

**SEBRING AIRPORT AUTHORITY
COMMERCIAL HANGAR LEASE**

THIS LEASE AGREEMENT is made and entered into this _____ day of _____, 2004, by and between the **SEBRING AIRPORT AUTHORITY**, a body politic and corporate of the State of Florida (herein called "LANDLORD") and _____, a _____ corporation (herein called "TENANT").

W I T N E S S E T H :

WHEREAS, LANDLORD is the owner of certain real property located at Sebring Regional Airport and Industrial Park in the County of Highlands, State of Florida; and,

WHEREAS, LANDLORD has agreed to lease property to TENANT, subject to certain terms and conditions; and,

WHEREAS, TENANT wishes to lease said property from LANDLORD, and in consideration of the premises, the covenants, terms and conditions to be performed as set forth hereinafter, the parties have agreed and do agree as follows:

1. TERM. The term of this Lease Agreement shall be for one (1) year commencing on _____, 2004 and ending on _____, 2005, unless sooner terminated as herein provided.

2. PROPERTY. The property subject to this Agreement is Hangar No. "3" located at 9 Crosley Lane at Sebring Regional Airport and Industrial Park as shown on Exhibit "A" attached hereto (herein called the "Premises").

3. USE. The Premises are to be used by the TENANT for the purpose of its aircraft service business. TENANT will make no unlawful, improper, or offensive use of the Premises.

4. RENT. The TENANT hereby agrees to pay rent to LANDLORD of \$1,100.00 per month, together with any sales or use taxes thereon, in advance, on or before the 1st day of each month during the term of this lease. TENANT has paid to LANDLORD a security deposit in the amount of \$1,100.00 upon the execution of this lease, which deposit shall be returned to TENANT upon termination of this lease so long as there is no rent left unpaid and no damage to the Premises.

5. LATE PAYMENTS. Rental payments remaining due and unpaid for a period of ten (10) days after the date due shall accrue a service charge equal to 1.5% of the amount of the delinquent payment, or \$100.00, whichever is greater, per month, from the date due until paid.

6. RELOCATION. LANDLORD shall have the right to relocate TENANT, at LANDLORD'S expense, to a mutually agreeable location within Sebring Regional Airport and Industrial Park if the Premises are needed by LANDLORD.

LANDLORD shall give TENANT at least three (3) months notice of a proposed relocation, unless the parties agree in writing to a shorter term. Said relocation shall be evidenced by a written addendum to this Lease Agreement, executed by the parties. Should the parties not be able to agree on a new location, LANDLORD may terminate this lease thereafter upon three (3) months notice.

Upon construction and completion of additional commercial hangars at the Sebring

Regional Airport and Industrial Park, LANDLORD and TENANT may agree to relocate TENANT to another hangar, at TENANT's expense, terminate this lease and the parties will enter into a new lease for the subject hangar.

7. INSURANCE. LANDLORD will maintain fire and casualty insurance on the structure at LANDLORD's expense. TENANT shall maintain liability insurance on the premises in single limit coverage of not less than \$1,000,000.00 and hangar keeper's insurance in accordance with LANDLORD's Minimum Standards for Fixed-Base Operators and in an amount satisfactory to LANDLORD, at TENANT's expense, which insurance shall name LANDLORD as an additional insured. TENANT shall assume all liability for damage or injury to persons or property which may occur on the Premises or which may arise from TENANT'S use of the Premises. Assumption of liability extends to the damage or injury to persons and property of TENANT, TENANT's agents, employees, invitees, licensees, as well as persons and property of third parties. TENANT shall provide at least thirty (30) days advance notice of cancellation or proposed changes in the above coverage, and the policies shall require the same.

TENANT shall deliver the above policy (or copies thereof) to LANDLORD at the inception of this Lease, and shall furnish LANDLORD with Insurer's certifications that such insurance is in force and good standing. At least ten (10) days prior to the expiration of any such policy, a certificate showing that such insurance coverage has been renewed shall be delivered to LANDLORD. If such insurance coverage is canceled or reduced, TENANT shall immediately notify LANDLORD of same, and shall file with LANDLORD a certificate showing that the required insurance has been reinstated or provided through another insurance company.

In the event that TENANT shall at any time fail to furnish LANDLORD with the certificate of insurance required, LANDLORD shall have the right to secure the required insurance at the cost and expense of TENANT, and TENANT agrees to promptly reimburse LANDLORD for the cost thereof, which costs shall be additional rent hereunder and shall be immediately due and payable.

8. ASSIGNMENT. TENANT shall not assign this lease or sublet the Premises, directly or indirectly, without the written consent of LANDLORD, which consent will not be unreasonably withheld.

9. REMOVAL OF PERSONAL PROPERTY UPON TERMINATION. Upon termination of this Agreement, provided all monies due LANDLORD have been paid, TENANT shall have the right and responsibility to remove all of its personal property, including machinery and equipment, which it has installed or placed on the Premises, which removal shall be accomplished no later than the termination date. Electrical and plumbing facilities, air conditioners and other permanently installed fixtures shall not be considered personal property. TENANT agrees to repair any damage occasioned by reason of such removal or damage caused by TENANT'S occupancy. In the event TENANT fails to remove its personal property or to repair any damage done to the Premises by the termination date, LANDLORD reserves the right to remove and store all such personal property left, at the risk and expense of TENANT, and to make repairs necessary to restore the Premises, with the cost of such repairs to be paid by TENANT.

10. ABANDONMENT OF PREMISES BY TENANT. In case TENANT shall abandon said Premises, or any part thereof, during the term of this Agreement, LANDLORD may, at its option, without notice, relet said Premises, or any part thereof, on such terms and for such rent as it may deem expedient or proper. Such reletting shall not operate as a waiver of any right whatsoever which LANDLORD would otherwise have to

hold TENANT responsible for the rent. In case said Premises, or any part thereof, shall be relet, LANDLORD shall collect that rent and, after paying the expense of such reletting and collections, apply the remainder toward the rent due or to become due from TENANT.

11. ALTERATIONS. TENANT shall make no material additions or alterations in or to the Premises without the written consent of LANDLORD. TENANT shall be responsible for the cost of any additions or alterations made by TENANT and shall protect and reimburse LANDLORD against possible mechanics', laborers' and materialmen's liens upon the Premises.

12. NO LIENS CREATED. TENANT has no power to incur any indebtedness giving a right to a lien of any kind or character upon the Premises. No third person shall be entitled to any lien against the Premises or any structure thereon, derived through or under TENANT. All persons contracting with TENANT, or furnishing materials or labor to TENANT, shall be bound by this provision. Should any such lien be filed, TENANT shall have the same discharged within sixty (60) days thereafter by paying the same or by filing a bond, or otherwise as permitted by law. TENANT is not the agent of LANDLORD so as to confer upon a laborer bestowing labor upon the leased property, or upon a materialman who furnishes material incorporated in the construction of improvements upon the leased property, a construction lien upon LANDLORD'S estate under the provision of Chapter 713, Florida Statutes, or any subsequent revisions of that law.

13. PLEDGE OF LEASEHOLD INTEREST. TENANT may, from time to time, pledge its leasehold interest as security for a bona fide loan or loans from reputable established lenders or lending institutions. LANDLORD shall not subordinate its interest in the Premises to any such security holder under any circumstances whatsoever.

14. SUBORDINATION. This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between LANDLORD and the United States of America 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 development of Sebring Regional Airport. This lease and all provisions hereof are also subject and subordinate to the terms and conditions of the instruments and documents under which the LANDLORD acquired the subject property from the United States of America and the City of Sebring and shall be given only such effect as will not conflict or be inconsistent with the term and conditions contained in the lease of said lands from the LANDLORD, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the LANDLORD pertaining to the Sebring Regional Airport. Except to the extent required for the performance of the obligations of TENANT in this Lease Agreement, nothing contained in this Lease Agreement shall grant TENANT any rights whatsoever in the airspace above the Premises, other than those rights which are subject to Federal Aviation Administration orders, regulations or advisory circulars currently or subsequently effective.

15. NON-DISCRIMINATION. TENANT for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that:

- A.** No person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;
- B.** That in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national original shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination;

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

That in the event of a breach of any of the above nondiscrimination covenants, LANDLORD shall have the right to terminate the lease and to re-enter the Premises as if said lease had never been made or issued. This 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.

16. MAINTENANCE AND REPAIRS. LANDLORD will be responsible for the maintenance, repair, and upkeep of the exterior of the Premises. TENANT shall maintain the interior of the Premises and all glass and shall keep the Premises in good order and repair. Reasonable repairs shall be made in a timely manner and if TENANT refuses or neglects to make any repairs required to be made by TENANT, to the reasonable satisfaction of LANDLORD within a reasonable period of time after receipt of written notice of need for such repair from LANDLORD, LANDLORD may make such repairs without liability to TENANT for any loss or damage that may occur to TENANT'S property or business and TENANT shall pay LANDLORD'S costs for making such repairs, including LANDLORD'S administrative costs. Such costs for repairs shall bear interest at the rate of 18% per annum from the tenth day after billing therefor. LANDLORD reserves the right to enter on the Premises at all reasonable times to make such repairs.

17. EXCLUSIVE USE. This Agreement shall in no way convey the exclusive use of any part of the Airport, except the Premises, and shall not be construed as providing any special privilege for any public portion of the Airport. LANDLORD reserves the right to lease to other parties any other portion of the Airport property for any purpose deemed suitable for the Airport by LANDLORD. LANDLORD agrees that it will not grant a future party an exclusive right to provide the services described in this Lease Agreement.

18. FUTURE AGREEMENTS OF THE AIRPORT. The terms and conditions hereof shall not be construed to prevent LANDLORD from making commitments to the Federal Government or to the State of Florida to qualify for the expenditure of State or Federal funds upon the Airport.

19. NOTICES. Whenever any notice is required or permitted by this Agreement to be given, such notice shall be by certified mail or overnight delivery addressed to:

Executive Director
Sebring Airport Authority
128 Authority Lane
Sebring, FL 33870

Notice shall be considered given when deposited with the U.S. Postal Service or commercial carrier, postage prepaid. Each party will be responsible for notifying the other of any change in their address.

20. WAIVER OF BREACH. The waiver by LANDLORD or TENANT of any breach of the terms, covenants, or conditions herein contained shall not be deemed a waiver of any subsequent breach.

21. SEVERABILITY. It is the intention of both of the parties hereto that the provisions of this Lease Agreement shall be severable in respect to a declaration of invalidity of any provisions hereof.

22. ASSIGNS AND SUCCESSORS. Except as otherwise provided, the covenants and conditions herein shall be binding upon and inure to the benefit of the assigns and successors of the parties hereto.

23. LEASE RESTRICTIONS. TENANT hereby agrees to abide by all elements of the Sebring Airport Authority Code of Regulations, the Revised Code for Industrial Wastes and the Minimum Standards for Fixed-Base Operators (attached hereto as Exhibits "B," "C" and "D" respectively and made a part hereof) as the same may be reasonably amended from time to time.

24. CLEANLINESS. TENANT agrees to keep the Premises in a clean and sanitary condition, and to abide by all reasonable safety and fire regulations prescribed by LANDLORD, which are communicated to TENANT in writing. TENANT shall at all times keep and maintain an adequate number of operating charged fire extinguishers in or on the Premises.

25. DANGEROUS ACTIVITIES PROHIBITED. TENANT agrees not to do or allow anything to be done which may injure or endanger persons on or about or adjacent to the Premises. TENANT hereby indemnifies and holds LANDLORD harmless from any claims because of injury to life, person or property by reason or anything done or permitted by TENANT, his agents, employees, guests, or invitees on or about or adjacent to the premises.

26. AIRPORT FACILITIES. The parties understand and agree that the LANDLORD shall continue to maintain, develop, improve, and control all of the areas and facilities of the Airport and Industrial Park as may be from time to time determined by the LANDLORD in its sole discretion. TENANT agrees not to use the Premises in any manner which may interfere with, or become a hazard to aircraft operations. TENANT agrees not to use and to prohibit its employees, guests and invitees from using the Airport aprons, ramps, taxiways, runways or related structures for any non-aviation purpose, including pedestrian and vehicular traffic, without LANDLORD'S written instructions.

27. AIRPORT PRIORITY. This lease is subject and subordinate to the present and future restrictions and regulations imposed by any governmental body or agency applicable to the SEBRING REGIONAL AIRPORT, and further subordinate to existing or future agreements between the LANDLORD and any branch or agency of the Government of the United States of America, or the State of Florida relative to development, operation, and maintenance of the AIRPORT or INDUSTRIAL PARK, (including Federal Aviation grant requirements).

28. RACES. Motor vehicle competitions and events, and the training, practice and preparation therefor, and the testing of trucks, automobiles and all related items comprise a significant and growing industry at the Sebring International Raceway at the Sebring Regional Airport and Industrial Park. This industry has in the past and will in the future result in occasional denial to the TENANT and others to unrestricted access to certain portions of the Sebring Regional Airport and Industrial Park, and may therefore inconvenience TENANT. LANDLORD will render its best efforts to economically alleviate any adverse impact on the TENANT of these activities. Such inconveniences shall not be a default under this Lease. TENANT also acknowledges that the tests, races, events, preparation, clean-up and other track use will produce significant noise which will not be

a default under this Lease. LANDLORD reserves the right to designate the access road or roads to be used by TENANT during these events.

29. AIRPORT PROTECTION. It shall be conditions of this lease that:

- A. LANDLORD reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Property, 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 or taking off from or operating on the airport.
- B. Tenant expressly agrees for itself, its successors and assigns, to restrict the height of objects or natural growth and other obstructions on the Property to such a height so as to comply with Federal Aviation Regulations, Part 77.
- C. LANDLORD expressly agrees for itself, its successor and assigns, to prevent any use of the Property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

30. STATE AND FEDERAL GOVERNMENT. The parties specifically understand and agree that some of the improvements within the Sebring Regional Airport are funded in whole or in part by grants from the Farmer's Home Administration, and other agencies of the State and Federal Government. TENANT agrees to comply with all state and federal laws and rules upon which the grants are conditioned, particularly those pertaining to employment.

31. ENVIRONMENTAL MATTERS. TENANT covenants and agrees to discharge only domestic waste into LANDLORD'S sewer system. TENANT will not allow any hazardous substances including without limitation, any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances and all other materials defined by or regulated under any Environmental Law, including those defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9604 (14), pollutants or contaminants as defined in CERCLA, 42 U.S.C. § 9604 (A) (2), or hazardous waste as defined in the Resources Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6903 (5), or other similar applicable Federal or State Laws or regulations, to be generated, released, stored, or deposited over, beneath, or on the Premises or on any structures located on the Premises from any source whatsoever. TENANT further covenants to hold the LANDLORD harmless from all claims, demands, damages, fines, costs, cleanup, attorney's fees, and court costs arising from TENANT'S discharge (either intentional or accidental) of such matters to the soil, air, water, or waste water treatment facility. LANDLORD hereby agrees to hold TENANT harmless from all claims, demands, damages, fines, costs, cleanup, attorney's fees, and court costs arising from any discharge of such matters occurring prior to the term of this Lease.

32. RADON GAS. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. Pursuant to §404.056(8), Florida Statutes.

33. STORM WATER POLLUTION PREVENTION PLAN. Tenant hereby agrees to abide by all rules and regulations established by Landlord or any state, county, or federal agency in regard to storm water pollution prevention.

34. DEFAULT. The occurrence of one or more of the following is an event of default by TENANT:

- A.** Failure of TENANT to make any payment required by this Lease when due, and the failure continues for three (3) days after written Notice of Default from LANDLORD to TENANT;
- B.** An initial failure of TENANT to comply with any obligation imposed upon TENANT by this Lease, other than the obligation to pay money, within thirty (30) days after written Notice of Default from LANDLORD to TENANT. Should the obligation be such that it cannot reasonably be corrected within thirty (30) days, TENANT shall not be in default so long as TENANT is diligently proceeding to comply and the noncompliance does not continue for over ninety (90) days after Notice of Default. A subsequent failure of TENANT to comply with the same obligation shall be a default without any grace period;
- C.** Proceedings under the Bankruptcy Act for bankruptcy are filed by or against TENANT or any guarantor of TENANT's performance hereunder and not dismissed within thirty (30) days after the filing;
- D.** An assignment of TENANT's property for the benefit of creditors;
- E.** A receiver, conservator, or similar officer is appointed by a court of competent jurisdiction to take charge of all or a substantial part of TENANT's or any guarantor's property, and the officer is not discharged and possession of the property is not restored within thirty (30) days;
- F.** TENANT's interest in the Premises or under this Lease is the subject of taking or levy under execution, attachment, or other process of law and the action is not canceled or discharged within thirty (30) days after its occurrence;
- G.** TENANT defaults under any other lease or agreement with LANDLORD.

35. LANDLORD'S REMEDIES. If any event of default occurs and has not been cured within the time period provided in this Lease, LANDLORD may immediately or at any time thereafter do one or more of the following:

- A.** Remove any of TENANT's personal property from the Premises and store the same elsewhere at TENANT's expense without relieving TENANT from any liability or obligation;
- B.** Make the Premises available to another party without liability to TENANT and without relieving TENANT from any liability or obligation to LANDLORD;
- C.** Bring an action then or thereafter against TENANT to recover the amount of any payment owing by TENANT to LANDLORD as the same is due, becomes due, or accumulates;
- D.** Accelerate the rental to be paid over the entire term of this Lease and bring then or thereafter an action for said rental and all other amounts due and owing by TENANT to LANDLORD;

- E. Terminate this Lease by giving TENANT written notice thereof, without relieving TENANT from any obligation or liability for payments theretofore or thereafter becoming due or any other present or prospective damages or sums due or provided by law or this Lease and resulting from TENANT's default;
- F. Terminate this Lease, relieving TENANT of any liability or obligation for any payments then or thereafter becoming due;
- G. Exercise any combination of the above or any other remedy provided by law.

36. ATTORNEYS' FEES AND COSTS. In any action brought by either party for the enforcement of the obligations of the other party, including appeals, the prevailing party shall be entitled to recover reasonable attorney's fees, paralegal fees, court and other costs, whether incurred before or at trial, on appeal, in bankruptcy or in post judgment collections, from the losing party.

37. AMENDMENT. No amendment, modification, or alteration of the terms hereof shall be binding unless the same is in writing, dated subsequent to the date hereof, and duly executed by each party.

38. TAXES. Any taxes (including, without limitation Highlands County ad valorem real property taxes and Florida sales or use taxes) on this Lease, the lease payments or the Premises shall be the obligation of TENANT. TENANT shall make monthly deposits with LANDLORD, in a non-interest bearing account, of a sum equal to one-twelfth of the yearly taxes and assessments which may be levied against the leased Premises. The amount of such taxes, when unknown, shall be estimated by LANDLORD. Such deposits shall be used by LANDLORD to pay such taxes when due. Any insufficiency of such account to pay such charges when due shall be paid by TENANT to LANDLORD on demand. Should said taxes not be paid by TENANT, they shall be considered unpaid additional rent and failure to pay said taxes shall be considered a default hereunder.

39. UTILITIES AND SERVICES. TENANT is required to use the LANDLORD's water and sewer system. TENANT further agrees to pay when due all charges and expenses for water, sewer services, and fire protection, and all other utilities and services used in connection with the Premises. LANDLORD reserves the right to modify from time-to-time the cost of providing utilities and services (including water, sewage, fire protection). The current water, sewer, and fire protection rates are set out on the "Utility And Service Rates Schedule" attached hereto as Exhibit "E". LANDLORD will not be obligated to pay any charges for any telephone service, gas, electricity, water, or other utility service or commodity procured or consumed by TENANT.

40. SUITABILITY OF PREMISES. The TENANT acknowledges having examined the Premises thoroughly before entering into this Lease, and does not rely upon any representations by the LANDLORD as to the Premises' suitability for the TENANT's purposes.

41. SIGNAGE. All signage on the property must be approved by LANDLORD as to style, location, content and construction before installation, which approval will not be unreasonably withheld. In the event that LANDLORD installs a master sign showing the location of LANDLORD's tenants, TENANT will pay TENANT's prorata share of the cost of maintenance of that sign, based on TENANT's leased area at the Airport and Industrial Park.

42. TIME. Time is of the essence of this agreement.

43. MULTIPLE ORIGINALS. This agreement is executed in multiple copies, each copy of which shall be deemed an original. Recording is strictly prohibited and shall be an event of default.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals.

WITNESSES:

TENANT:

Printed Name: _____

By: _____

(Corporate Seal)

Printed Name: _____

**LANDLORD: SEBRING AIRPORT
AUTHORITY,** a body politic and
corporate of the State of Florida

Printed Name: _____

By: _____

Robert D. Wood, as its Chair

ATTEST:

Printed Name: _____

By: _____

John R. Clark, as its Secretary

(Corporate Seal)

Exhibits Attached:

- A. Map/Real Property Description
- B. Airport Authority Code of Regulations
- C. Revised Code for Industrial Wastes
- D. Minimum Standards for Fixed-Base Operators
- E. Utility and Service Rates Schedule