessee to conduct its business operations as permitted under this Lease including, without limitation, the right to utilize the runway, taxiways, ramps, aprons, roadways, streets, parking lots and sidewalks (collectively the Common Areas). Lessor reserves the right to designate the location of such Common Areas, to reasonably change the location of such Common Areas from time to time, and to generally prescribe all reasonable rules for the use to the Common Areas as Lessor deems reasonably necessary and appropriate.

21. Compliance with Laws. Lessee will at all times keep said Premises in a neat, clean, safe and sanitary condition and comply with all valid laws, ordinances, rules and regulations made by any governmental authority appertaining to the Lessee's use or occupancy of the Demised Premises. Lessor covenants and agrees to comply with and carry out at its expense, all lawful orders and regulations of governmental bodies relating to the Premises. Lessor reserves the right to adopt, amend and enforce reasonable rules and regulations governing the Leased Premises and the public area and facilities used by the Lessee. Such rules and regulations shall be consistent with the safety, security and overall public utility of the Airport and with the rules, regulations and orders of the Federal Aviation Administration or such other successor agency as may hereafter be designated by the Federal Government with respect to aircraft and airport regulation. Lessee agrees to obey by all such rules and regulations adopted or amended by the Landlord and specifically agrees that violation of any such rule and regulation shall constitute an Event of Default as provided in this Agreement.

22. Aircraft Operations. If and to the extent that Lessee operates aircraft at or on the Airport, Lessee shall be subject to the Airport Minimum Standards and Rules and Regulations, including any Airport Security Plan, as the same shall be modified and amended, from time to time, as required by the FAA. If any subtenant, customer, invitee, contractor, subcontractor, or other user of the Premises or, as applicable, the Replacement Premises, operates aircraft at the Airport, each also shall be subject to the imposition of Airport Rates and Charges and the Airport Minimum Standards and Rules and Regulations and any Airport Security Plan, which Lessor may enforce directly against such subtenant, customer, invitee, contractor, subcontractor or other user of the Demised Premises, but Lessee shall have no liability or responsibility with respect to such matters.

23. Nonwaiver. No waiver of any expressed condition and/or breach of any one or more of the conditions or covenants of this lease by either party shall be deemed to imply or to constitute a waiver of any succeeding expressed condition and/or breach; and the failure of either party to insist upon the strict performance of the terms, covenants and agreements and conditions herein contained or any one of them, shall not constitute or be construed as a waiver or relinquishment of such party's rights to thereafter enforce any such default, or any term, covenant, agreement, condition, or remedy afforded by operation of law or equity.

24. Assignment and Subletting.

a. Lessee agrees that it will not, without the prior written consent of Lessor, which consent may be granted or withheld in Lessor's sole discretion, sublet, sell, convey, transfer or assign, mortgage or pledge (collectively "Assignment"), this Lease or any part thereof, or any rights hereunder.

b. Except as otherwise set forth herein, any Assignment of this Lease, or any rights of Lessee hereunder, without Lessor's prior written consent, shall be null and void. Lessor's consent to Assignment shall not release Lessee of Lessee's obligation or alter the contractual obligations and liability of the Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder in the event of default by a permitted Lessee or sublessee. In the event Lessee sublets, sells, conveys, transfers or assigns this Lease or any part thereof to a third party, then Lessor agrees to accept all payments due hereunder from said third party and not to call on Lessee for payment unless said third party does not make a payment required pursuant to this Lease. The acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one Assignment shall not be deemed consent to any subsequent Assignment.

25. Successors. Subject to the other provisions of this lease all of the terms, covenants and conditions of this lease shall inure to the benefit of and shall bind, as the case may be, not only the parties hereto, but their heirs, executors, administrators, successors, assigns and legal representatives of the respective parties hereto.

26. Notices. All notices, consents, demands, approvals, and requests which are required or permitted to be given by either party to the other pursuant to any provision of this Lease shall be in writing, and delivered personally (including delivery by a regular messenger or courier service), by overnight express delivery, or by telefax. Personally delivered notices and notices delivered by overnight delivery shall be deemed delivered at the time of actual delivery or at the time of attempted delivery (as attested in writing by the person attempting delivery) in the event the intended recipient refuses to accept delivery and telefaxes shall be delivered upon confirmation of sending. The notice addresses of the parties are as follows:

LESSOR: Pinal County
Attn:
31 North Pinal Street
Florence, AZ 85132

With a copy to:

LESSEE:

With a copy to:

27. Remedies to be Cumulative.

a. Except as provided herein, no remedy herein or otherwise conferred upon or reserved to a party shall be considered exclusive of 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 Lease to a party may be exercised from time to time and as often as occasions may arise or as may be deemed expedient. No delay or omission of a party to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein.

b. Neither the rights herein given Lessor to receive, collect, sue for or distrain for any rent or rents, monies or payments or to enforce the terms, provisions and conditions of this Lease or to prevent the breach or non-observance thereof, or the exercise of any right or of any other right or remedy hereunder or otherwise granted or arising, shall in any way affect or impair or toll the right or power of either party to declare the term hereby granted ended and to terminate this Lease as herein provided because of any default in or breach of any of the covenants, provisions or conditions of this Lease.

c. Neither the rights herein given Lessee to enforce the terms, provisions and conditions of this Lease or to prevent the breach or non-observance thereof, or the exercise of any right or of any other right or remedy hereunder or otherwise granted or arising, shall in any way affect or impair or toll the right or power of either party to declare the term hereby granted ended and to terminate this Lease as herein provided because of any default in or breach of any of the covenants, provisions or conditions of this Lease.

28. Covenants Run with Land.

a. All of the covenants, agreements, conditions and undertakings in this Lease contained shall extend and inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto, the same as if they were in every case specifically named, and shall be construed as covenants running with the land, and wherever in this Lease reference is made to either of the parties hereto, it shall be held to include and apply to, wherever applicable, the heirs, executors, administrators, successors and assigns of such party. Nothing herein contained shall be

construed to grant or confer upon any person or persons, firm, corporation or governmental authority, other than the parties hereto, their heirs, executors, administrators, successors and assigns, any right, claim or privilege by virtue of any covenant, agreement, condition or undertaking in this Lease contained.

b. The term "Lessor" as used in this Lease, so far as covenants or obligations on the part of the Lessor are concerned, shall be limited to mean and include the owner or owners of the legal and equitable title, and in the event of any transfer or transfers of the title to such fee, the Lessor herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall not be freed and relieved from and after the date of such transfer or conveyance, of all personal liability as respects the performance of any covenants or obligations on the part of the Lessor contained in this Lease thereafter to be performed. Any funds in the hands of such Lessor or the then grantor at the time of such transfer, in which the Lessee has an interest, shall be turned over to the grantee, and any amount then due and payable to the Lessee by the Lessor or the then grantor under any provisions of this Lease shall be paid to the Lessee.

29. Performance of Other Parties' Covenants. Should Lessee at any time fail to do any of the things required to be done by it under the provisions of this Lease, Lessor at its option and in addition to any and all other rights and remedies of Lessor in such event, may (but shall not be required to) do the same or cause the same to be done after notice to Lessee and providing Lessee with a reasonable period to cure, and the reasonable amount of any money expended by Lessor in connection therewith shall be so much additional rental due from Lessee to Lessor and shall be a demand obligation owing by Lessee to Lessor. Should Lessor at any time fail to do any of the things required to be done by it under the provisions of this Lease, Lessee at its option and in addition to any and all other rights and remedies of Lessee in such event, may (but shall not be required to) do the same or cause the same to be done, and the reasonable amount of any money expended by Lessee in connection therewith shall be a demand obligation owing by Lessor to Lessee.

30. Compliance With Environmental Law.

a. Lessee shall, at Lessee's own expense (unless necessitated by the actions or omissions of the Lessor, its commissioners, officers, employees, contractors or agents), or the actions or omissions of any person or entity occupying, using, or causing a detrimental effect on the Demised Premises prior to the commencement date of this Lease or subsequent to its termination, comply with all present and hereinafter enacted environmental laws, statutes, regulations or ordinances of any type, kind or sort (any amendments thereto) which may affect Lessee's operations during the term of this Lease (or any extension thereto).

No goods, merchandise or material shall be kept, stored or sold in or on the Demised Premises which are explosive or hazardous; except for those moving in transport or necessary to the conduct of Lessee's operation which are in compliance with all regulations governing the transportation and storage of such materials; and no offensive or dangerous trade, business or occupation shall be carried on therein or thereon. Nothing shall be done on the Demised Premises, other than as provided for in this Lease,

which will increase the rate of or suspend the insurance upon said Demised Premises or to structures of Lessor. If Lessee causes any hazardous or toxic materials or substance to be spilled or placed at any time in, under or about the Demised Premises in quantities which either: (1) exceed permissible levels as defined by any applicable governmental rule, order, statute, regulation or other governmental requirement, as then in effect; or (2) pose an unlawful threat to the health and or safety of any employee, customer and/or invitee of either Lessor or Lessee, Lessee shall at Lessee's expense, properly remove and dispose of or otherwise remedy, as the case may require, the same unless and except to the extent caused by Lessor's actions or omissions. If more than one such governmental requirement shall apply, Lessee shall comply with the most stringent of such requirements.

Lessee also specifically warrants that it shall immediately notify Lessor of (a) any correspondence or communication from any governmental entity regarding the application of environmental laws to the Demised Premises in question, and (b) any change in Lessee's operation upon the Demised Premises that would change or has the potential to change Lessee's or Lessor's obligations and/or liabilities under any environmental laws, statutes, regulations or ordinances of any type, kind or short (and any amendments thereto).

In addition, Lessee covenants and agrees to indemnify and hold harmless Lessor, its employees, agents, successors and assigns from and against any and all loss, damage and expense (including, but not limited to, reasonable investigation, legal fees and expenses) including, but not limited to, any claim or action for injury, liability, or damage to persons or property, or any and all claims or actions brought by any person, firm, governmental body or other entity, alleging or resulting from or arising from or in connection with contamination of or adverse effects upon the environment, or in violation of any environmental law or other statute or ordinance, rule, regulation, judgment or order of any governmental or judicial entity, and from and against any damages, liabilities, costs and penalties assessed as a result of any activity or operation of Lessee on the Demised Premises during the term of this Lease unless and except to the extent caused by Lessor's actions or omissions, or the actions or omissions of any person or entity occupying, using, or causing a detrimental effect on the Demised Premises prior to the commencement date of this Lease or subsequent to its termination. Lessee's obligations and liabilities under this paragraph shall continue for so long as Lessor bears any potential liability or responsibility under any environmental laws for any action that occurred on the Demised Premises during Lessee's use and occupancy unless and except to the extent caused by the Lessor's actions or omissions, or the actions or omissions of any person or entity occupying, using, or causing a detrimental effect on the Demised Premises prior to the commencement date of this Lease or subsequent to its termination. Lessee shall not be responsible for any environmental condition on the Demised Premises which exists prior to the date of commencement of this Lease.

Lessor shall have the right to immediately enjoin any such conduct, actions or operations of Lessee upon the Demised Premises which may cause or have the potential to cause or raise the substantial likelihood that violations of any such environmental laws, statutes, ordinances, regulations, etc. will be violated.

b. In addition, Lessor covenants and agrees to indemnify and hold harmless Lessee, its employees, agents, successors and assigns from and against any and all loss, damage and expense (including, but not limited to, reasonable investigation, legal fees and expenses) including, but not limited to, any claim or action for injury, liability, or damage to persons or property, or any and all claims or actions brought by any person, firm, governmental body or other entity, alleging or resulting from or arising from or in connection with contamination of or adverse effects upon the environment, or in violation of any environmental law or other statute or ordinance, rule, regulation, judgment or order of any governmental or judicial entity, and from and against any damages, liabilities, costs and penalties assessed as a result of any activity or operation of Lessor on the Demised Premises prior to, during, or after the term of this Lease unless and except to the extent caused by Lessee's actions or omissions. Lessor's obligations and liabilities under this paragraph 32(b) shall continue for so long as Lessee bears any potential liability or responsibility under any environmental laws for any action that occurred on the Demised Premises unless and except to the extent caused by the Lessee's actions or omissions.

Lessee shall have the right to immediately enjoin any such conduct, actions or operations of Lessor upon the Demised Premises which may cause or have the potential to cause or raise the substantial likelihood that violations of any such environmental laws, statutes, ordinances, regulations, etc. will be violated.

31. Americans with Disabilities Act. Lessor warrants that upon completion of any proposed improvements, the Premises will comply with the requirements of the Americans with Disabilities Act of 1990 ("ADA") regarding public accommodations. Lessee agrees to comply with all the provisions of the ADA in its use of the Premises. Lessor shall be responsible for all costs in complying with any changes required by any amendment to the ADA adopted subsequent to the signing of this Lease, the regulations promulgated thereunder, or to the ADA Accessibility Guidelines. Lessor shall make any such changes to the structure of the Premises.

32. Non-Discrimination.

a. Lessee agrees that: (i) no person on the grounds of race, creed, color, national origin, sex, sexual orientation, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of said facilities; (ii) in the construction of any improvements on, over or under such land, in providing employment, and in the furnishing of services thereon, no person on the grounds of race, creed, color, national origin, sex, sexual orientation, age, or handicap shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (iii) Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to 41 C.F.R. Part 60, 49 USC 306, 49 C.F.R. Part 21, 49 C.F.R. Part 27, or the assurances contained in FAA Order 5100.38A as said laws, regulations, or assurances may be amended from time to time. Lessee assures that it will comply with pertinent statutes, executive orders and such rules as are promulgated to insure that no person shall, on the grounds of race, creed, color, national origin, sex, sexual orientation, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This

provision obligates the Leasee or its transferee for the period during which Federal assistance is extended to the airport program, except for Federal assistance as to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, this provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property Leasee 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, provided, however, that Leasee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers or users.

b. **Affirmative Action** Regardless of the applicability of 14 C.F.R. Part 152 to the airport, Leasee assures that it will undertake an affirmative action program as described in 14 C.F.R. Part 152, subpart E to assure that no person shall, on the grounds of race, creed, color, national origin, sex or sexual orientation be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, subpart E. Leasee 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. Leasee agrees that in the event facilities are constructed, maintained or otherwise operated on the said property described in this Lease for a purpose for which a DOT program or activity is extended, or for another purpose involving the provision of similar service or benefits, Leasee shall maintain and operate such facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in

Federally Assisted Programs with the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 as said regulations may be amended from time to time.

33. **Force Majeure.** In the event Lessor or Lessee shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, inability to procure labor or materials, failure of power, fire or other casualty, acts of God, restrictive governmental laws or regulations, riots, insurrection, war or other reason of like nature, then performance of such acts shall be excused for the period of the delay and the period for the performance of any such acts shall be extended for a period equivalent to the period of such delay to the extent that one or more of these factors was and is beyond that party's control.

34. **Subordination.** Subordination. Leasee agrees that this Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Landlord and the United States, or Pinal County and the State of Arizona, relative to the development, operation or maintenance of the Airport.

35. Miscellaneous.

a. Lessor and Lessee agree that, at the request of either of them, they will execute a so-called "short form lease" in recordable form which either party shall have the right to record in the Recorder's Office of the county in which the Premises are located. Said short form lease shall set forth respective dates of the commencement of the last day of the initial term hereof, and the options to extend the term, and will incorporate the legal description of the Premises in sufficient detail to permit an accurate description thereof and will incorporate this Lease by reference.

b. The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

c. If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Lease shall not be affected thereby, but each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

d. This Lease shall be construed and enforced in accordance with the laws of the State of Arizona.

e. Each party covenants and agrees that in case the other party shall, without fault on its part, be made a party to any litigation commenced by or against the first party, or in case either party shall incur any costs or attorneys' fees in the successful enforcement of the covenants and agreements under this Lease, then the first party shall pay all reasonable costs and attorneys' fees which may be incurred by the other in defending such litigation and in enforcing the covenants and agreements of this Lease.

f. The Parties acknowledge that this Lease is subject to cancellation pursuant to Arizona Revised Statutes § 38-511.

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SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Agreement on the day and year first above written.

LESSOR:

LESSEE:

Pinal County, Arizona

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT "A"

DESCRIPTION OF DEMISED PREMISES

[Legal Descriptions and maps]