

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: July 22, 2008

☒ Consent ☐ Regular
☐ Workshop ☐ Public Hearing

Submitted By: Department of Airports

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Ten (10) original Agreements for the Department of Airports.

- A. Agreement to Terminate Hangar Lease Agreement with Charles R. Modica, Unit 12, Building 11220 at North County Airport, terminating R-2004-0025 on 7/31/2008. (JB)
- B. Consent to Sublease for Florida Airmotive, Inc. with A.E.C.O.A., Inc. commencing 6/1/2008. (JB)
- C. Consent to Sublease for Galaxy Aviation of Palm Beach, Inc. with BreeMac Capital Corporation, commencing 6/1/2008. (JB)
- D. Consent to Sublease for Galaxy Aviation of Palm Beach, Inc. with Hibou, LTD, commencing 1/1/2008. (JB)
- E. Consent to Sublease for Galaxy Aviation of Palm Beach, Inc. with Hyperion Air, Inc. commencing on 5/1/2008. (JB)
- F. Consent to Sublease for Galaxy Aviation of Palm Beach, Inc. with Joseph A. Bank Manufacturing Company, Inc. commencing 3/1/2008. (JB)
- G. Federal Aviation Administration Grant Agreement Number 3-12-0060-002-2008 for "Taxiway Rehabilitation and Apron Improvements" at Palm Beach County Glades Airport (Pahokee). (AH)
- H. Federal Aviation Administration Grant Agreement Number 3-12-0113-013-2008 for "Taxiway and Apron Rehabilitation; Airfield Lighting Improvements and Segmented Circle" at North Palm Beach County General Aviation Airport. (AH)
- I. Federal Aviation Administration Grant Agreement Number 3-12-0086-008-2008 for "Airfield Signage Improvements" at Palm Beach County Park Airport (Lantana). (AH)
- J. Federal Aviation Administration Grant Agreement Number 3-12-0085-048-2008 for "Airfield Signage Improvements" at Palm Beach International Airport. (AH)

Summary: Delegation of authority for execution of the standard County agreements above was approved by the BCC in R-93-801, R2004-1367 and R-2006-2086. Countywide

Background and Justification: N/A

Attachments: Ten (10) Standard Agreements for the Department of Airports

Recommended By:


Department Director

6/23/08

Date

Approved By:


County Administrator

6/24/08
Date

**AGREEMENT TO TERMINATE
HANGAR LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
CHARLES R. MODICA**

This Agreement to Terminate (this "Agreement") is made and entered into JUNE 23, 2008 by and between Palm Beach County, a political subdivision of the State of Florida (the "COUNTY"), and Charles R. Modica, residing at 454 South Beach Road, Hobe Sound, Florida, 33455 (the "LESSEE").

WITNESSETH:

WHEREAS, COUNTY, by and through its Department of Airports (the "Department"), owns and operates the North County General Aviation Airport (the "Airport") located in Palm Beach County, Florida; and

WHEREAS, pursuant to that certain Hangar Lease Agreement between COUNTY and LESSEE dated December 12, 2003, (R-2004-0025) (the "Hangar Lease Agreement"), LESSEE leases that certain hangar unit # 12, building 11220 on Airport property; and

WHEREAS, LESSEE has requested to terminate the Hangar Lease Agreement; and

WHEREAS, COUNTY has no objection to the termination of the Hangar Lease Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

1. The recitals set forth above are true and correct and form a part of this Agreement.

2. The parties hereby agree that the Hangar Lease Agreement shall be terminated effective July 31, 2008 (the "Termination Date").

3. COUNTY shall return LESSEE's security deposit within thirty (30) days of the termination date in accordance with Section 6 of the Hangar Lease Agreement.

4. This Agreement shall become effective upon execution by the parties hereto.

(Remainder of page left blank intentionally)

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

PALM BEACH COUNTY, a political
subdivision of the State of Florida
BY ITS DIRECTOR OF AIRPORTS

Witnesses:

Connie Shoffner
Signature

Connie Shoffner
Print Name

Ray Walter
Signature

Ray WALTER
Print Name

By: [Signature]
County Administrator or designee

Witnesses:

LESSEE:

[Signature]
Signature
JACQUELINE ALAIMO
Print Name

Monique Brewster
Signature
Monique Brewster
Print Name

By: [Signature]
Signature
CHARLES MODICA
Print Name

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

By: [Signature]
County Attorney

CONSENT TO SUBLEASE

PALM BEACH COUNTY, a political subdivision of the State of Florida (the "COUNTY") by and through its Department of Airports, under that certain Lease Agreement with **Florida Airmotive, Inc.** (the "LESSEE"), dated **May 13, 1986**, hereby consents to LESSEE entering into a Lease ("Sublease") with **A.E.C.O. A., Inc.** (the "SUBLESSEE"), dated **June 1, 2008**, for the sublease of certain premises contained within the leasehold of LESSEE under the Lease Agreement.

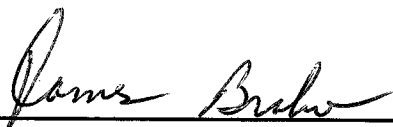
Notwithstanding any provision of the Sublease to the contrary, the COUNTY hereby rejects any such provision in the Sublease, if any, which gives a greater right to the SUBLESSEE than that which the LESSEE has and, further, the COUNTY rejects any provision of the Sublease which purports to give the SUBLESSEE a right or interest in the premises independent of the LESSEE's Lease Agreement with the COUNTY. It is the express intent of the COUNTY in giving its consent that any forfeiture, loss, or termination of the LESSEE's Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Lease Agreement.

It is the COUNTY's intent that the LESSEE shall remain liable to COUNTY for all rights and obligations contained in its Lease Agreement with the COUNTY.

APPROVED this 12 day of June, 2008, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By: 
Director, Department of Airports

**Approved as to Form and Legal
Sufficiency:**

By: 
County Attorney

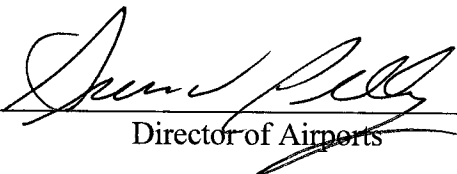
CONSENT TO SUBLEASE

PALM BEACH COUNTY, a political subdivision of the State of Florida, the "COUNTY", by and through its Department of Airports, under that certain Lease Agreement with Galaxy Aviation of Palm Beach, Inc. (the "LESSEE"), dated October 18, 2000 (R-2000-1067), as amended (the "Lease Agreement"), hereby consents to LESSEE entering into a Sublease Agreement dated June 1, 2008 (the "Sublease") with BreeMac Capital Corporation, (the "SUBLESSEE") for the sublease of certain premises contained within the leasehold of LESSEE under the Lease Agreement.

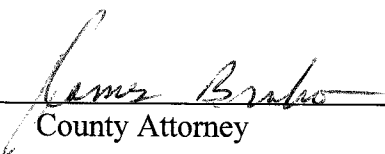
Notwithstanding any provision of the Sublease to the contrary, the COUNTY hereby rejects any such provision in the Sublease, if any, which gives a greater right to the SUBLESSEE than that which the LESSEE has and, further, the COUNTY rejects any provision of the Sublease which purports to give the SUBLESSEE a right or interest in the premises independent of the LESSEE's Lease Agreement with the COUNTY. It is the express intent of the COUNTY in giving its consent that any forfeiture, loss, or termination of the LESSEE's Lease Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Sublease.

It is the COUNTY's intent that the LESSEE shall remain liable to COUNTY for all rights and obligations contained in its Lease Agreement with the COUNTY.

APPROVED this 23 day of JUNE 2008, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By: 
Title: Director of Airports

Approved as to Form and Legal
Sufficiency:

By: 
County Attorney

GALAXY AVIATION

June 5, 2008

Colleen K. Hawkins
Assistant Airport Properties Manager
Palm Beach International Airport
Building 846
West Palm Beach, FL 33406

RE: Consent to Sublease

Dear Colleen:

The attached Sublease is hereby submitted for your approval. The Sublease summary is as follows:

Lessor: Galaxy Aviation of Palm Beach
Lessee: BreeMac Capital Corporation
Leased Area: Hangar space at 3800 Southern Blvd., Hangar 1625
Effective Date: June 1, 2008
Type of Business: Corporate aircraft management
Rights and Uses: Hangar storage

Please advise if you require any additional information at this time. Thank you.

Sincerely,



Tony Sherbert
Operations Manager

GALAXY AVIATION OF PALM BEACH, INC.

3800 Southern Boulevard • West Palm Beach, FL 33406 • 561•683•4121 • Fax 561•697•3120

COMMUNITY HANGAR LEASE AGREEMENT

THIS LEASE is made on the 1 day of June 2008, by and between GALAXY AVIATION OF PALM BEACH, INC. whose address is 3800 Southern Boulevard, West Palm Beach, Florida 33406 ("Landlord") and the below named Tenant ("Tenant").

1. GENERAL INFORMATION

1.01 Tenant's Full Legal Name and Mailing Address

BreeMac Capital Corporation
5715 Corporate Way
W. Palm Beach, Florida 33407

1.02 Type(s) of Aircraft (Make/Model/Color):

Beechcraft KingAir B90

Registration No.: N400RV

TENANT shall be required to get the prior written approval of LANDLORD to store substitute aircraft(s) in the PREMISES. In the event LANDLORD approves such substitution, the rent for the PREMISES will be adjusted by LANDLORD based on the difference in space occupied by such substitute aircraft, if any.

1.03 Premises:

That portion of Hangar Space in LANDLORD's hangar at the Palm Beach International Airport ("Airport") in Palm Beach County, Florida, which Hangar Space shall be adequate to store the Aircraft listed in Paragraph 1.02 ("Premises").

- 1.04 Initial Term (Subject to Par. 3):** The term of this Agreement shall commence on June 1, 2008 and end on May 31, 2009, *subject to termination with 30 days notice if there is a* **★**
- 1.05 Rent During Initial Term:** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith. *NW*

Late Charge and Returned Check Charge: A late charge of five percent (5.0%) of Rent will be assessed on all Rent not received by the 5th of each month. If funds are insufficient for any payments made by check, note or similar instrument, payment will be subject to a \$35.00 reprocessing fee. All sums of money required to be paid by the TENANT to the LANDLORD under this Lease shall bear interest at the highest rate permitted by law from the date same was due until the date same is paid in full.

★ bona fide sale of the aircraft prior to the lease expiration date. NW

NW

ALL LATE CHARGES SHALL BE DEEMED ADDITIONAL RENT.

1.06 **Security Deposit (Subject to Par. 5):** The security deposit to be remitted to LANDLORD by TENANT shall be in the amount stated in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

1.07 **Renewal Terms:** This Lease shall automatically be renewed at the end of the Initial Term for another one year (1) term ("Renewal Term") and thereafter this Lease shall continue to be automatically renewed for subsequent Renewal Terms of one (1) year each ("Subsequent Renewal Terms") unless otherwise terminated in accordance with Paragraph 40 of this Lease. *Renewal to be upon written agreement by Tenant.* NW

1.08 **Operating Expenses (Subject to Par. 17):** LANDLORD shall pay the operating expenses associated with the PREMISES.

1.09 **Permitted Uses (Subject to Par. 21-25):** TENANT shall occupy the PREMISES solely for the storage of TENANT'S Aircraft. No other vehicles shall be stored in the PREMISES.

2. **LEASE.** LANDLORD hereby leases to TENANT, and TENANT hereby leases from LANDLORD the PREMISES described in Paragraph 1.03 in an "AS IS/WHERE IS" condition. BY TENANT'S EXECUTION OF THIS LEASE AGREEMENT, TENANT IS WAIVING ANY AND ALL CLAIMS ARISING FROM THE CONDITION OF THE HANGAR., *so long as there are no existing conditions which will cause damage*

3. **TERM.** The term of this Agreement shall be defined in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith. *to the aircraft.*

4. **RENT CHARGES.** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith. NW

5. **SECURITY DEPOSIT.** TENANT has deposited with LANDLORD the security deposit set forth in Paragraph 1.06. The security deposit will be held by LANDLORD without interest as security for the full and faithful performance by TENANT of its obligations hereunder, which may be co-mingled with other monies of LANDLORD. In the event of default by TENANT, LANDLORD may use all or any part of the security deposit for the payment of any unpaid rent or for any other monies owed by TENANT to LANDLORD. Upon the termination of this Lease, any portion of the security deposit not so used or applied shall be returned to TENANT, provided TENANT faithfully performs its obligations hereunder, by mail within a reasonable time after the termination of this Lease. The security deposits shall not be applied by TENANT toward the last month's rent.

6. **INSURANCE.**

6.01 During the term of this lease TENANT shall keep in force at its expense the following policies: (i) Worker's Compensation Insurance — per statutory coverage as prescribed

by the State where the PREMISES is located; (ii) Employer's Liability Insurance - to a limit of \$1,000,000; (iii) All Risk Hull Insurance on the Aircraft in an amount of the full replacement cost of the Aircraft; (iv) All-Risk Property Insurance coverage commensurate with the value of TENANT's property located on LANDLORD's PREMISES; (v) Comprehensive Aircraft Hull and General Liability Insurance with a combined single limit of not less than \$5,000,000, or as otherwise agreed to by LANDLORD in writing, insuring TENANT's liability against bodily injury to persons, guests, including passengers, or damage to property; and (vi) Automobile Liability Insurance, to a minimum limit of \$1,000,000 per occurrence for all TENANT's owned, non-owned and for-hire vehicles. If TENANT's activities in conjunction with the use of the Hangar Space require vehicle and/or support equipment access to the Airport's Aircraft Operations Area (AOA), TENANT shall further be required to obtain Comprehensive Automobile Liability coverage in an amount not less than \$5,000,000. Such determination shall be made by LANDLORD. LANDLORD and PRIME LESSOR shall be named as an additional insured on all such insurance, excepting only the Worker's Compensation policy, and such insurance shall provide that same may not be canceled or the coverage reduced without at least thirty (30) days written notice to LANDLORD. TENANT shall provide certificates of such insurance prior to the commencement date of this Lease, and subsequently prior to the expiration of the succeeding certificate and at any time upon request by LANDLORD. TENANT shall be required to obtain Workmen's Compensation Insurance as required by law. All policies shall contain waivers of subrogation against the Landlord, its agents or employees.

6.02 Primary Insurance: Consistent with the indemnification provisions of this Lease, TENANT'S insurance policies will respond on a primary basis, with any insurance carried by LANDLORD to be construed as secondary or excess insurance.

7. **TENANT'S LIABILITY NOT LIMITED.** NOTWITHSTANDING THE PROVISIONS OF THE SECTION ABOVE, FOR PURPOSES OF THIS LEASE, TENANT ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF LIABILITY INSURANCE COVERAGE IT MAINTAINS NOR TO THE LIMITS REQUIRED HEREIN.

8. **DISCLAIMER OF LIABILITY.** LANDLORD HEREBY DISCLAIMS, AND TENANT HEREBY RELEASES LANDLORD FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANTS, ITS EMPLOYEES, AGENTS OR INVITEES OR ITS INVITEES' INVITEES DURING THE TERM OF THIS LEASE, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO AIRCRAFT OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY TO AIRCRAFT, OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, IS CAUSED SOLELY BY LANDLORD'S GROSS NEGLIGENCE. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF PREMISES AND/OR OTHER SERVICES PROVIDED UNDER THIS LEASE. THE PARTIES FURTHER AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR DAMAGE TO AIRCRAFT, OR OTHER PROPERTY, OR FOR INJURY AS A RESULT OF A STORM OR HURRICANE, OR PRECAUTIONARY MEASURES ESTABLISHED BY THE LANDLORD. IN THE EVENT OF A

BREACH OR DEFAULT BY LANDLORD OF ANY OF ITS OBLIGATIONS UNDER THIS LEASE, TENANT SHALL LOOK SOLELY TO THE EQUITY OF LANDLORD IN LANDLORD'S LEASEHOLD INTEREST IN THE PREMISES FOR THE SATISFACTION OF TENANT'S REMEDIES. NO OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY PARTNER, MEMBER, SHAREHOLDER, OFFICER OR DIRECTOR THEREOF, SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF TENANT'S REMEDIES UNDER OR WITH RESPECT TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

9. **INDEMNITY-FORCE MAJEURE.** TENANT agrees to release, indemnify, and hold LANDLORD, its officers and employees, harmless from and against any and all liabilities, damages, business interruptions, delays, losses, claims, judgments or any kind whatsoever, including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or charged to LANDLORD, arising from: (i) TENANT'S use of the PREMISES; (ii) by reason of any loss of or damage to any property or injury to or death of any person arising out of or related to this Lease; (iii) or by reason of any breach, violation or non-performance by TENANT or its servants, employees, agents or invitees, or invitees' invitees of any covenant or condition of the Lease or by any act or failure to act of those persons. LANDLORD shall not be liable for its failure to perform this Lease or for any loss, injury, damage or delay of any nature whatsoever resulting there from caused by any Act of God, fire, flood, accident, strike, labor dispute, riot insurrection, war or any other cause beyond LANDLORD'S control, including without limitation acts or omissions to act by TENANT.

9.01. **Hurricane Procedures/Act of God:** It is the express sole obligation and responsibility of TENANT to provide for the safety, security and evacuation of its AIRCRAFT during any approaching storm, hurricane or other weather event. TENANT agrees to comply with and abide by any provisions for storm or hurricane preparedness required by LANDLORD, in LANDLORD's sole discretion, necessary for the safety and security of the Aircraft and/or Airport and/or PREMISES and/or neighboring aircraft and property, if any. TENANT hereby explicitly approves in advance and waives any and all objections to any and all such plans, if any, and further grants LANDLORD the authority to move TENANT's Aircraft within the PREMISES and/or other property under LANDLORD's control at the Airport as LANDLORD deems necessary. LANDLORD shall make a reasonable effort to notify TENANT of LANDLORD's plans prior to taking any action; however, TENANT's approval shall not be required. Notwithstanding the foregoing, LANDLORD shall not be liable for any damages, including without limitation, to TENANT's property or Aircraft as a result of this section.

9.02. **Vendor/Invitee or Invitees' Invitees Indemnification:** As set forth in this Lease, TENANT agrees to fully indemnify and hold LANDLORD harmless from and against any and all liabilities, expenses, damages, claims and losses incurred by LANDLORD, including attorneys' fees and costs, as a result of: (i) the failure by TENANT to perform any covenant required to be performed hereunder; or (ii) any accident, injury or damage that shall happen in or about the PREMISES resulting from any act or omission of TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees; or (iii) any accident, injury or damage that shall happen in or about the PREMISES to TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees. TENANT further shall be solely responsible for notifying all such vendors, invitees, and third parties that LANDLORD has disclaimed such liability and that

TENANT shall be solely liable to same for any such damages.

9.03 In the event that a third party makes a claim alleging facts that, if true, would require TENANT to indemnify under this Section, TENANT shall indemnify against all damages incurred in connection with defending that claim, including amounts paid in settlement, even though the claim is successfully defended in whole or in part and even though the claim is settled prior to a final determination as to the truth of such allegations; provided that LANDLORD may not settle a claim that would result in a claim for indemnification by the TENANT hereunder without the TENANT's prior written consent.

10. **ASSIGNMENT AND SUBLETTING.** TENANT may not assign this Lease or let or sublet the whole or any part of the PREMISES without the prior written consent of LANDLORD which may be withheld in LANDLORD'S sole discretion.

11. **CONDEMNATION.** The parties agree that should the entire PREMISES be taken or condemned by any competent authority for any public or quasi-public use or purpose during the term of this Lease, then this Lease shall terminate as of the date when possession is required for public use, unless LANDLORD, at his option, provides equal suitable space which shall be substituted for the PREMISES. In the event of a partial condemnation which renders the remainder of the PREMISES usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

11.1 **Award.** All damages or compensation awarded or paid for any such taking shall belong to and be the property of LANDLORD without any participation by TENANT, whether such damages or compensation shall be awarded or paid for diminution in value of the leasehold or any interest of LANDLORD in the land, buildings and other improvements, or in the leasehold estate created hereby or under the PRIME LEASE, and TENANT hereby expressly waives and relinquishes all claims to such award or compensation or any part thereof and of the right to participate in any such condemnation or eminent domain proceedings against the owners of any interest in same.

12. **DAMAGE OR DESTRUCTION.** If the PREMISES should be damaged or destroyed by fire or other casualty, TENANT will promptly notify LANDLORD of such casualty. LANDLORD will repair and restore the buildings and improvements (exclusive of improvements installed by TENANT) so damaged or destroyed as nearly as possible to their condition prior to such casualty, limited, however, to the amount of insurance proceeds actually received by LANDLORD. In the meantime, if the PREMISES should be rendered totally unusable due to such casualty, there will be an abatement of rent until the PREMISES are again tenantable, unless such fire or casualty results from the acts or negligence of TENANT, TENANT'S agents or employees, in which event there will be no abatement of rent. The length of the abatement period shall be added to the term of the Lease. In the event LANDLORD does not make the PREMISES useable within ninety (90) days after LANDLORD receives the insurance proceeds in connection with the casualty, or in any event within one hundred eighty (180) days after the date of the casualty, TENANT may terminate this Lease but shall have no other remedies. In the event the damage is partial, and the remaining PREMISES are usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

13. **SURRENDER OF PREMISES.** Upon the expiration or termination of this Lease, TENANT shall surrender the PREMISES to LANDLORD in substantially the same condition as the PREMISES were in at the beginning of this Lease and in good and clean condition, reasonable wear and tear excepted. LANDLORD must be advised at least sixty (60) days in advance of non-renewal of Lease by TENANT or TENANT will be liable for an additional month's rent. Should TENANT remain in possession of the PREMISES after the expiration of the term or earlier termination of this Lease, with or without the consent of LANDLORD, express or implied, such holding over shall, in the absence of a written agreement to the contrary, be deemed to have created and be construed to be a tenancy at sufferance terminable on written notice by either party to the other, at double the rent installments (prorated on a monthly basis) in effect during the lease year immediately preceding the expiration of the term of this Lease, and otherwise subject to all of the other terms, covenants and conditions of this Lease insofar as the same may be applicable to a tenancy at sufferance, without prejudice to any remedy which LANDLORD may have against TENANT for holding over unlawfully, provided, however, that if TENANT holds over with the prior written consent of LANDLORD, the rent installments will not be doubled as hereinabove provided.

14. **ALTERATIONS.**

14.01 TENANT shall not make any alterations, additions or improvements to the exterior or interior of the PREMISES or to any other property of LANDLORD without LANDLORD'S prior written consent, or erect or install any additional improvements, signs and equipment without LANDLORD'S prior written consent, which may be withheld for any reason. It is expressly understood that no signs are to be installed anywhere on the PREMISES without LANDLORD's written prior and explicit consent.

14.02 If any mechanic's or construction lien is recorded against the PREMISES or against TENANT'S leasehold interest in the PREMISES by reason of work, labor, services or materials supplied or claimed to have been supplied to TENANT, TENANT shall, within thirty (30) days after the recording thereof, cause such lien to be discharged or bonded off of record. In any event, neither the PRIME LESSOR'S nor the LANDLORD'S interest in the PREMISES shall be subject to any lien arising out of any work, labor, services or materials supplied or claimed to have been supplied to or for TENANT. TENANT shall never, under any circumstances, have the power to subject the interest of LANDLORD or the PRIME LESSOR in the PREMISES to any mechanics', construction or materialmen's liens or liens of any kind, nor shall any provision contained in this Lease ever be construed as empowering the TENANT to encumber or cause the LANDLORD to encumber the title or interest of LANDLORD in the PREMISES. Any lien filed against the PREMISES in violation of this paragraph shall be null and void and of no force or effect.

15. **MAINTENANCE.** LANDLORD will maintain the structural components of the Hangar, including doors and door mechanisms. No hazardous or flammable materials will be stored within or about the PREMISES. No boxes, crates, rubbish, paper or other litter that could cause or support combustion shall be permitted to accumulate within or about the Hangar. This Lease, at LANDLORD's option, shall be terminated if TENANT willfully or negligently causes damage to LANDLORD'S property, including specifically, but not limited to, any of the following:

15.01 Dumps oil, gas or any harmful liquids or solids anywhere on LANDLORD's

property other than in appropriate disposal containers. In connection therewith, in the event any asphalt is damaged due to the dumping or leaking of any gasoline or oil, then TENANT shall immediately repair same at TENANT's expense within five (5) days after written notice from LANDLORD, or, at LANDLORD's option, LANDLORD shall repair same, in which event TENANT shall reimburse LANDLORD for all of LANDLORD's costs and expenses relating to such repair within five (5) days written demand by LANDLORD.

15.02 Parks cars, trucks, campers, trailers or airplanes on any of the grass areas of LANDLORD'S property or anywhere except designated parking areas for such vehicles.

15.03 It is further expressly understood that no tie-down or parking, or storage of any aircraft is permitted outside of the Hangar overnight unless authorized by LANDLORD. At no time shall TENANT representative leave an aircraft outside of the Hangar or leased PREMISES unattended unless authorized by LANDLORD. Further, no storage of boats, trucks, trailers or mobile homes is permitted in the PREMISES or outside of the Hangar or anywhere on LANDLORD's property. No pets or other animals are allowed on the PREMISES, except for handicap assistance animals and except for the transportation of pets or other animals.

16. **TENANT'S LOSSES.** All personal property of TENANT shall be kept in the PREMISES at TENANT'S sole risk. LANDLORD shall not be liable to TENANT for any damage or injury to TENANT, its employees, agents, guests or invitees, or to any property of TENANT, for any reason whatsoever, including but not limited to the acts, omissions or negligence of LANDLORD or any other TENANT or their employees, agents, guests or invitees, or due to theft, vandalism, or water damage, and TENANT shall hold LANDLORD harmless from any such damage or injury.

17. **OPERATING EXPENSES.** LANDLORD shall pay all operating expenses, including without limitation charges for electricity, water and sewer, and common area maintenance, excluding real estate taxes, consumed on the PREMISES. TENANT shall not install or use any special equipment, which uses extraordinary amounts of electricity without the prior written consent of LANDLORD, which may be withheld in LANDLORD's sole discretion, and the only electricity consumed on the PREMISES shall be for purposes compatible with the existing electrical services and wiring. LANDLORD shall not be liable for any disruption of any of the above-referenced utility or other services, nor shall TENANT be entitled to any reduction or abatement of any RENT or other TENANT payments as a result of any such disruption.

18. **NOTICES.** All notices to be given hereunder shall be in writing and shall be sent by mail to the addresses shown on the front page of this Lease, or to such other address as either party may have furnished by prior written notice sent pursuant hereto. Any notices permitted or required to be given by the terms of this Lease shall be effective upon mailing and shall be deemed sufficient if mailed by United States mail, with proper postage and address affixed thereto.

19. **DEFAULT.** Failure to pay the rent by the fifth (5th) of the month or to cure any other default as soon as reasonably practical and in any event within ten (10) days after written notice by LANDLORD, or commencement of bankruptcy or insolvency proceedings against the TENANT, or if TENANT makes an assignment for the benefit of creditors, or suffers this Lease to be taken under any writ of execution or attachment, or if TENANT vacates or abandons the

PREMISES, then any of such events shall constitute a default hereunder and the LANDLORD shall have the right at its option to terminate TENANT'S possession and to enter the PREMISES and remove all persons and property therefrom forcibly or otherwise, and the TENANT hereby waives any and all notices required by law to terminate TENANT'S tenancy, and waives all legal proceedings to recover possession of the PREMISES and specifically agrees that LANDLORD may dispossess TENANT without institution of any legal proceedings whatsoever. LANDLORD shall in that event post a notice to TENANT at the PREMISES with a three (3) day warning that if the default is not cured the TENANT shall be dispossessed without any further notice or legal action, by LANDLORD. In the event of default hereunder, the LANDLORD may, at its option, enter the PREMISES as the agent of the TENANT and relet the PREMISES as the agent of the TENANT at such price and upon such terms, and for such duration of time, as LANDLORD may determine, and receive the rent and apply the same to the payment of the rent due from TENANT, and the TENANT shall pay any deficiency, but any excess monies shall be the sole property of LANDLORD. TENANT agrees to pay all costs of eviction, collection, and reasonable attorneys' fees, in the event LANDLORD engages the services of an attorney or commences proceedings, in pre-trial, trial, appeal and/or bankruptcy against TENANT. LANDLORD'S remedies hereunder are cumulative and shall be in addition to all legal remedies. Failure to promptly exercise any right in this Lease shall not be deemed a waiver of said right. All personal property of the TENANT on the PREMISES is hereby pledged and assigned to the LANDLORD as security for the payment of the rent, and the LANDLORD'S lien may be enforced by distress foreclosure or otherwise at LANDLORD'S election. TENANT agrees that LANDLORD may enforce this lien when default has occurred by denying TENANT access to the leased PREMISES and/or by seizure of the TENANT'S personal property, and TENANT hereby waives any claims of trespass, damage or loss occasioned by LANDLORD exercising any of the rights set forth herein.

20. **HABITUAL DEFAULT.** Notwithstanding the foregoing, in the event that the TENANT has frequently, regularly or repetitively defaulted in the performance of or breached any of the terms, covenants and conditions required herein to be kept and performed by the TENANT of the same type and kind, in the sole opinion of the LANDLORD and regardless of whether the TENANT has cured each such individual condition of breach or default as provided in this lease hereinabove, the TENANT shall be determined by the LANDLORD to be an "habitual violator." At the time that such determination is made, LANDLORD shall issue to TENANT a written notice advising of such determination and citing the circumstances therefor. Three (3) such notices to TENANT by LANDLORD shall automatically negate any renewal options offered to TENANT pursuant to paragraph 1.07 at the sole discretion of LANDLORD.

21. **USE.** The PREMISES shall be used and occupied by TENANT solely for the purposes set forth in Paragraph 1.09 above and for no other purposes whatsoever without limiting the foregoing. TENANT agrees that LANDLORD may establish and amend from time to time reasonable Rules and Regulations regarding the use, operation and maintenance of the PREMISES and the complex housing same, and TENANT covenants to abide by all such Rules and Regulations that shall be now or hereafter in effect from time to time.

21.01 **Substitution of Hangar Space:** TENANT acknowledges that LANDLORD cannot guarantee that TENANT will have the same Hangar Space as its PREMISES every day. LANDLORD agrees that although it cannot guarantee the same Hangar Space, it shall make reasonable efforts to ensure that the Aircraft(s) are stored in a hangar. LANDLORD, however, shall retain the right to move, park and/or relocate the Aircraft to a new space within a hangar in

the event that LANDLORD, in its sole discretion, determines that such a move is necessary or appropriate.

21.02 **Services Provided:** LANDLORD will provide the service of moving the Aircraft from the PREMISES onto the ramp area, and from the ramp area into the PREMISES. It is expressly agreed that TENANT shall have no right to perform the above services unless TENANT receives written permission from LANDLORD.

22. **COMPLIANCE WITH GOVERNMENTAL AND AIRPORT REGULATIONS.** TENANT shall comply with all statutes, ordinances, rules, regulations and requirements of the federal, state, county or city government departments or bureaus exercising jurisdiction over the leased PREMISES, including FAA regulations and rules and regulations of the applicable airport, and shall comply with all rules and regulations promulgated by LANDLORD of which TENANT is notified; including without limitation rules and procedures established for the safety and security of aircraft, crew and passengers in the event of an approaching storm, whether or not such storm is forecast to or actually reaches hurricane status. The TENANT acknowledges that pursuant to the terms of the PRIME LEASE, the PRIME LANDLORD reserves the right to 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 PREMISES, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for the navigation of or flight in the airspace, and for the use of the airspace for landing on, taking off from or operating within the AIRPORT.

23. **SAFE USE OF PREMISES.** TENANT agrees to make no unlawful, offensive or noxious use of the leased PREMISES. In addition, no explosives, firearms, volatile or flammable chemicals, or any other property which would materially increase the hazard of fire shall be stored on the leased PREMISES.

24. **EXCESS REFUSE.** TENANT shall reimburse LANDLORD for any charges incurred by LANDLORD in removing any excess refuse of TENANT or its guests or invitees, within ten (10) days after written notice by LANDLORD or, at LANDLORD'S option, to be exercised by written notice from LANDLORD to TENANT, TENANT shall procure at TENANT'S expense its own trash or refuse removal services.

25. **SUBORDINATION/ATTORNMEN TO PRIME LEASE AND TO MORTGAGES.**

25.01 **PRIME LEASE.** It is acknowledged that this is a sublease, and that LANDLORD has leased certain property ("PRIME LEASE"), which includes the PREMISES from the governmental authority ("PRIME LESSOR") which owns the Airport in which the PREMISES are located. This Lease shall be subordinate to LANDLORD'S PRIME LEASE and any amendments thereto. TENANT shall be bound by the terms and conditions of LANDLORD'S PRIME LEASE, and shall not do anything which will result in a default by LANDLORD under LANDLORD'S PRIME LEASE, and shall comply with all applicable provisions of LANDLORD'S PRIME LEASE and this lease shall be subject to the approval of the PRIME LESSOR.

25.02 **Mortgages.** This Lease is subject and subordinate to any and all mortgages which may now or hereafter affect the real property of which the PREMISES are located and to all renewals, modifications and extensions thereof. TENANT shall, upon request of LANDLORD, execute within five (5) business days, any subordination documents which

LANDLORD or any mortgagee of the PREMISES may reasonably request, but no such documents shall be required to effectuate said subordination.

25.03 **ATTORNNMENT**. TENANT agrees that in the event of a sale, transfer or assignment of LANDLORD'S interest in the PREMISES, or in the event any proceedings are brought for the foreclosure of or for the exercise of any power of sale under any mortgage made by LANDLORD encumbering the PREMISES, to attorn to and to recognize such transferee, purchaser or mortgagee as the LANDLORD under this LEASE.

26. **CONSTRUCTION OF LEASE**. All the provisions contained herein shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. In the event, at any future time, one or more of the provisions of this Lease shall be held to be void by any court of competent jurisdiction for any reason, such provision shall be deemed to be separable, and the remainder of this Lease shall be valid and in full force and effect.

27. & 28. OMITTED.

29. **TIME OF THE ESSENCE**. Time shall be of the essence in connection with all terms and conditions set forth herein.

30. **FINAL AGREEMENT**. This Lease represents the entire agreement between the parties, and any other statements, conditions, representations or commitments are considered to be merged herein.

31. **SURVIVAL OF COVENANTS**. All portions of this Lease which may by necessity be required to be enforced by either party are enforceable beyond the date of the termination of this Lease.

32. **WAIVER**. The failure of either party to enforce any covenant or other provision of this Lease shall not constitute a waiver of the right to do so thereafter, nor shall the same give rise to any cause of action or defense on the part of the TENANT.

33. **MODIFICATION**. No modification of this Lease will be effective to vary any of the terms or provisions thereof unless the modification is in writing, referencing this Lease, and signed by both parties. A copy of any modification will be given to both parties.

34. **FAA REQUIREMENTS**. TENANT is aware that the Federal Aviation Administration regulates the use of airports. TENANT, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of race, color or natural origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation. LANDLORD is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct in enforcing this non-discrimination covenant. TENANT understands and agrees that the governmental authority owning the airport in which the PREMISES is located has reserved unto itself, its successors and assigns, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of 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 airspace, and for the use of the airspace for landing on, taking off from, or operation of the airport. TENANT expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the PREMISES encompassed by this Lease to such a height so as to comply with Federal Aviation Regulations, Part 77. TENANT 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.

35. **HAZARDOUS WASTE.**

35.01 TENANT agrees that it will comply with all environmental laws, whether local, state or federal, as same may be amended from time to time. Without limiting the foregoing, TENANT agrees that it will (i) give written notice to LANDLORD at least seven (7) days in advance of any production, generation, handling, storage, treatment, transportation, disposal, release or removal of "Hazardous Waste" (as defined below) from or on the PREMISES; (ii) not use or employ the PREMISES or any portion of the Land to handle, transport, store, treat or dispose of any Hazardous Waste, whether or not it was generated or produced on the PREMISES; (iii) defend, indemnify and hold LANDLORD harmless from and against any and all claim, damage, liability, expense or cost of any kind whatsoever, including, but not limited to, attorneys' fees and costs at all tribunal levels, which LANDLORD may suffer, incur or pay resulting from or arising out of any act or omission of TENANT, or TENANT'S Agents, or any other person on the PREMISES under color of authority of TENANT, effecting the handling, storage, treatment, transportation, disposal, release or threat of release, or removal of Hazardous Waste from or on the PREMISES or any portion of the Land. Prior to TENANT producing, storing, and/or generating any Hazardous Waste from or on the PREMISES, TENANT shall obtain (and provide LANDLORD with evidence that it has obtained) environmental liability insurance naming LANDLORD and any mortgagee as additional insured. Such insurance shall be issued by a company with minimum limits of coverage satisfactory to LANDLORD.

35.02 The term "Hazardous Waste" shall include, without limitation, any toxic waste, chemical pollutant, solid waste, combination of solid waste, or similar environmental hazard, which, because of its quantity, concentration, or physical, chemical or infectious characteristics may cause or significantly contribute to (i) an increase in mortality, (ii) an irreversible or incapacitating illness, or (iii) a substantial, present, or potential hazard to human health or the environment, when improperly treated, stored, transported or disposed, or otherwise managed, whether at such time of occurrence, it shall be deemed a violation of any Law.

35.03 It is expressly understood and agreed by TENANT that TENANT shall be fully responsible for the disposal of any and all waste oil consumed, produced and expended by TENANT. TENANT shall contract with an authorized oil disposal company and shall not utilize LANDLORD'S property, tanks or equipment for disposing of any waste oil.

35.04 The obligations of TENANT, as well as the foregoing indemnity in connection with this Paragraph, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

36. **EXCLUSIVE FUELING RIGHTS.** LANDLORD has the exclusive fueling rights for the PREMISES. TENANT agrees to purchase all of its aviation fuel for the aircraft listed in

Paragraph 1.02 from LANDLORD, and from no other source, while operating at the Airport. Under no conditions can any fuel truck(s) other than LANDLORD's be invited or permitted on the PREMISES.

37. OMITTED.

38. **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 the county public health unit.

39. **LITIGATION VENUE/APPLICABLE LAW.** This LEASE shall be governed and construed only in accordance with the laws of the State of Florida. The parties agree that sole and exclusive venue for purposes of any litigation arising out of or related to this LEASE shall be only in Palm Beach County, Florida. The prevailing party in any litigation arising out of or related to this Lease shall be entitled to its reasonably incurred attorneys' fees and costs. In the event of a counter-claim, the prevailing party shall be the party receiving the higher monetary award. TENANT HEREBY VOLUNTARILY WAIVES ITS RIGHT TO TRIAL BY JURY.

40. **RIGHTS OF AND ON TERMINATION.**

40.01 LANDLORD shall have the right to terminate this Lease as follows:

(1) Upon ten (10) days' prior written notice to TENANT in the event of the breach by TENANT of any provision of this Lease, including non-payment of rent, when TENANT shall have failed to comply within twenty (20) days after the giving by LANDLORD to TENANT of a written demand for rent or correction of any other breach by TENANT of one or more provisions of this Lease.

(2) Forthwith by written notice to TENANT in the event of termination for any cause of LANDLORD's PRIME LEASE of the tract upon which PREMISES are situated.

(3) Forthwith by written notice in the event TENANT shall become insolvent, or if bankruptcy proceedings shall be commenced by or against the TENANT, or if a Receiver or Trustee shall be appointed for the TENANT.

(4) Without cause at any time during the initial term or any Renewal Term by giving the TENANT sixty (60) days prior written notice.

40.02 TENANT shall have the right to terminate this Agreement as follows:

(1) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that the use of the Airport for the operations of any aircraft owned by or leased to TENANT and based at the PREMISES or employed by TENANT, shall be prohibited by any competent governmental authority.

(2) By giving ten (10) days' prior written notice of termination to LANDLORD in the event that the whole or any material part of the PREMISES shall be condemned, seized, or appropriated for any reason by any competent governmental authority.

(3) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that TENANT shall effect a bona fide sale of all of its Aircraft based at the Airport and for the servicing or storage of which the PREMISES are employed by TENANT; without option to repurchase; shall lease all of its said aircraft to third parties other than subsidiaries and/or affiliates of TENANT and for a term or terms of one (1) year or more; or shall effect such other disposition as shall constitute a complete alienation of its title to such aircraft, or, in the event that all of TENANT'S aircraft shall be destroyed or damaged to an extent making the repair thereof economically impracticable.

(4) By the giving of sixty (60) days' prior written notice to LANDLORD not later than thirty (30) days after the giving by LANDLORD to TENANT of any notice of an increase, decrease, or change of LANDLORD'S storage rates.

(5) Without cause at the end of the Initial Term or any Renewal Term, if any, by giving LANDLORD written notice sixty (60) days prior to the end of such Term.

40.03 If the TENANT shall fail to remove all of its effects from said PREMISES upon the termination of this Agreement for any cause herein provided, LANDLORD may, at its option, remove the same in any reasonable manner that LANDLORD shall choose, and store said effects without liability to the TENANT for loss or damage thereof, and the TENANT agrees to pay LANDLORD on demand any and all expenses incurred in such removal, including court costs and attorney's fees, and storage charges on such effects for any length of time the same shall be in LANDLORD's possession as determined by a Court of competent jurisdiction, or LANDLORD may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as LANDLORD may obtain and apply the proceeds of such sale to any amount due under this Agreement, from the TENANT to LANDLORD and to the expense incident to the removal and sale of said effects. Any excess proceeds from such sale shall be held by LANDLORD in trust for TENANT for a period of six months, after which, if unclaimed by TENANT any such excess funds, and any interest thereon, shall become the sole and exclusive property of LANDLORD.

[SIGNATURE PAGE FOLLOWS]

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

WITNESSES:

Tony Sherbert
(Name) Tony Sherbert

Mary Binder
(Name) MARY BINDER

(Name) _____

(Name) _____

LANDLORD:

GALAXY AVIATION OF PALM BEACH, INC.

By: Mike Little
President

TENANT:

BREEMAC CAPITAL CORPORATION

By: [Signature], Pres

[Signature]

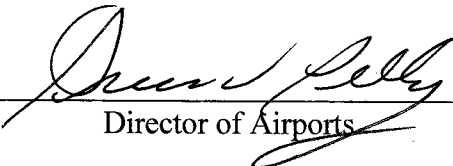
CONSENT TO SUBLEASE

PALM BEACH COUNTY, a political subdivision of the State of Florida, the "COUNTY", by and through its Department of Airports, under that certain Lease Agreement with Galaxy Aviation of Palm Beach, Inc. (the "LESSEE"), dated October 18, 2000 (R-2000-1067), as amended (the "Lease Agreement"), hereby consents to LESSEE entering into a Sublease Agreement dated May 6, 2008 and commencing on January 1, 2008, (the "Sublease") with Hibou, LTD, (the "SUBLESSEE") for the sublease of certain premises contained within the leasehold of LESSEE under the Lease Agreement.

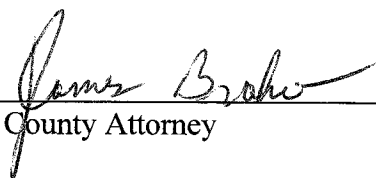
Notwithstanding any provision of the Sublease to the contrary, the COUNTY hereby rejects any such provision in the Sublease, if any, which gives a greater right to the SUBLESSEE than that which the LESSEE has and, further, the COUNTY rejects any provision of the Sublease which purports to give the SUBLESSEE a right or interest in the premises independent of the LESSEE's Lease Agreement with the COUNTY. It is the express intent of the COUNTY in giving its consent that any forfeiture, loss, or termination of the LESSEE's Lease Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Sublease.

It is the COUNTY's intent that the LESSEE shall remain liable to COUNTY for all rights and obligations contained in its Lease Agreement with the COUNTY.

APPROVED this 23 day of June 2008, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By: 
Title: Director of Airports

Approved as to Form and Legal
Sufficiency:

By: 
County Attorney

GALAXY AVIATION

May 12, 2008

Colleen K. Hawkins
Assistant Airport Properties Manager
Palm Beach International Airport
Building 846
West Palm Beach, FL 33406

RE: Consent to Sublease

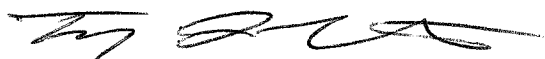
Dear Colleen:

The attached Sublease is hereby submitted for your approval. The Sublease summary is as follows:

Lessor: Galaxy Aviation of Palm Beach
Lessee: Hibou, LTD
Leased Area: Hangar and office space at 3800 Southern Blvd., Hangar 1625 A
Effective Date: January 1, 2008 (executed on May 6, 2008)
Type of Business: Private aircraft management
Rights and Uses: Administrative/hangar space

Please advise if you require any additional information at this time. Thank you.

Sincerely,



Tony Sherbert
Operations Manager

GALAXY AVIATION OF PALM BEACH, INC.

3800 Southern Boulevard • West Palm Beach, FL 33406 • 561•683•4121 • Fax 561•697•3120

OFFICE AND HANGAR LEASE AGREEMENT

THIS LEASE is made on the 6 day of May 2008, by and between GALAXY AVIATION OF PALM BEACH, INC., whose address is 3800 Southern Boulevard, West Palm Beach, Florida 33406 ("Landlord") and the below named Tenant ("Tenant").

1. GENERAL INFORMATION

1.01 Tenant's Full Legal Name and Mailing Address

Hibou, LTD

c/o El Mirador, N-7776

Lyford Cay, Nassau, Bahamas

1.02 Type(s) of Aircraft (Make/Model/Color):

Gulfstream G-550

Registration No.: VP-CIP

TENANT shall be required to get the prior written approval of LANDLORD to store substitute aircraft(s) in the PREMISES. In the event LANDLORD approves such substitution, the rent for the PREMISES will be adjusted by LANDLORD based on the difference in space occupied by such substitute aircraft, if any.

1.03 Premises:

Hangar Space and Office Space in LANDLORD's hangar at the Palm Beach International Airport ("Airport") in Palm Beach County, Florida.

(1) Hangar Space shall be adequate to store the Aircraft listed in Paragraph 1.02 and shall be located in the southeast corner of Hangar "A".

(2) Office Space shall be Suite 210, in Hangar "A".

(The Hangar Space and Office Space shall be collectively known as "Premises").

(3) LANDLORD shall provide TENANT with three (3) covered parking places designated as "VP-CIP" located immediately outside the leases office space.

1.04 Initial Term (Subject to Par. 3): The term of this Agreement shall commence on January 1, 2008 and end on December 31, 2008.

- 1.05 **Rent During Initial Term:** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

Late Charge and Returned Check Charge: A late charge of five percent (5.0%) of Rent will be assessed on all Rent not received by the 5th of each month. If funds are insufficient for any payments made by check, note or similar instrument, payment will be subject to a \$35.00 reprocessing fee. All sums of money required to be paid by the TENANT to the LANDLORD under this Lease shall bear interest at the highest rate permitted by law from the date same was due until the date same is paid in full.

ALL LATE CHARGES SHALL BE DEEMED ADDITIONAL RENT.

- 1.06 **Security Deposit (Subject to Par.5):** TENANT has previously deposited with LANDLORD the security deposit in the amount stated in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

- 1.07 **Renewal Terms:** This Lease shall automatically be renewed at the end of the Initial Term for another one year (1) term ("Renewal Term") and thereafter this Lease shall continue to be automatically renewed for subsequent Renewal Terms of one (1) year each ("Subsequent Renewal Terms") unless otherwise terminated in accordance with Paragraph 40 of this Lease.

- 1.08 **Operating Expenses (Subject to Par. 17):** LANDLORD shall pay the operating expenses associated with the PREMISES.

- 1.09 **Permitted Uses (Subject to Par. 21-25):** TENANT shall occupy the PREMISES solely for the storage of TENANT'S Aircraft and for Office use directly related thereto. No other vehicles shall be stored in the PREMISES. TENANT agrees not to perform any maintenance on the PREMISES, other than preventive maintenance by TENANT of the Aircraft pursuant to Part 43 of the Federal Aviation Regulations, Appendix A.

2. **LEASE.** LANDLORD hereby leases to TENANT, and TENANT hereby leases from LANDLORD the PREMISES described in Paragraph 1.03 in an "AS IS/WHERE IS" condition. BY TENANT'S EXECUTION OF THIS LEASE AGREEMENT, TENANT IS WAIVING ANY AND ALL CLAIMS ARISING FROM THE CONDITION OF THE PREMISES. This Lease and the PREMISES are subject to all matters of public record.

3. **TERM.** The term of this Agreement shall be defined in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

4. **RENT CHARGES.** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

5. **SECURITY DEPOSIT.** TENANT has deposited with LANDLORD the security deposit set forth in Paragraph 1.06. The security deposit will be held by LANDLORD without interest as security for the full and faithful performance by TENANT of its obligations hereunder, which may be co-mingled with other monies of LANDLORD. In the event of default by TENANT, LANDLORD may use all or any part of the security deposit for the payment of any unpaid rent or for any other monies owed by TENANT to LANDLORD. Upon the termination of this Lease, any portion of the security deposit not so used or applied shall be returned to TENANT, provided TENANT faithfully performs its obligations hereunder, by mail within a reasonable time after the termination of this Lease. The security deposits shall not be applied by TENANT toward the last month's rent.

6. **INSURANCE.**

6.01 During the term of this lease TENANT shall keep in force at its expense the following policies: (i) Worker's Compensation Insurance — per statutory coverage as prescribed by the State where the PREMISES is located; (ii) Employer's Liability Insurance - to a limit of \$1,000,000; (iii) All Risk Hull Insurance on the Aircraft in an amount of the full replacement cost of the Aircraft; (iv) All-Risk Property Insurance coverage commensurate with the value of TENANT's property located on LANDLORD's PREMISES; (v) Comprehensive Aircraft Hull and General Liability Insurance with a combined single limit of not less than \$5,000,000, or as otherwise agreed to by LANDLORD in writing, insuring TENANT's liability against bodily injury to persons, guests, including passengers, or damage to property; and (vi) Automobile Liability Insurance, to a minimum limit of \$1,000,000 per occurrence for all TENANT's owned, non-owned and for-hire vehicles. If TENANT's activities in conjunction with the use of the Hangar Space require vehicle and/or support equipment access to the Airport's Aircraft Operations Area (AOA), TENANT shall further be required to obtain Comprehensive Automobile Liability coverage in an amount not less than \$5,000,000. Such determination shall be made by LANDLORD. LANDLORD and PRIME LESSOR shall be named as an additional insured on all such insurance, excepting only the Worker's Compensation policy, and such insurance shall provide that same may not be canceled or the coverage reduced without at least thirty (30) days written notice to LANDLORD. TENANT shall provide certificates of such insurance prior to the commencement date of this Lease, and subsequently prior to the expiration of the succeeding certificate and at any time upon request by LANDLORD. TENANT shall be required to obtain Workmen's Compensation Insurance as required by law. All policies shall contain waivers of subrogation against the Landlord, its agents or employees.

6.02 Primary Insurance: Consistent with the indemnification provisions of this Lease, TENANT'S insurance policies will respond on a primary basis, with any insurance carried by LANDLORD to be construed as secondary or excess insurance.

7. **TENANT'S LIABILITY NOT LIMITED.** NOTWITHSTANDING THE PROVISIONS OF THE SECTION ABOVE, FOR PURPOSES OF THIS LEASE, TENANT ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF LIABILITY INSURANCE COVERAGE IT MAINTAINS NOR TO THE LIMITS REQUIRED HEREIN.

8. **DISCLAIMER OF LIABILITY.** LANDLORD HEREBY DISCLAIMS, AND TENANT HEREBY RELEASES LANDLORD FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANTS, ITS EMPLOYEES, AGENTS OR INVITEES OR ITS INVITEES' INVITEES DURING THE TERM OF THIS LEASE, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO AIRCRAFT OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY TO AIRCRAFT, OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, IS CAUSED SOLELY BY LANDLORD'S GROSS NEGLIGENCE. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF PREMISES AND/OR OTHER SERVICES PROVIDED UNDER THIS LEASE. THE PARTIES FURTHER AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR DAMAGE TO AIRCRAFT, OR OTHER PROPERTY, OR FOR INJURY AS A RESULT OF A STORM OR HURRICANE, OR PRECAUTIONARY MEASURES ESTABLISHED BY THE LANDLORD. IN THE EVENT OF A BREACH OR DEFAULT BY LANDLORD OF ANY OF ITS OBLIGATIONS UNDER THIS LEASE, TENANT SHALL LOOK SOLELY TO THE EQUITY OF LANDLORD IN LANDLORD'S LEASEHOLD INTEREST IN THE PREMISES FOR THE SATISFACTION OF TENANT'S REMEDIES. NO OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY PARTNER, MEMBER, SHAREHOLDER, OFFICER OR DIRECTOR THEREOF, SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF TENANT'S REMEDIES UNDER OR WITH RESPECT TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

9. **INDEMNITY-FORCE MAJEURE.** TENANT agrees to release, indemnify, and hold LANDLORD, its officers and employees, harmless from and against any and all liabilities, damages, business interruptions, delays, losses, claims, judgments or any kind whatsoever, including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or charged to LANDLORD, arising from: (i) TENANT'S use of the PREMISES; (ii) by reason of any loss of or damage to any property or injury to or death of any person arising out of or related to this Lease; (iii) or by reason of any breach, violation or non-performance by TENANT or its servants, employees, agents or invitees, or invitees' invitees of any covenant or condition of the Lease or by any act or failure to act of those persons. LANDLORD shall not be liable for its failure to perform this Lease or for any loss, injury, damage or delay of any nature whatsoever resulting there from caused by any Act of God, fire, flood, accident, strike, labor dispute, riot insurrection, war or any other cause beyond LANDLORD'S control, including without limitation acts or omissions to act by TENANT.

9.01. **Hurricane Procedures/Act of God:** It is the express sole obligation and responsibility of TENANT to provide for the safety, security and evacuation of its AIRCRAFT during any approaching storm, hurricane or other weather event. TENANT agrees to comply with and abide by any provisions for storm or hurricane preparedness required by LANDLORD,

in LANDLORD's sole discretion, necessary for the safety and security of the Aircraft and/or Airport and/or PREMISES and/or neighboring aircraft and property, if any. TENANT hereby explicitly approves in advance and waives any and all objections to any and all such plans, if any, and further grants LANDLORD the authority to move TENANT's Aircraft within the PREMISES and/or other property under LANDLORD's control at the Airport as LANDLORD deems necessary. LANDLORD shall make a reasonable effort to notify TENANT of LANDLORD's plans prior to taking any action; however, TENANT's approval shall not be required. Notwithstanding the foregoing, LANDLORD shall not be liable for any damages, including without limitation, to TENANT's property or Aircraft as a result of this section.

9.02. **Vendor/Invitee or Invitees' Invitees Indemnification:** As set forth in this Lease, TENANT agrees to fully indemnify and hold LANDLORD harmless from and against any and all liabilities, expenses, damages, claims and losses incurred by LANDLORD, including attorneys' fees and costs, as a result of: (i) the failure by TENANT to perform any covenant required to be performed hereunder; or (ii) any accident, injury or damage that shall happen in or about the PREMISES resulting from any act or omission of TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees; or (iii) any accident, injury or damage that shall happen in or about the PREMISES to TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees. TENANT further shall be solely responsible for notifying all such vendors, invitees, and third parties that LANDLORD has disclaimed such liability and that TENANT shall be solely liable to same for any such damages.

9.03 In the event that a third party makes a claim alleging facts that, if true, would require TENANT to indemnify under this Section, TENANT shall indemnify against all damages incurred in connection with defending that claim, including amounts paid in settlement, even though the claim is successfully defended in whole or in part and even though the claim is settled prior to a final determination as to the truth of such allegations: provided that LANDLORD may not settle a claim that would result in a claim for indemnification by the TENANT hereunder without the TENANT's prior written consent.

10. **ASSIGNMENT AND SUBLETTING.** TENANT may not assign this Lease or let or sublet the whole or any part of the PREMISES without the prior written consent of LANDLORD which may be withheld in LANDLORD'S sole discretion.

11. **CONDEMNATION.**

11.01 The parties agree that should the entire PREMISES be taken or condemned by any competent authority for any public or quasi-public use or purpose during the term of this Lease, then this Lease shall terminate as of the date when possession is required for public use, unless LANDLORD, at his option, provides equal suitable space which shall be substituted for the PREMISES. In the event of a partial condemnation which renders the remainder of the PREMISES usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

11.02 **Award.** All damages or compensation awarded or paid for any such taking shall belong to and be the property of LANDLORD without any participation by TENANT, whether such damages or compensation shall be awarded or paid for diminution in value of the leasehold or any

interest of LANDLORD in the land, buildings and other improvements, or in the leasehold estate created hereby or under the PRIME LEASE, and TENANT hereby expressly waives and relinquishes all claims to such award or compensation or any part thereof and of the right to participate in any such condemnation or eminent domain proceedings against the owners of any interest in same.

12. **DAMAGE OR DESTRUCTION.** If the PREMISES should be damaged or destroyed by fire or other casualty, TENANT will promptly notify LANDLORD of such casualty. LANDLORD will repair and restore the buildings and improvements (exclusive of improvements installed by TENANT) so damaged or destroyed as nearly as possible to their condition prior to such casualty, limited, however, to the amount of insurance proceeds actually received by LANDLORD. In the meantime, if the PREMISES should be rendered totally unusable due to such casualty, there will be an abatement of rent until the PREMISES are again tenantable, unless such fire or casualty results from the acts or negligence of TENANT, TENANT'S agents or employees, in which event there will be no abatement of rent. The length of the abatement period shall be added to the term of the Lease. In the event LANDLORD does not make the PREMISES useable within ninety (90) days after LANDLORD receives the insurance proceeds in connection with the casualty, or in any event within one hundred eighty (180) days after the date of the casualty, TENANT may terminate this Lease but shall have no other remedies. In the event the damage is partial, and the remaining PREMISES are usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

13. **SURRENDER OF PREMISES.** Upon the expiration or termination of this Lease, TENANT shall surrender the PREMISES to LANDLORD in substantially the same condition as the PREMISES were in at the beginning of this Lease and in good and clean condition, reasonable wear and tear excepted. LANDLORD must be advised at least sixty (60) days in advance of non-renewal of Lease by TENANT or TENANT will be liable for an additional month's rent. Should TENANT remain in possession of the PREMISES after the expiration of the term or earlier termination of this Lease, with or without the consent of LANDLORD, express or implied, such holding over shall, in the absence of a written agreement to the contrary, be deemed to have created and be construed to be a tenancy at sufferance terminable on written notice by either party to the other, at double the rent installments (prorated on a monthly basis) in effect during the lease year immediately preceding the expiration of the term of this Lease, and otherwise subject to all of the other terms, covenants and conditions of this Lease insofar as the same may be applicable to a tenancy at sufferance, without prejudice to any remedy which LANDLORD may have against TENANT for holding over unlawfully, provided, however, that if TENANT holds over with the prior written consent of LANDLORD, the rent installments will not be doubled as hereinabove provided.

14. **ALTERATIONS.**

14.01 TENANT shall not make any alterations, additions or improvements to the exterior or interior of the PREMISES or to any other property of LANDLORD without LANDLORD'S prior written consent, or erect or install any additional improvements, signs and equipment without LANDLORD'S prior written consent, which may be withheld for any reason. It is expressly understood that no signs are to be installed anywhere on the PREMISES without LANDLORD's written prior and explicit consent.

14.02 If any mechanic's or construction lien is recorded against the PREMISES or against TENANT'S leasehold interest in the PREMISES by reason of work, labor, services or materials supplied or claimed to have been supplied to TENANT, TENANT shall, within thirty (30) days after the recording thereof, cause such lien to be discharged or bonded off of record. In any event, neither the PRIME LESSOR'S nor the LANDLORD'S interest in the PREMISES shall be subject to any lien arising out of any work, labor, services or materials supplied or claimed to have been supplied to or for TENANT. TENANT shall never, under any circumstances, have the power to subject the interest of LANDLORD or the PRIME LESSOR in the PREMISES to any mechanics', construction or materialmen's liens or liens of any kind, nor shall any provision contained in this Lease ever be construed as empowering the TENANT to encumber or cause the LANDLORD to encumber the title or interest of LANDLORD in the PREMISES. Any lien filed against the PREMISES in violation of this paragraph shall be null and void and of no force or effect.

15. **MAINTENANCE.** LANDLORD will maintain the structural components of the Hangar, including doors and door mechanisms. No hazardous or flammable materials will be stored within or about the PREMISES. Notwithstanding the above, TENANT shall be responsible to secure and store hazardous materials which it uses or for which it is otherwise responsible, in accordance with Section 35.01 hereof, in approved storage area, including containment, as per applicable federal, state, local requirements. Any such materials will be stored in a specialized storage area or approved cabinet or container which is designed for that purpose. No boxes, crates, rubbish, paper or other litter that could cause or support combustion shall be permitted to accumulate within or about the Hangar. This Lease, at LANDLORD's option, shall be terminated if TENANT willfully or negligently causes damage to LANDLORD'S property, including specifically, but not limited to, any of the following:

15.01 Dumps oil, gas or any harmful liquids or solids anywhere on LANDLORD's property other than in appropriate disposal containers. In connection therewith, in the event any asphalt is damaged due to the dumping or leaking of any gasoline or oil, then TENANT shall immediately repair same at TENANT's expense within five (5) days after written notice from LANDLORD, or, at LANDLORD's option, LANDLORD shall repair same, in which event TENANT shall reimburse LANDLORD for all of LANDLORD's costs and expenses relating to such repair within five (5) days written demand by LANDLORD.

15.02 Parks cars, trucks, campers, trailers or airplanes on any of the grass areas of LANDLORD'S property or anywhere except designated parking areas for such vehicles.

15.03 It is further expressly understood that no tie-down or parking, or storage of any aircraft is permitted outside of the Hangar overnight unless authorized by LANDLORD. At no time shall TENANT representative leave an aircraft outside of the Hangar or leased PREMISES unattended unless authorized by LANDLORD. Further, no storage of boats, trucks, trailers or mobile homes is permitted in the PREMISES or outside of the Hangar or anywhere on LANDLORD's property. No pets or other animals are allowed on the PREMISES, except for handicap assistance animals and except for the transportation of pets or other animals.

16. **TENANT'S LOSSES.** All personal property of TENANT shall be kept in the PREMISES at TENANT'S sole risk. LANDLORD shall not be liable to TENANT for any damage

or injury to TENANT, its employees, agents, guests or invitees, or to any property of TENANT, for any reason whatsoever, including but not limited to the acts, omissions or negligence of LANDLORD or any other TENANT or their employees, agents, guests or invitees, or due to theft, vandalism, or water damage, and TENANT shall hold LANDLORD harmless from any such damage or injury.

17. **OPERATING EXPENSES.** LANDLORD shall pay all operating expenses, including without limitation charges for electricity, water and sewer, real estate taxes, and common area maintenance consumed on the PREMISES. TENANT shall not install or use any special equipment, which uses extraordinary amounts of electricity without the prior written consent of LANDLORD, which may be withheld in LANDLORD's sole discretion, and the only electricity consumed on the PREMISES shall be for purposes compatible with the existing electrical services and wiring. LANDLORD shall not be liable for any disruption of any of the above-referenced utility or other services, nor shall TENANT be entitled to any reduction or abatement of any RENT or other TENANT payments as a result of any such disruption.

18. **NOTICES.** All notices to be given hereunder shall be in writing and shall be sent by mail to the addresses shown on the front page of this Lease, or to such other address as either party may have furnished by prior written notice sent pursuant hereto. Any notices permitted or required to be given by the terms of this Lease shall be effective upon mailing and shall be deemed sufficient if mailed by United States mail, with proper postage and address affixed thereto.

19. **DEFAULT.** Failure to pay the rent by the fifth (5th) of the month or to cure any other default as soon as reasonably practical and in any event within ten (10) days after written notice by LANDLORD, or commencement of bankruptcy or insolvency proceedings against the TENANT, or if TENANT makes an assignment for the benefit of creditors, or suffers this Lease to be taken under any writ of execution or attachment, or if TENANT vacates or abandons the PREMISES, then any of such events shall constitute a default hereunder and the LANDLORD shall have the right at its option to terminate TENANT'S possession and to enter the PREMISES and remove all persons and property therefrom forcibly or otherwise, and the TENANT hereby waives any and all notices required by law to terminate TENANT'S tenancy, and waives all legal proceedings to recover possession of the PREMISES and specifically agrees that LANDLORD may dispossess TENANT without institution of any legal proceedings whatsoever. LANDLORD shall in that event post a notice to TENANT at the PREMISES with a three (3) day warning that if the default is not cured the TENANT shall be dispossessed without any further notice or legal action by LANDLORD. In the event of default hereunder, the LANDLORD may, at its option, enter the PREMISES as the agent of the TENANT and relet the PREMISES as the agent of the TENANT at such price and upon such terms, and for such duration of time, as LANDLORD may determine, and receive the rent and apply the same to the payment of the rent due from TENANT, and the TENANT shall pay any deficiency, but any excess monies shall be the sole property of LANDLORD. TENANT agrees to pay all costs of eviction, collection, and reasonable attorneys' fees, in the event LANDLORD engages the services of an attorney or commences proceedings, in pre-trial, trial, appeal and/or bankruptcy against TENANT. LANDLORD'S remedies hereunder are cumulative and shall be in addition to all legal remedies. Failure to promptly exercise any right in this Lease shall not be deemed a waiver of said right. All personal property of the TENANT on the PREMISES is hereby pledged and assigned to the LANDLORD as security for the payment of the rent, and the LANDLORD'S lien may be enforced

by distress foreclosure or otherwise at LANDLORD'S election. TENANT agrees that LANDLORD may enforce this lien when default has occurred by denying TENANT access to the leased PREMISES and/or by seizure of the TENANT'S personal property, and TENANT hereby waives any claims of trespass, damage or loss occasioned by LANDLORD exercising any of the rights set forth herein.

20. **HABITUAL DEFAULT.** Notwithstanding the foregoing, in the event that the TENANT has frequently, regularly or repetitively defaulted in the performance of or breached any of the terms, covenants and conditions required herein to be kept and performed by the TENANT of the same type and kind, in the sole opinion of the LANDLORD and regardless of whether the TENANT has cured each such individual condition of breach or default as provided in this lease hereinabove, the TENANT shall be determined by the LANDLORD to be an "habitual violator." At the time that such determination is made, LANDLORD shall issue to TENANT a written notice advising of such determination and citing the circumstances therefor. Three (3) such notices to TENANT by LANDLORD shall automatically negate any renewal options offered to TENANT pursuant to paragraph 1.07 at the sole discretion of LANDLORD.

21. **USE.** The PREMISES shall be used and occupied by TENANT solely for the purposes set forth in Paragraph 1.09 above and for no other purposes whatsoever without limiting the foregoing. TENANT agrees that LANDLORD may establish and amend from time to time reasonable Rules and Regulations regarding the use, operation and maintenance of the PREMISES and the complex housing same, and TENANT covenants to abide by all such Rules and Regulations that shall be now or hereafter in effect from time to time.

21.01 **Substitution of Hangar Space:** LANDLORD shall retain the right to temporarily move, park and/or relocate the Aircraft to a new space within a hangar in the event that LANDLORD, in its sole discretion, determines that such a move is necessary or appropriate.

21.02 **Services Provided:** LANDLORD will provide the service of moving the Aircraft from the PREMISES onto the ramp area, and from the ramp area into the PREMISES, on demand, with a response time not to exceed two (2) hours and routine aircraft lavatory and potable water service at no charge. It is expressly agreed that TENANT shall have no right to perform the above services unless TENANT receives written permission from LANDLORD. LANDLORD shall maintain a minimum of five (5) feet separation between TENANT'S aircraft and other aircraft parked within the hangar at all times. Storage space for Tenant's support equipment shall consist of two (2) areas of approximately 25 feet by 5 feet, located between the hangar support columns and adjacent to the aircraft parking area. TENANT has the right to secure its own aircraft detailing vendor, however the vendor must be approved by LANDLORD and shall be subject to LANDLORD'S and/or Airport security procedures, and shall provide evidence of appropriate licensing and insurance(s). TENANT shall indemnify LANDLORD in accordance with Section 9.02 hereof.

22. **COMPLIANCE WITH GOVERNMENTAL AND AIRPORT REGULATIONS.**

22.01 TENANT shall comply with all statutes, ordinances, rules, regulations and requirements of the federal, state, county or city government departments or bureaus exercising jurisdiction over the leased PREMISES, including FAA regulations and rules and regulations of the applicable airport, and shall comply with all rules and regulations promulgated by LANDLORD of which TENANT is notified; including without limitation rules and procedures established for the safety and security of aircraft, crew and passengers in the event of an

approaching storm, whether or not such storm is forecast to or actually reaches hurricane status. The TENANT acknowledges that pursuant to the terms of the PRIME LEASE, the PRIME LANDLORD reserves the right to 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 PREMISES, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for the navigation of or flight in the airspace, and for the use of the airspace for landing on, taking off from or operating within the AIRPORT.

22.02 The TENANT 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 Administration Regulations, Part 77, as same may be amended from time to time. TENANT 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.

23. **SAFE USE OF PREMISES.** LANDLORD at its expense shall provide and keep in good working order "ABC type" fire extinguishers on the PREMISES. TENANT agrees to make no unlawful, offensive or noxious use of the leased PREMISES. In addition, no explosives, volatile or flammable chemicals, or any other property which would materially increase the hazard of fire shall be stored on the leased PREMISES. TENANT may store chemicals used in the ordinary care of its Aircraft provided such chemicals are properly stored and do not materially increase the hazard of fire. In addition, TENANT shall not perform any aircraft fuel transferring, welding, torch cutting, torch soldering, doping, within the PREMISES pursuant to applicable NFPA guidelines. **Painting is strictly prohibited.** TENANT shall be solely responsible for any and all fire inspection and/or other safety related inspection fees.

24. **EXCESS REFUSE.** TENANT shall reimburse LANDLORD for any charges incurred by LANDLORD in removing any excess refuse of TENANT or its guests or invitees, within ten (10) days after written notice by LANDLORD or, at LANDLORD'S option, to be exercised by written notice from LANDLORD to TENANT, TENANT shall procure at TENANT'S expense its own trash or refuse removal services.

25. **SUBORDINATION/ATTORNMEN TO PRIME LEASE AND TO MORTGAGES.**

25.01 **PRIME LEASE.** It is acknowledged that this is a sublease, and that LANDLORD has leased certain property ("PRIME LEASE"), which includes the PREMISES from the governmental authority ("PRIME LESSOR") which owns the Airport in which the PREMISES are located. This Lease shall be subordinate to LANDLORD'S PRIME LEASE and any amendments thereto. TENANT shall be bound by the terms and conditions of LANDLORD'S PRIME LEASE, and shall not do anything which will result in a default by LANDLORD under LANDLORD'S PRIME LEASE, and shall comply with all applicable provisions of LANDLORD'S PRIME LEASE and this lease shall be subject to the approval of the PRIME LESSOR.

25.02 **Mortgages.** This Lease is subject and subordinate to any and all mortgages which may now or hereafter affect the real property of which the PREMISES are located and to all renewals, modifications and extensions thereof. TENANT shall, upon request of LANDLORD, execute within five (5) business days, any subordination documents which LANDLORD or any mortgagee of the PREMISES may reasonably request, but no such

documents shall be required to effectuate said subordination.

25.03 **ATTORNMEN**T. TENANT agrees that in the event of a sale, transfer or assignment of LANDLORD'S interest in the PREMISES, or in the event any proceedings are brought for the foreclosure of or for the exercise of any power of sale under any mortgage made by LANDLORD encumbering the PREMISES, to attorn to and to recognize such transferee, purchaser or mortgagee as the LANDLORD under this LEASE.

26. **CONSTRUCTION OF LEASE**. All the provisions contained herein shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. In the event, at any future time, one or more of the provisions of this Lease shall be held to be void by any court of competent jurisdiction for any reason, such provision shall be deemed to be separable, and the remainder of this Lease shall be valid and in full force and effect.

27. **LANDLORD'S RIGHT TO ENTER PREMISES**. LANDLORD reserves the right to enter the PREMISES, without liability to TENANT, for routine inspections or for other purposes relating to the maintenance of the building in which the PREMISES is located, or, for any emergency or potentially hazardous conditions that may arise. LANDLORD shall use its best efforts to notify TENANT prior to its entry to the PREMISES for any reason other than for an emergency or for potentially hazardous conditions that may arise. If LANDLORD is not provided a key for the PREMISES and LANDLORD desires to enter the PREMISES, LANDLORD shall have the right to remove any lock installed by TENANT, and if LANDLORD replaces such lock, TENANT shall pay LANDLORD's cost of same. LANDLORD shall also have the right to exhibit the Premises upon reasonable notice of not less than twenty-four (24) hours to LANDLORD's lenders, and if within ninety (90) days of the end of a Term, to prospective tenants.

28. **TAXES**.

28.01 TENANT shall be responsible for all real estate taxes, if any, and for assessments and special assessments charged by any governmental authority against the PREMISES (as to the land and/or the improvements contained thereon from time to time) during the TERM, if any. In the event any taxes are required to be paid by applicable law in lieu of real estate taxes, then TENANT shall be responsible for paying same to LANDLORD in the same manner as provided herein as to real estate taxes. Such real estate taxes and assessments shall be due and payable by TENANT to LANDLORD within 10 days after written demand by LANDLORD, which demand will include a copy of the then current real estate tax bill or assessment. The amount of taxes payable by TENANT shall be prorated as to the first and last years of this Lease based upon the number of days during the respective calendar years in which this Lease is in effect. To the extent that this Lease terminates or expires prior to the time that the tax bill has been issued for that applicable calendar year, the parties will prorate the taxes as of the expiration or termination date based upon the prior year's tax bill, which will be subject to reparation upon receipt of the actual tax bill for such year. This paragraph will survive the expiration or termination of this Lease.

28.02 Notwithstanding the preceding subparagraph, in the event that TENANT disputes any of the real estate taxes levied against the PREMISES, the LANDLORD shall permit TENANT to place in an escrow account to be held with a law firm mutually agreed upon by LANDLORD and TENANT, both acting reasonably, the amount of the taxes in dispute whereupon the TENANT

may appeal any such assessment of taxes. LANDLORD shall cooperate with TENANT in so prosecuting such appeal provided same is done at no cost or expense to LANDLORD. In the event that TENANT wins any such appeal, then TENANT shall be permitted to immediately receive that portion of the funds being held in escrow which are the difference between the amount of the money escrowed and the adjusted amount of the taxes then due and owing. In the event TENANT is not successful in its appeal, then TENANT shall forthwith pay out of escrow all taxes then assessed plus any interest or penalties levied by the authorities thereon. Notwithstanding the foregoing, in the event that the holder of any mortgage encumbering the PRIME LEASE or this LEASE requires that the taxes be paid to the governmental authorities as a condition to proceeding with any such appeal, then TENANT shall be required to comply with such requirement in lieu of paying the escrowed funds to a law firm as provided in this Paragraph.

In the event TENANT is successful in any appeal and any refund is paid by the governmental authority in connection therewith, TENANT shall be entitled to receive such refund.

28.03 **Personal Property Taxes.** TENANT shall pay, prior to delinquency, all taxes assessed or levied upon its business operation, and upon its leasehold interest, trade fixtures, furnishings, equipment, and personal property of any kind owned, installed or used by TENANT in, on or upon the PREMISES, and all alterations, changes and additions thereto, including all leasehold intangible taxes assessed against the LEASE or the PREMISES.

28.04. **Sales Tax.** TENANT shall pay to LANDLORD, simultaneously with each TENANT PAYMENT, all applicable state and/or local sales, use or excise taxes required by law to be paid in connection with each TENANT PAYMENT.

29. **TIME OF THE ESSENCE.** Time shall be of the essence in connection with all terms and conditions set forth herein.

30. **FINAL AGREEMENT.** This Lease represents the entire agreement between the parties, and any other statements, conditions, representations or commitments are considered to be merged herein.

31. **SURVIVAL OF COVENANTS.** All portions of this Lease which may by necessity be required to be enforced by either party are enforceable beyond the date of the termination of this Lease.

32. **WAIVER.** The failure of either party to enforce any covenant or other provision of this Lease shall not constitute a waiver of the right to do so thereafter, nor shall the same give rise to any cause of action or defense on the part of the TENANT.

33. **MODIFICATION.** No modification of this Lease will be effective to vary any of the terms or provisions thereof unless the modification is in writing, referencing this Lease, and signed by both parties. A copy of any modification will be given to both parties.

34. **FAA REQUIREMENTS.** TENANT is aware that the Federal Aviation Administration regulates the use of airports. TENANT, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of race, color or natural origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation. LANDLORD is

hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct in enforcing this non-discrimination covenant. TENANT understands and agrees that the governmental authority owning the airport in which the PREMISES is located has reserved unto itself, its successors and assigns, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of 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 airspace, and for the use of the airspace for landing on, taking off from, or operation of the airport. TENANT expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the PREMISES encompassed by this Lease to such a height so as to comply with Federal Aviation Regulations, Part 77. TENANT 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.

35. **HAZARDOUS WASTE.**

35.01 TENANT agrees that it will comply with all environmental laws, whether local, state or federal, as same may be amended from time to time. Without limiting the foregoing, TENANT agrees that it will (i) give written notice to LANDLORD at least seven (7) days in advance of any production, generation, handling, storage, treatment, transportation, disposal, release or removal of "Hazardous Waste" (as defined below) from or on the PREMISES; (ii) not use or employ the PREMISES or any portion of the Land to handle, transport, store, treat or dispose of any Hazardous Waste, whether or not it was generated or produced on the PREMISES, except those materials used by TENANT in the ordinary course of the preventative maintenance of the Aircraft by TENANT pursuant to Part 43 of FAA Regulations, Appendix "A", which materials shall not exceed 50 gallons and which shall be handled, stored and disposed of in compliance with all federal, state and local laws pertaining thereto; (iii) defend, indemnify and hold LANDLORD harmless from and against any and all claim, damage, liability, expense or cost of any kind whatsoever, including, but not limited to, attorneys' fees and costs at all tribunal levels, which LANDLORD may suffer, incur or pay resulting from or arising out of any act or omission of TENANT, or TENANT'S Agents, or any other person on the PREMISES under color of authority of TENANT, effecting the handling, storage, treatment, transportation, disposal, release or threat of release, or removal of Hazardous Waste from or on the PREMISES or any portion of the Land. Prior to TENANT producing, storing, and/or generating any Hazardous Waste from or on the PREMISES, TENANT shall obtain (and provide LANDLORD with evidence that it has obtained) environmental liability insurance naming LANDLORD and any mortgagee as additional insured. Such insurance shall be issued by a company with minimum limits of coverage satisfactory to LANDLORD.

35.02 The term "Hazardous Waste" shall include, without limitation, any toxic waste, chemical pollutant, solid waste, combination of solid waste, or similar environmental hazard, which, because of its quantity, concentration, or physical, chemical or infectious characteristics may cause or significantly contribute to (i) an increase in mortality, (ii) an irreversible or incapacitating illness, or (iii) a substantial, present, or potential hazard to human health or the environment, when improperly treated, stored, transported or disposed, or otherwise managed, whether at such time of occurrence, it shall be deemed a violation of any Law.

35.03 TENANT shall be responsible to secure and store hazardous materials which it uses or for which it is otherwise responsible, in accordance with Section 35.01 hereof, in approved storage area, including containment, as per applicable federal, state, local requirements. Any such materials will be stored in a specialized storage area or approved cabinet or container which is designed for that purpose. It is expressly understood and agreed by TENANT that TENANT shall be fully responsible for the disposal of any and all waste oil consumed, produced and expended by TENANT. TENANT shall contract with an authorized oil disposal company or shall utilize LANDLORD'S tanks for disposing of any waste oil.

35.04 The obligations of TENANT, as well as the foregoing indemnity in connection with this Paragraph, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

36. **EXCLUSIVE FUELING RIGHTS.** LANDLORD has the exclusive fueling rights for the PREMISES. TENANT agrees to purchase all of its aviation fuel for the aircraft listed in Paragraph 1.02 from LANDLORD, and from no other source, while operating at the Airport. Under no conditions can any fuel truck(s) other than LANDLORD's be invited or permitted on the PREMISES. During each lease year for the term of this Lease, TENANT shall be required to purchase a minimum amount of Jet-A fuel from LANDLORD, in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith. Only Jet-A fuel purchased by TENANT for the aircraft listed in Section 1.02 hereof shall be applied toward the minimum purchase requirement of TENANT.

37. **NO WAIVER.** No waiver of any breach of any covenant or condition or agreement of this lease shall be construed or operate as a waiver of subsequent or prior adherence to or performance of the covenant, condition or agreement of this Lease or any future or continuing breach thereof.

38. **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 the county public health unit.

39. **LITIGATION VENUE/APPLICABLE LAW.** This LEASE shall be governed and construed only in accordance with the laws of the State of Florida. The parties agree that sole and exclusive venue for purposes of any litigation arising out of or related to this LEASE shall be only in Palm Beach County, Florida. The prevailing party in any litigation arising out of or related to this Lease shall be entitled to its reasonably incurred attorneys' fees and costs. In the event of a counter-claim, the prevailing party shall be the party receiving the higher monetary award. TENANT HEREBY VOLUNTARILY WAIVES ITS RIGHT TO TRIAL BY JURY.

40. **RIGHTS OF AND ON TERMINATION.**

40.01 LANDLORD shall have the right to terminate this Lease as follows:

(1) Upon ten (10) days' prior written notice to TENANT in the event of the breach by TENANT of any provision of this Lease, including non-payment of rent, when TENANT shall have failed to comply within twenty (20) days after the

giving by LANDLORD to TENANT of a written demand for rent or correction of any other breach by TENANT of one or more provisions of this Lease.

(2) Forthwith by written notice to TENANT in the event of termination for any cause of LANDLORD's PRIME LEASE of the tract upon which PREMISES are situated.

(3) Forthwith by written notice in the event TENANT shall become insolvent, or if bankruptcy proceedings shall be commenced by or against the TENANT, or if a Receiver or Trustee shall be appointed for the TENANT.

(4) Without cause at any time during the initial term or any Renewal Term by giving the TENANT sixty (60) days prior written notice.

40.02 TENANT shall have the right to terminate this Agreement as follows:

(1) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that the use of the Airport for the operations of any aircraft owned by or leased to TENANT and based at the PREMISES or employed by TENANT, shall be prohibited by any competent governmental authority.

(2) By giving ten (10) days' prior written notice of termination to LANDLORD in the event that the whole or any material part of the PREMISES shall be condemned, seized, or appropriated for any reason by any competent governmental authority.

(3) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that TENANT shall effect a bona fide sale of all of its Aircraft based at the Airport and for the servicing or storage of which the PREMISES are employed by TENANT; without option to repurchase; shall lease all of its said aircraft to third parties other than subsidiaries and/or affiliates of TENANT and for a term or terms of one (1) year or more; or shall effect such other disposition as shall constitute a complete alienation of its title to such aircraft, or, in the event that all of TENANT'S aircraft shall be destroyed or damaged to an extent making the repair thereof economically impracticable.

(4) By the giving of sixty (60) days' prior written notice to LANDLORD not later than thirty (30) days after the giving by LANDLORD to TENANT of any notice of an increase, decrease, or change of LANDLORD'S storage rates.

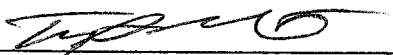
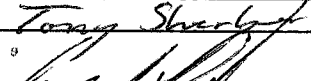
(5) Without cause at the end of the Initial Term or any Renewal Term, if any, by giving LANDLORD written notice sixty (60) days prior to the end of such Term.

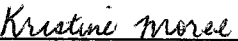
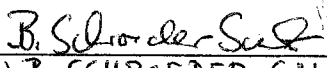
(6) By giving notice to LANDLORD in the event that electricity to the PREMISES is interrupted for a period exceeding 30 consecutive days.

40.03 If the TENANT shall fail to remove all of its effects from said PREMISES upon the termination of this Agreement for any cause herein provided, LANDLORD may, at its option, remove the same in any reasonable manner that LANDLORD shall choose, and store said effects without liability to the TENANT for loss or damage thereof, and the TENANT agrees to pay LANDLORD on demand any and all expenses incurred in such removal, including court costs and attorney's fees, and storage charges on such effects for any length of time the same shall be in LANDLORD's possession as determined by a Court of competent jurisdiction, or LANDLORD may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as LANDLORD may obtain and apply the proceeds of such sale to any amount due under this Agreement, from the TENANT to LANDLORD and to the expense incident to the removal and sale of said effects. Any excess proceeds from such sale shall be held by LANDLORD in trust for TENANT for a period of six months, after which, if unclaimed by TENANT any such excess funds, and any interest thereon, shall become the sole and exclusive property of LANDLORD.

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

WITNESSES:


(Name) Tony Sherly

(Name) Larry R. Lay


(Name) KRISTINE MOREE

(Name) B. SCHROEDER-SMITH

LANDLORD:

GALAXY AVIATION OF PALM BEACH, INC.

By: 
President

TENANT:

HIBOU, LTD

By: 

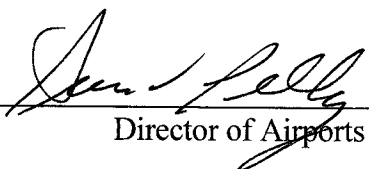
CONSENT TO SUBLEASE

PALM BEACH COUNTY, a political subdivision of the State of Florida, the "COUNTY", by and through its Department of Airports, under that certain Lease Agreement with Galaxy Aviation of Palm Beach, Inc. (the "LESSEE"), dated October 18, 2000 (R-2000-1067), as amended (the "Lease Agreement"), hereby consents to LESSEE entering into a Sublease Agreement dated May 9, 2008 and commencing on May 1, 2008, (the "Sublease") with Hyperion Air, Inc., (the "SUBLESSEE") for the sublease of certain premises contained within the leasehold of LESSEE under the Lease Agreement.

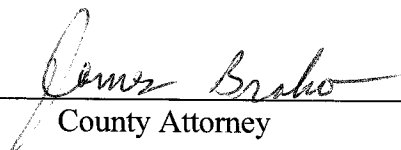
Notwithstanding any provision of the Sublease to the contrary, the COUNTY hereby rejects any such provision in the Sublease, if any, which gives a greater right to the SUBLESSEE than that which the LESSEE has and, further, the COUNTY rejects any provision of the Sublease which purports to give the SUBLESSEE a right or interest in the premises independent of the LESSEE's Lease Agreement with the COUNTY. It is the express intent of the COUNTY in giving its consent that any forfeiture, loss, or termination of the LESSEE's Lease Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Sublease.

It is the COUNTY's intent that the LESSEE shall remain liable to COUNTY for all rights and obligations contained in its Lease Agreement with the COUNTY.

APPROVED this 23 day of JUNE 2008, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By: 
Title: Director of Airports

Approved as to Form and Legal
Sufficiency:

By: 
County Attorney

GALAXY AVIATION

May 12, 2008

Colleen K. Hawkins
Assistant Airport Properties Manager
Palm Beach International Airport
Building 846
West Palm Beach, FL 33406

RE: Consent to Sublease

Dear Colleen:

The attached Sublease is hereby submitted for your approval. The Sublease summary is as follows:

Lessor: Galaxy Aviation of Palm Beach
Lessee: Hyperion Air, Inc.
Leased Area: Office space at 3800 Southern Blvd., Hangar 1625 A
Effective Date: May 1, 2008
Type of Business: Private aircraft management
Rights and Uses: Administrative

Please advise if you require any additional information at this time. Thank you.

Sincerely,



Tony Sherbert
Operations Manager

GALAXY AVIATION OF PALM BEACH, INC.

3800 Southern Boulevard • West Palm Beach, FL 33406 • 561•683•4121 • Fax 561•697•3120



OFFICE LEASE AGREEMENT

THIS LEASE is made on the 9 day of May 2008, by and between GALAXY AVIATION OF PALM BEACH, INC. whose address is 3800 Southern Boulevard, West Palm Beach, Florida 33406 ("Landlord") and the below named Tenant ("Tenant").

1. GENERAL INFORMATION

1.01 **Tenant's Full Legal Name and Mailing Address:**

Hyperion Air, Inc.

3800 Southern Boulevard, Suite 204

W. Palm Beach, Florida 33406

1.02 Omitted.

1.03 **Premises:** That portion of Office Space in LANDLORD'S Terminal Building at the Palm Beach International Airport ("Airport") in Palm Beach County, Florida more particularly described as Suite # 204 ("Premises").

1.04 **Initial Term (Subject to Par. 3):** The term of this Agreement shall be for one (1) year commencing on May 1, 2008 and ending on April 30, 2009.

1.05 **Rent During Initial Term:** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

Late Charge and Returned Check Charge: A late charge, the greater of ten (10%) percent of Rent will be assessed on all Rent not received by the 5th of each month. If funds are insufficient for any payments made by check, note or similar instrument, payment will be subject to a \$35.00 reprocessing fee. All sums of money required to be paid by the TENANT to the LANDLORD under this Lease shall bear interest at the highest rate permitted by law from the date same was due until the date same is paid in full.

ALL LATE CHARGES SHALL BE DEEMED ADDITIONAL RENT.

1.06 **Security Deposit (Subject to Par. 5):** The security deposit to be remitted to LANDLORD by TENANT shall be in the amount stated in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

1.07 **Renewal Terms:** Lease shall automatically be renewed at the end of the Initial Term for another one year (1) term ("Renewal Term") and thereafter this Lease shall continue to be automatically renewed for subsequent

Renewal Terms of one (1) year each ("Subsequent Renewal Terms") unless otherwise terminated in accordance with Paragraph 15 of this Lease.

1.08 **Operating Expenses (Subject to Par. 17):** LANDLORD shall pay the operating expenses associated with the PREMISES.

1.09 **Permitted Uses (Subject to Par. 21-25):** TENANT shall occupy the PREMISES for Part 91 Aircraft Management.

2. **LEASE.** LANDLORD hereby leases to TENANT, and TENANT hereby leases from LANDLORD the PREMISES described in Paragraph 1.03 in an "AS IS/WHERE IS" condition, under the terms and conditions set forth herein. BY TENANT'S EXECUTION OF THIS LEASE AGREEMENT, TENANT IS WAIVING ANY AND ALL CLAIMS ARISING FROM THE CONDITION OF THE PREMISES.

3. **TERM.** The term of this Agreement shall be defined in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

4. **RENT CHARGES.** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

5. **SECURITY DEPOSIT.** TENANT has deposited with LANDLORD the security deposit set forth in Paragraph 1.06. The security deposit will be held by LANDLORD without interest as security for the full and faithful performance by TENANT of its obligations hereunder, which may be co-mingled with other monies of LANDLORD. In the event of default by TENANT, LANDLORD may use all or any part of the security deposit for the payment of any unpaid rent or for any other monies owed by TENANT to LANDLORD. Upon the termination of this Lease, any portion of the security deposit not so used or applied shall be returned to TENANT, provided TENANT faithfully performs its obligations hereunder, by mail within a reasonable time after the termination of this Lease. The security deposits shall not be applied by TENANT toward the last month's rent.

6. **INSURANCE.**

6.01 During the term of this lease TENANT shall keep in force at its expense the following policies: (i) Worker's Compensation Insurance — per statutory coverage as prescribed by the State where the PREMISES is located; (ii) Employer's Liability Insurance - to a limit of \$1,000,000; (iii) All Risk Hull Insurance on the Aircraft in an amount of the full replacement cost of the Aircraft; (iv) All-Risk Property Insurance coverage commensurate with the value of TENANT's property located on LANDLORD's PREMISES; (v) Comprehensive Aircraft Hull and General Liability Insurance with a combined single limit of not less than \$5,000,000, or as otherwise agreed to by LANDLORD in writing, insuring TENANT's liability against bodily injury to persons, guests, including passengers, or damage to property.; and (vi) Automobile Liability Insurance, to a minimum limit of \$1,000,000 per occurrence for all TENANT's owned, non-owned and for-hire vehicles. If TENANT's activities in conjunction with the use of the Hangar Space require vehicle and/or support equipment access to the Airport's Aircraft Operations Area (AOA), TENANT shall further be required to obtain Comprehensive Automobile Liability

coverage in an amount not less than \$5,000,000. Such determination shall be made by LANDLORD. LANDLORD and PRIME LESSOR shall be named as an additional insured on all such insurance, excepting only the Worker's Compensation policy, and such insurance shall provide that same may not be canceled or the coverage reduced without at least thirty (30) days written notice to LANDLORD. TENANT shall provide certificates of such insurance prior to the commencement date of this Lease, and subsequently prior to the expiration of the succeeding certificate and at any time upon request by LANDLORD. TENANT shall be required to obtain Workmen's Compensation Insurance as required by law. All policies shall contain waivers of subrogation against the Landlord, its agents or employees.

6.02 Primary Insurance: Consistent with the indemnification provisions of this Lease, TENANT'S insurance policies will respond on a primary basis, with any insurance carried by LANDLORD to be construed as secondary or excess insurance.

7. **TENANT'S LIABILITY NOT LIMITED.** NOTWITHSTANDING THE PROVISIONS OF THE SECTION ABOVE, FOR PURPOSES OF THIS LEASE, TENANT ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF LIABILITY INSURANCE COVERAGE IT MAINTAINS NOR TO THE LIMITS REQUIRED HEREIN.

8. **DISCLAIMER OF LIABILITY.** LANDLORD HEREBY DISCLAIMS, AND TENANT HEREBY RELEASES LANDLORD FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANTS, ITS EMPLOYEES, AGENTS OR INVITEES OR ITS INVITEES' INVITEES DURING THE TERM OF THIS LEASE, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY TO PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, IS CAUSED SOLELY BY LANDLORD'S GROSS NEGLIGENCE. THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF PREMISES AND/OR OTHER SERVICES PROVIDED UNDER THIS LEASE. THE PARTIES FURTHER AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR DAMAGE TO PROPERTY, OR FOR INJURY AS A RESULT OF A STORM OR HURRICANE, OR PRECAUTIONARY MEASURES ESTABLISHED BY THE LANDLORD. IN THE EVENT OF A BREACH OR DEFAULT BY LANDLORD OF ANY OF ITS OBLIGATIONS UNDER THIS LEASE, TENANT SHALL LOOK SOLELY TO THE EQUITY OF LANDLORD IN LANDLORD'S LEASEHOLD INTEREST IN THE PREMISES FOR THE SATISFACTION OF TENANT'S REMEDIES. NO OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY PARTNER, MEMBER, SHAREHOLDER, OFFICER OR DIRECTOR THEREOF, SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF TENANT'S REMEDIES UNDER OR WITH RESPECT TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

9. **INDEMNITY-FORCE MAJEURE** TENANT agrees to release, indemnify, and hold LANDLORD, its officers and employees, harmless from and against any and all liabilities,

damages, business interruptions, delays, losses, claims, judgments or any kind whatsoever, including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or charged to LANDLORD, arising from: (i) TENANT'S use of the PREMISES; (ii) by reason of any loss of or damage to any property or injury to or death of any person arising out of or related to this Lease; (iii) or by reason of any breach, violation or non-performance by TENANT or its servants, employees, agents or invitees, or invitees' invitees of any covenant or condition of the Lease or by any act or failure to act of those persons. LANDLORD shall not be liable for its failure to perform this Lease or for any loss, injury, damage or delay of any nature whatsoever resulting therefrom caused by any Act of God, fire, flood, accident, strike, labor dispute, riot insurrection, war or any other cause beyond LANDLORD'S control, including without limitation acts or omissions to act by TENANT.

9.01. OMITTED.

9.02. **Vendor/Invitee or Invitees' Invitees Indemnification:** As set forth in this Lease, TENANT agrees to fully indemnify and hold LANDLORD harmless from and against any and all liabilities, expenses, damages, claims and losses incurred by LANDLORD, including attorneys' fees and costs, as a result of: (i) the failure by TENANT to perform any covenant required to be performed hereunder; or (ii) any accident, injury or damage that shall happen in or about the PREMISES resulting from any act or omission of TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees; or (iii) any accident, injury or damage that shall happen in or about the PREMISES to TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees. TENANT further shall be solely responsible for notifying all such vendors, invitees, and third parties that LANDLORD has disclaimed such liability and that TENANT shall be solely liable to same for any such damages.

9.03 In the event that a third party makes a claim alleging facts that, if true, would require TENANT to indemnify under this Section, TENANT shall indemnify against all damages incurred in connection with defending that claim, including amounts paid in settlement, even though the claim is successfully defended in whole or in part and even though the claim is settled prior to a final determination as to the truth of such allegations: provided that LANDLORD may not settle a claim that would result in a claim for indemnification by the TENANT hereunder without the TENANT's prior written consent.

10. **ASSIGNMENT AND SUBLETTING.** TENANT may not assign this Lease or let or sublet the whole or any part of the PREMISES without the prior written consent of LANDLORD which may be withheld in LANDLORD'S sole discretion.

11. **CONDEMNATION.**

11.01 The parties agree that should the entire PREMISES be taken or condemned by any competent authority for any public or quasi-public use or purpose during the term of this Lease, then this Lease shall terminate as of the date when possession is required for public use, unless LANDLORD, at his option, provides equal suitable space which shall be substituted for the PREMISES. In the event of a partial condemnation which renders the remainder of the PREMISES usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

11.02 **Award**. All damages or compensation awarded or paid for any such taking shall belong to and be the property of LANDLORD without any participation by TENANT, whether such damages or compensation shall be awarded or paid for diminution in value of the leasehold or any interest of LANDLORD in the land, buildings and other improvements, or in the leasehold estate created hereby or under the PRIME LEASE, and TENANT hereby expressly waives and relinquishes all claims to such award or compensation or any part thereof and of the right to participate in any such condemnation or eminent domain proceedings against the owners of any interest in same, provided, however, that nothing herein contained shall be construed to preclude TENANT from prosecuting any claim directly against the condemning or taking authority, but not against LANDLORD, for the value of or damages to and/or for the cost of removal of TENANT'S movable trade fixtures and other personal property which under the terms of this LEASE would remain TENANT'S property upon the expiration of the TERM, as may be recoverable by TENANT in TENANT'S own right, provided further, that no such claim shall diminish or otherwise adversely affect LANDLORD'S award. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions of this paragraph.

12. **DAMAGE OR DESTRUCTION**. If the PREMISES should be damaged or destroyed by fire or other casualty, TENANT will promptly notify LANDLORD of such casualty. LANDLORD will repair and restore the buildings and improvements (exclusive of improvements installed by TENANT) so damaged or destroyed as nearly as possible to their condition prior to such casualty, limited, however, to the amount of insurance proceeds actually received by LANDLORD. In the meantime, if the PREMISES should be rendered totally unusable due to such casualty, there will be an abatement of rent until the PREMISES are again tenantable, unless such fire or casualty results from the acts or negligence of TENANT, TENANT'S agents or employees, in which event there will be no abatement of rent. The length of the abatement period shall be added to the term of the Lease. In the event LANDLORD does not make the PREMISES useable within ninety (90) days after LANDLORD receives the insurance proceeds in connection with the casualty, or in any event within one hundred eighty (180) days after the date of the casualty, TENANT may terminate this Lease but shall have no other remedies. In the event the damage is partial, and the remaining PREMISES are usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

13. **SURRENDER OF PREMISES**. Upon the expiration or termination of this Lease, TENANT shall surrender the PREMISES to LANDLORD in substantially the same condition as the PREMISES were in at the beginning of this Lease and in good and clean condition, reasonable wear and tear excepted. LANDLORD must be advised at least sixty (60) days in advance of non-renewal of Lease by TENANT or TENANT will be liable for an additional month's rent. Should TENANT remain in possession of the PREMISES after the expiration of the term or earlier termination of this Lease, with or without the consent of LANDLORD, express or implied, such holding over shall, in the absence of a written agreement to the contrary, be deemed to have created and be construed to be a tenancy at sufferance terminable on written notice by either party to the other, at double the rent installments (prorated on a monthly basis) in effect during the lease year immediately preceding the expiration of the term of this Lease, and otherwise subject to all of the other terms, covenants and conditions of this Lease insofar as the same may be applicable to a tenancy at sufferance, without prejudice to any remedy which LANDLORD may have against TENANT for holding over unlawfully, provided, however,

that if TENANT holds over with the prior written consent of LANDLORD, the rent installments will not be doubled as hereinabove provided.

14. **ALTERATIONS.**

14.01 TENANT shall not make any alterations, additions or improvements to the exterior or interior of the PREMISES or to any other property of LANDLORD without LANDLORD'S prior written consent, or erect or install any additional improvements, signs and equipment without LANDLORD'S prior written consent, which may be withheld for any reason. It is expressly understood that no signs are to be installed anywhere on the PREMISES without LANDLORD's written prior and explicit consent.

14.02 Should any governing authority demand removal of any alterations, said removal will be at TENANT'S sole expense and responsibility. TENANT holds LANDLORD harmless, and indemnifies LANDLORD from any responsibility as a result of improvements made to the PREMISES by TENANT.

14.03 If any mechanic's or construction lien is recorded against the PREMISES or against TENANT'S leasehold interest in the PREMISES by reason of work, labor, services or materials supplied or claimed to have been supplied to TENANT, TENANT shall, within thirty (30) days after the recording thereof, cause such lien to be discharged or bonded off of record. In any event, neither the PRIME LESSOR'S nor the LANDLORD'S interest in the PREMISES shall be subject to any lien arising out of any work, labor, services or materials supplied or claimed to have been supplied to or for TENANT. TENANT shall never, under any circumstances, have the power to subject the interest of LANDLORD or the PRIME LESSOR in the PREMISES to any mechanics', construction or materialmen's liens or liens of any kind, nor shall any provision contained in this Lease ever be construed as empowering the TENANT to encumber or cause the LANDLORD to encumber the title or interest of LANDLORD in the PREMISES. Any lien filed against the PREMISES in violation of this paragraph shall be null and void and of no force or effect.

15. **RIGHTS OF AND ON TERMINATION.**

15.01 LANDLORD shall have the right to terminate this Lease as follows:

(1) Upon ten (10) days' prior written notice to TENANT in the event of the breach by TENANT of any provision of this Lease, including non-payment of rent, when TENANT shall have failed to comply within twenty (20) days after the giving by LANDLORD to TENANT of a written demand for rent or correction of any other breach by TENANT of one or more provisions of this Lease.

(2) Forthwith by written notice to TENANT in the event of termination for any cause of LANDLORD's PRIME LEASE of the tract upon which PREMISES are situated.

(3) Forthwith by written notice in the event TENANT shall become insolvent, or if bankruptcy proceedings shall be commenced by or against the TENANT, or if a Receiver or Trustee shall be appointed for the TENANT.

(4) Without cause at any time during the initial term or any Renewal Term by

giving the TENANT sixty (60) days prior written notice.

15.02 TENANT shall have the right to terminate this Agreement as follows:

(1) By giving of thirty (30) days' prior written notice of termination to LANDLORD in the event that the use of the Airport for the operations of any aircraft owned by or leased to TENANT and based at the PREMISES or employed by TENANT, shall be prohibited by any competent governmental authority.

(2) By giving ten (10) days' prior written notice of termination to LANDLORD in the event that the whole or any material part of the PREMISES shall be condemned, seized, or appropriated for any reason by any competent governmental authority.

(3) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that TENANT shall effect a bona fide sale of all of its Aircraft based at the Airport and for the servicing or storage of which the PREMISES are employed by TENANT; without option to repurchase; shall lease all of its said aircraft to third parties other than subsidiaries and/or affiliates of TENANT and for a term or terms of one (1) year or more; or shall effect such other disposition as shall constitute a complete alienation of its title to such aircraft, or, in the event that all of TENANT'S aircraft shall be destroyed or damaged to an extent making the repair thereof economically impracticable.

(4) By the giving of sixty (60) days' prior written notice to LANDLORD not later than thirty (30) days after the giving by LANDLORD to TENANT of any notice of an increase, decrease, or change of LANDLORD'S storage rates.

(5) Without cause at the end of the Initial Term or any Renewal Term, if any, by giving LANDLORD written notice sixty (60) days prior to the end of such Term.

15.03 If the TENANT shall fail to remove all of its effects from said PREMISES upon the termination of this Agreement for any cause herein provided, LANDLORD may, at its option, remove the same in any reasonable manner that LANDLORD shall choose, and store said effects without liability to the TENANT for loss or damage thereof, and the TENANT agrees to pay LANDLORD on demand any and all expenses incurred in such removal, including court costs and attorney's fees, and storage charges on such effects for any length of time the same shall be in LANDLORD's possession as determined by a Court of competent jurisdiction, or LANDLORD may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as LANDLORD may obtain and apply the proceeds of such sale to any amount due under this Agreement, from the TENANT to LANDLORD and to the expense incident to the removal and sale of said effects. Any excess proceeds from such sale shall be held by LANDLORD in trust for TENANT for a period of six months, after which, if unclaimed by TENANT any such excess funds, and any interest thereon, shall become the sole and exclusive property of LANDLORD.

15.04 This Lease, at LANDLORD's option, shall be terminated if TENANT willfully or negligently causes damage to LANDLORD'S property, including specifically, but not limited to, any of the following:

(1) Paints or otherwise covers the internal or external walls floor or ceiling of the PREMISES without LANDLORD'S prior written consent;

(2) Dumps oil, gas or any harmful liquids or solids anywhere on LANDLORD's property other than in appropriate disposal containers. In connection therewith, in the event any asphalt is damaged due to the dumping or leaking of any gasoline or oil, then TENANT shall immediately repair same at TENANT's expense within five (5) days after written notice from LANDLORD, or, at LANDLORD's option, LANDLORD shall repair same, in which event TENANT shall reimburse LANDLORD for all of LANDLORD's costs and expenses relating to such repair within five (5) days written demand by LANDLORD;

(3) Parks cars anywhere except designated parking areas for such vehicles. Further, no storage of boats, trucks, trailers or mobile homes is permitted anywhere on LANDLORD's property. No pets or other animals are allowed on the property except as utilized as handicap assistance animals or for the transportation of pets or other animals.

16. **TENANT'S LOSSES.** All personal property of TENANT shall be kept in the PREMISES at TENANT'S sole risk. LANDLORD shall not be liable to TENANT for any damage or injury to TENANT, its employees, agents, guests or invitees, or to any property of TENANT, for any reason whatsoever, including but not limited to the acts, omissions or negligence of LANDLORD or any other TENANT or their employees, agents, guests or invitees, or due to theft, vandalism, or water damage, and TENANT shall hold LANDLORD harmless from any such damage or injury.

17. **OPERATING EXPENSES.** LANDLORD shall pay for operating expenses associated with the PREMISES, including without limitation charges for electricity, water and sewer, and common area maintenance, excluding real estate taxes, consumed on the PREMISES. TENANT shall not install or use any special equipment, which uses extraordinary amounts of electricity without the prior written consent of LANDLORD, which may be withheld in LANDLORD's sole discretion, and the only electricity consumed on the PREMISES shall be for purposes compatible with the existing electrical services and wiring. LANDLORD shall not be liable for any disruption of any of the above-referenced utility or other services, nor shall TENANT be entitled to any reduction or abatement of any RENT or other TENANT payments as a result of any such disruption.

18. **NOTICES.** All notices to be given hereunder shall be in writing and shall be sent by mail to the addresses shown on the front page of this Lease, or to such other address as either party may have furnished by prior written notice sent pursuant hereto. Any notices permitted or required to be given by the terms of this Lease shall be effective upon mailing and shall be deemed sufficient if mailed by United States mail, with proper postage and address affixed thereto.

19. **DEFAULT.** Failure to pay the rent by the fifth (5th) of the month or to cure any other default as soon as reasonably practical and in any event within ten (10) days after written notice by LANDLORD, or commencement of bankruptcy or insolvency proceedings against the TENANT, or if TENANT makes an assignment for the benefit of creditors, or suffers this Lease to be taken under any writ of execution or attachment, or if TENANT vacates or abandons the PREMISES, then any of such events shall constitute a default hereunder and the LANDLORD

shall have the right at its option to terminate TENANT'S possession and to enter the PREMISES and remove all persons and property therefrom forcibly or otherwise, and the TENANT hereby waives any and all notices required by law to terminate TENANT'S tenancy, and waives all legal proceedings to recover possession of the PREMISES and specifically agrees that LANDLORD may dispossess TENANT without institution of any legal proceedings whatsoever. LANDLORD shall in that event post a notice to TENANT at the PREMISES with a three (3) day warning that if the default is not cured the TENANT shall be dispossessed without any further notice or legal action by LANDLORD. In the event of default hereunder, the LANDLORD may, at its option, enter the PREMISES as the agent of the TENANT and relet the PREMISES as the agent of the TENANT at such price and upon such terms, and for such duration of time, as LANDLORD may determine, and receive the rent and apply the same to the payment of the rent due from TENANT, and the TENANT shall pay any deficiency, but any excess monies shall be the sole property of LANDLORD. TENANT agrees to pay all costs of eviction, collection, and reasonable attorneys' fees, in the event LANDLORD engages the services of an attorney or commences proceedings, in pre-trial, trial, appeal and/or bankruptcy against TENANT. LANDLORD'S remedies hereunder are cumulative and shall be in addition to all legal remedies. Failure to promptly exercise any right in this Lease shall not be deemed a waiver of said right. All personal property of the TENANT on the PREMISES is hereby pledged and assigned to the LANDLORD as security for the payment of the rent, and the LANDLORD'S lien may be enforced by distress foreclosure or otherwise at LANDLORD'S election. TENANT agrees that LANDLORD may enforce this lien when default has occurred by denying TENANT access to the leased PREMISES and/or by seizure of the TENANT'S personal property, and TENANT hereby waives any claims of trespass, damage or loss occasioned by LANDLORD exercising any of the rights set forth herein.

20. **HABITUAL DEFAULT.** Notwithstanding the foregoing, in the event that the TENANT has frequently, regularly or repetitively defaulted in the performance of or breached any of the terms, covenants and conditions required herein to be kept and performed by the TENANT of the same type and kind, in the sole opinion of the LANDLORD and regardless of whether the TENANT has cured each such individual condition of breach or default as provided in this lease hereinabove, the TENANT shall be determined by the LANDLORD to be an "habitual violator." At the time that such determination is made, LANDLORD shall issue to TENANT a written notice advising of such determination and citing the circumstances therefor. Three (3) such notices to TENANT by LANDLORD shall automatically negate any renewal options offered to TENANT pursuant to paragraph 1.07 at the sole discretion of LANDLORD.

21. **USE.** The PREMISES shall be used and occupied by TENANT solely for the purposes set forth in Paragraph 1.09 above and for no other purposes whatsoever without limiting the foregoing. Under no circumstances shall the PREMISES be used for any Fixed Base Operation or Aviation Fuel service. TENANT represents and covenants that substantially all of the functions at the office space which comprises the PREMISES will be directly related to the day to day operations at the airport facility and/or directly related to aviation. TENANT agrees that LANDLORD may establish and amend from time to time reasonable Rules and Regulations regarding the use, operation and maintenance of the PREMISES, and TENANT covenants to abide by all such Rules and Regulations that shall be now or hereafter in effect from time to time.

22. **COMPLIANCE WITH GOVERNMENTAL AND AIRPORT REGULATIONS.** TENANT shall comply with all statutes, ordinances, rules, regulations and requirements of the federal, state, county or city government departments or bureaus exercising jurisdiction over the

leased PREMISES, including FAA regulations and rules and regulations of the applicable airport, and shall comply with all rules and regulations promulgated by LANDLORD of which TENANT is notified; including without limitation rules and procedures established for the safety and security of aircraft, crew and passengers in the event of an approaching storm, whether or not such storm is forecast to or actually reaches hurricane status. The TENANT acknowledges that pursuant to the terms of the PRIME LEASE, the PRIME LANDLORD reserves the right to 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 PREMISES, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for the navigation of or flight in the airspace, and for the use of the airspace for landing on, taking off from or operating within the AIRPORT.

23. **SAFE USE OF PREMISES.** TENANT at its expense shall provide and keep in good working order fire extinguishers on the PREMISES which must be an "ABC-type" or other type acceptable to LANDLORD. TENANT agrees to make no unlawful, offensive or noxious use of the leased PREMISES. In addition, no explosives, firearms, volatile or flammable chemicals, or any other property which would materially increase the hazard of fire shall be stored on the leased PREMISES.

24. **EXCESS REFUSE.** TENANT shall reimburse LANDLORD for any charges incurred by LANDLORD in removing any excess refuse of TENANT or its guests or invitees, within ten (10) days after written notice by LANDLORD or, at LANDLORD'S option, to be exercised by written notice from LANDLORD to TENANT, TENANT shall procure at TENANT'S expense its own trash or refuse removal services.

25. **SUBORDINATION/ATTORNMEN TO PRIME LEASE AND TO MORTGAGES.**

25.01 **Prime Lease.** It is acknowledged that this is a sublease, and that LANDLORD has leased certain property ("Prime Lease"), which includes the PREMISES from the governmental authority ("Prime Lessor") which owns the Airport in which the PREMISES are located. This Lease shall be subordinate to the PRIME LEASE and any amendments thereto. TENANT shall be bound by the terms and conditions of the PRIME LEASE, and shall not do anything which will result in a default by LANDLORD under the PRIME LEASE, and shall comply with all applicable provisions of the PRIME LEASE and this Lease shall be subject to the approval of the PRIME LESSOR.

25.02 **Mortgages.** This Lease is subject and subordinate to any and all mortgages which may now or hereafter affect the real property of which the PREMISES are located and to all renewals, modifications and extensions thereof. TENANT shall, upon request of LANDLORD, execute within five (5) business days, any subordination documents which LANDLORD or any mortgagee of the PREMISES may reasonably request, but no such documents shall be required to effectuate said subordination.

25.03 **ATTORNMEN.** TENANT agrees that in the event of a sale, transfer or assignment of LANDLORD'S interest in the PREMISES, or in the event any proceedings are brought for the foreclosure of or for the exercise of any power of sale under any mortgage made by LANDLORD encumbering the PREMISES, to attorn to and to recognize such transferee, purchaser or mortgagee as the LANDLORD under this LEASE.

26. **CONSTRUCTION OF LEASE.** All the provisions contained herein shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. In the event, at any future time, one or more of the provisions of this Lease shall be held to be void by any court of competent jurisdiction for any reason, such provision shall be deemed to be separable, and the remainder of this Lease shall be valid and in full force and effect.

27. **LANDLORD'S RIGHT TO ENTER PREMISES.** LANDLORD reserves the right to enter the PREMISES, without liability to TENANT, for routine inspections or for other purposes relating to the maintenance of the building in which the PREMISES is located, or, for any emergency or potentially hazardous conditions that may arise. If LANDLORD is not provided a key for the PREMISES and LANDLORD desires to enter the PREMISES, LANDLORD shall have the right to remove any lock installed by TENANT, and if LANDLORD replaces such lock, TENANT shall pay LANDLORD's cost of same. LANDLORD shall also have the right to exhibit the PREMISES upon reasonable notice of not less than twenty-four (24) hours to TENANT, and if within ninety (90) days of the end of a Term, to prospective tenants.

28. **TAXES.**

28.01 TENANT shall be responsible for all real estate taxes, if any, and for assessments and special assessments charged by any governmental authority against the PREMISES (as to the land and/or the improvements contained thereon from time to time) during the TERM, if any. In the event any taxes are required to be paid by applicable law in lieu of real estate taxes, then TENANT shall be responsible for paying same to LANDLORD in the same manner as provided herein as to real estate taxes. Such real estate taxes and assessments shall be due and payable by TENANT to LANDLORD within 10 days after written demand by LANDLORD, which demand will include a copy of the then current real estate tax bill or assessment. The amount of taxes payable by TENANT shall be prorated as to the first and last years of this Lease based upon the number of days during the respective calendar years in which this Lease is in effect. To the extent that this Lease terminates or expires prior to the time that the tax bill has been issued for that applicable calendar year, the parties will prorate the taxes as of the expiration or termination date based upon the prior year's tax bill, which will be subject to reparation upon receipt of the actual tax bill for such year. This paragraph will survive the expiration or termination of this Lease.

28.02 Notwithstanding the preceding subparagraph, in the event that TENANT disputes any of the real estate taxes levied against the PREMISES, the LANDLORD shall permit TENANT to place in an escrow account to be held with a law firm mutually agreed upon by LANDLORD and TENANT, both acting reasonably, the amount of the taxes in dispute whereupon the TENANT may appeal any such assessment of taxes. LANDLORD shall cooperate with TENANT in so prosecuting such appeal provided same is done at no cost or expense to LANDLORD. In the event that TENANT wins any such appeal, then TENANT shall be permitted to immediately receive that portion of the funds being held in escrow which are the difference between the amount of the money escrowed and the adjusted amount of the taxes then due and owing. In the event TENANT is not successful in its appeal, then TENANT shall forthwith pay out of escrow all taxes then assessed plus any interest or penalties levied by the authorities thereon. Notwithstanding the foregoing, in the event that the holder of any mortgage encumbering the PRIME LEASE or this LEASE requires that the taxes be paid to the governmental authorities as a condition to proceeding with any such appeal, then TENANT shall be required to comply with such requirement in lieu of paying the escrowed funds to a law firm as provided in this Paragraph.

In the event TENANT is successful in any appeal and any refund is paid by the governmental authority in connection therewith, TENANT shall be entitled to receive such refund.

28.03 **Personal Property Taxes.** TENANT shall pay, prior to delinquency, all taxes assessed or levied upon its business operation, and upon its leasehold interest, trade fixtures, furnishings, equipment, and personal property of any kind owned, installed or used by TENANT in, on or upon the PREMISES, and all alterations, changes and additions thereto, including all leasehold intangible taxes assessed against the LEASE or the PREMISES.

28.04. **Sales Tax.** TENANT shall pay to LANDLORD, simultaneously with each TENANT PAYMENT, all applicable state and/or local sales, use or excise taxes required by law to be paid in connection with each TENANT PAYMENT.

29. **TIME OF THE ESSENCE.** Time shall be of the essence in connection with all terms and conditions set forth herein.

30. **FINAL AGREEMENT.** This Lease represents the entire agreement between the parties, and any other statements, conditions, representations or commitments are considered to be merged herein.

31. **SURVIVAL OF COVENANTS.** All portions of this Lease which may by necessity be required to be enforced by either party are enforceable beyond the date of the termination of this Lease.

32. **WAIVER.** The failure of either party to enforce any covenant or other provision of this Lease shall not constitute a waiver of the right to do so thereafter, nor shall the same give rise to any cause of action or defense on the part of the TENANT.

33. **MODIFICATION.** No modification of this Lease will be effective to vary any of the terms or provisions thereof unless the modification is in writing, referencing this Lease, and signed by both parties. A copy of any modification will be given to both parties.

34. **FAA REQUIREMENTS.** TENANT is aware that the Federal Aviation Administration regulates the use of airports. TENANT, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of race, color or natural origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation. LANDLORD is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct in enforcing this non-discrimination covenant. TENANT understands and agrees that the governmental authority owning the airport in which the PREMISES is located has reserved unto itself, its successors and assigns, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of 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 airspace, and for the use of the airspace for landing on, taking off from, or operation of the airport.

35. **HAZARDOUS WASTE.**

35.01 TENANT agrees that it will comply with all environmental laws, whether local, state or federal, as same may be amended from time to time. Without limiting the foregoing, TENANT agrees that it will not use or employ the PREMISES to handle, transport, store, treat or dispose of any Hazardous Waste and will defend, indemnify and hold LANDLORD harmless from and against any and all claim, damage, liability, expense or cost of any kind whatsoever, including, but not limited to, attorneys' fees and costs at all tribunal levels, which LANDLORD may suffer, incur or pay resulting from or arising out of any act or omission of TENANT, or TENANT'S Agents, or any other person on the PREMISES under color of authority of TENANT, effecting the handling, storage, treatment, transportation, disposal, release or threat of release, or removal of Hazardous Waste from or on the PREMISES.

35.02 The term "Hazardous Waste" shall include, without limitation, any toxic waste, chemical pollutant, solid waste, combination of solid waste, or similar environmental hazard, which, because of its quantity, concentration, or physical, chemical or infectious characteristics may cause or significantly contribute to (i) an increase in mortality, (ii) an irreversible or incapacitating illness, or (iii) a substantial, present, or potential hazard to human health or the environment, when improperly treated, stored, transported or disposed, or otherwise managed, whether at such time of occurrence, it shall be deemed a violation of any Law.

35.03 The obligations of TENANT, as well as the foregoing indemnity in connection with this Paragraph, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

36. OMITTED.

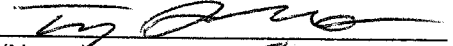
37. **RADON GAS.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed federal and state guidelines have been found in buildings in Florida.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


38. **LITIGATION VENUE/APPLICABLE LAW.** This LEASE shall be governed and construed only in accordance with the laws of the State of Florida. The parties agree that sole and exclusive venue for purposes of any litigation arising out of or related to this LEASE shall be only in Palm Beach County, Florida. The prevailing party in any litigation arising out of or related to this Lease shall be entitled to its reasonably incurred attorneys' fees and costs. In the event of a counter-claim, the prevailing party shall be the party receiving the higher monetary award. TENANT HEREBY VOLUNTARILY WAIVES ITS RIGHT TO TRIAL BY JURY.


[SIGNATURE PAGE FOLLOWS]

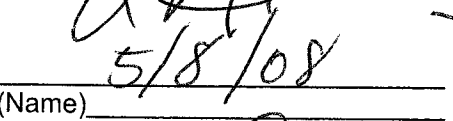
IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year above written.

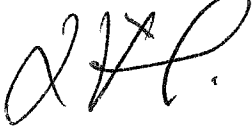
WITNESSES:


(Name) Tony Sherbert


(Name) Larry R. R. [unclear]



(Name) Lawrence V. Soski

5/8/08
(Name) 



LANDLORD:

GALAXY AVIATION OF PALM BEACH, INC.

By: 
President

TENANT:

HYPERION AIR, INC.

By: _____

CONSENT TO SUBLEASE

PALM BEACH COUNTY, a political subdivision of the State of Florida, the "COUNTY", by and through its Department of Airports, under that certain Lease Agreement with Galaxy Aviation of Palm Beach, Inc. (the "LESSEE"), dated October 18, 2000 (R-2000-1067), as amended (the "Lease Agreement"), hereby consents to LESSEE entering into a Sublease Agreement dated March 1, 2008, (the "Sublease") with Joseph A. Bank Manufacturing Company, Inc. (the "SUBLESSEE") for the sublease of certain premises contained within the leasehold of LESSEE under the Lease Agreement.

Notwithstanding any provision of the Sublease to the contrary, the COUNTY hereby rejects any such provision in the Sublease, if any, which gives a greater right to the SUBLESSEE than that which the LESSEE has and, further, the COUNTY rejects any provision of the Sublease which purports to give the SUBLESSEE a right or interest in the premises independent of the LESSEE's Lease Agreement with the COUNTY. It is the express intent of the COUNTY in giving its consent that any forfeiture, loss, or termination of the LESSEE's Lease Agreement shall automatically terminate any sublease of the premises. In giving its consent to sublease the premises, Palm Beach County does not in any manner adopt, accept, or approve the terms of the Sublease or alter the terms of the Sublease.

It is the COUNTY's intent that the LESSEE shall remain liable to COUNTY for all rights and obligations contained in its Lease Agreement with the COUNTY.

APPROVED this 23 day of JUNE 2008, by the County Administrator or the Director of the Department of Airports on behalf of and pursuant to the authority granted by the Board of County Commissioners.

By: _____

Title: _____

Director of Airports

Approved as to Form and Legal
Sufficiency:

By: _____

County Attorney

GALAXY AVIATION

May 12, 2008

Colleen K. Hawkins
Assistant Airport Properties Manager
Palm Beach International Airport
Building 846
West Palm Beach, FL 33406

RE: Consent to Sublease

Dear Colleen:

The attached Sublease is hereby submitted for your approval. The Sublease summary is as follows:

Lessor: Galaxy Aviation of Palm Beach
Lessee: Joseph A Bank Manufacturing Co., Inc
Leased Area: Hangar space at 3800 Southern Blvd., Hangar 1625
Effective Date: March 1, 2008
Type of Business: Corporate aircraft management
Rights and Uses: Hangar storage

Please advise if you require any additional information at this time. Thank you.

Sincerely,



Tony Sherbert
Operations Manager

GALAXY AVIATION OF PALM BEACH, INC.

3800 Southern Boulevard West Palm Beach, FL 33406 561•683•4121 Fax 561•697•3120



COMMUNITY HANGAR LEASE AGREEMENT

THIS COMMUNITY HANGAR LEASE AGREEMENT (the "Agreement" or "Lease") is made as of the 1st day of March, 2008, by and between GALAXY AVIATION OF PALM BEACH, INC. whose address is 3800 Southern Boulevard, West Palm Beach, Florida 33406 ("Landlord") and the below named Tenant ("Tenant").

1. GENERAL INFORMATION

1.01 Tenant's Full Legal Name and Mailing Address

Joseph A. Bank Manufacturing Company, Inc.

500 Hanover Pike

Hampstead, MD 21074

Attention: Charles Frazer

Telephone Number: (410) 239-5730

TENANT is a corporation duly incorporated in the state of Delaware.

1.02 Type(s) of Aircraft (Make/Model/Color):

Falcon 2000

Registration No.: N943JB

TENANT shall be required to get the prior written approval of LANDLORD to store substitute aircraft(s) in the PREMISES. In the event LANDLORD approves such substitution, the rent for the PREMISES will be adjusted by LANDLORD based on the difference in space occupied by such substitute aircraft, if any.

1.03 Premises:

That portion of hangar space ("Hangar Space") in LANDLORD's hangar at the Palm Beach International Airport ("Airport") in Palm Beach County, Florida, which portion of Hangar Space shall be adequate to store the aircraft listed in Paragraph 1.02 (the "Aircraft") (such portion of Hangar Space, the "Premises").

1.04 Initial Term (Subject to Par. 3): The term of this Agreement shall commence on March 1, 2008 and shall end on February 28, 2009 (the "Initial Term").

1.05 Rent During Initial Term: The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

Late Charge and Returned Check Charge: A late charge of five percent (5.0%) of Rent will be assessed on all Rent not received by the 5th of each month. If funds are insufficient for any payments made by check, note or similar instrument, payment will be subject to a \$35.00 reprocessing fee. All sums of money required to be paid by the TENANT to the LANDLORD under this Lease shall bear interest at the highest rate permitted by law from the date same was due until the date same is paid in full.

ALL LATE CHARGES SHALL BE DEEMED ADDITIONAL RENT.

- 1.06 **Security Deposit (Subject to Par. 5):** The security deposit to be remitted to LANDLORD by TENANT shall be in the amount stated in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.
- 1.07 **Renewal Terms:** This Lease shall automatically be renewed at the end of the Initial Term for another one year (1) term, and thereafter this Lease shall continue to be automatically renewed for subsequent renewal terms of one (1) year each (such initial renewal term and each such subsequent renewal term, a "Renewal Term") unless otherwise terminated in accordance with Paragraph 40 of this Lease.
- 1.08 **Operating Expenses (Subject to Par. 17):** LANDLORD shall pay the operating expenses associated with the PREMISES.
- 1.09 **Permitted Uses (Subject to Par. 21-25):** TENANT shall occupy the PREMISES solely for the storage of TENANT'S Aircraft. No other vehicles shall be stored in the PREMISES.

2. **LEASE.** LANDLORD hereby leases to TENANT, and TENANT hereby leases from LANDLORD the PREMISES described in Paragraph 1.03 in an "AS IS/WHERE IS" condition. BY TENANT'S EXECUTION OF THIS LEASE AGREEMENT, TENANT IS WAIVING ANY AND ALL KNOWN CLAIMS ARISING FROM THE CONDITION OF THE HANGAR.

3. **TERM.** The term of this Agreement shall be defined in a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

4. **RENT CHARGES.** The monthly rent to LANDLORD is to be paid by TENANT in accordance with a separate, unrecorded Memorandum of Lease to be executed simultaneously herewith.

5. **SECURITY DEPOSIT.** TENANT has deposited with LANDLORD the security deposit set forth in Paragraph 1.06. The security deposit will be held by LANDLORD without interest as security for the full and faithful performance by TENANT of its obligations hereunder, which may be co-mingled with other monies of LANDLORD. In the event of default by TENANT, LANDLORD may use all or any part of the security deposit for the payment of any unpaid rent or for any other monies owed by TENANT to LANDLORD. Upon the termination of

this Lease, any portion of the security deposit not so used or applied shall be returned to TENANT, provided TENANT faithfully performs its obligations hereunder, by mail within a reasonable time after the termination of this Lease. The security deposits shall not be applied by TENANT toward the last month's rent.

6. **INSURANCE.**

6.01 During the term of this lease TENANT shall keep in force at its expense the following policies: (i) Worker's Compensation Insurance — per statutory coverage as prescribed by the State where the PREMISES is located; (ii) Employer's Liability Insurance - to a limit of \$1,000,000; (iii) All Risk Hull Insurance on the Aircraft in an amount of the full replacement cost of the Aircraft; (iv) All-Risk Property Insurance coverage commensurate with the value of TENANT's property located on LANDLORD's PREMISES; (v) Comprehensive Aircraft Hull and General Liability Insurance with a combined single limit of not less than \$5,000,000, or as otherwise agreed to by LANDLORD in writing, insuring TENANT's liability against bodily injury to persons, guests, including passengers, or damage to property; and (vi) Automobile Liability Insurance, to a minimum limit of \$1,000,000 per occurrence for all TENANT's owned, non-owned and for-hire vehicles. If TENANT's activities in conjunction with the use of the Hangar Space require vehicle and/or support equipment access to the Airport's Aircraft Operations Area (AOA), TENANT shall further be required to obtain Comprehensive Automobile Liability coverage in an amount not less than \$5,000,000. Such determination shall be made by LANDLORD. LANDLORD and PRIME LESSOR shall be named as an additional insured on all such insurance, excepting only the Worker's Compensation policy, and such insurance shall provide that same may not be canceled or the coverage reduced without at least thirty (30) days written notice to LANDLORD. TENANT shall provide certificates of such insurance prior to the commencement date of this Lease, and subsequently prior to the expiration of the succeeding certificate and at any time upon request by LANDLORD. TENANT shall be required to obtain Workmen's Compensation Insurance as required by law. All policies shall contain waivers of subrogation against the Landlord and its agents and employees.

6.02 Primary Insurance: Consistent with the indemnification provisions of this Lease, TENANT'S insurance policies will respond on a primary basis, with any insurance carried by LANDLORD to be construed as secondary or excess insurance.

7. **TENANT'S LIABILITY NOT LIMITED.** NOTWITHSTANDING THE PROVISIONS OF THE SECTION ABOVE, FOR PURPOSES OF THIS LEASE, TENANT ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF LIABILITY INSURANCE COVERAGE IT MAINTAINS NOR TO THE LIMITS REQUIRED HEREIN.

8. **DISCLAIMER OF LIABILITY.** LANDLORD HEREBY DISCLAIMS, AND TENANT HEREBY RELEASES LANDLORD FROM, ANY AND ALL LIABILITY, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), FOR ANY LOSS, DAMAGE OR INJURY OF ANY NATURE WHATSOEVER SUSTAINED BY TENANTS, ITS EMPLOYEES, AGENTS OR INVITEES OR ITS INVITEES' INVITEES DURING THE TERM OF THIS LEASE, INCLUDING BUT NOT LIMITED TO LOSS, DAMAGE OR INJURY TO AIRCRAFT OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, UNLESS SUCH LOSS, DAMAGE OR INJURY TO AIRCRAFT, OR OTHER PROPERTY OF TENANT THAT MAY BE LOCATED OR STORED IN THE PREMISES, IS CAUSED SOLELY BY LANDLORD'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR INDIRECT, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS OR OTHER DAMAGE RELATED TO THE LEASING OF PREMISES AND/OR OTHER SERVICES PROVIDED UNDER THIS LEASE. THE PARTIES FURTHER AGREE THAT UNDER NO CIRCUMSTANCES SHALL LANDLORD BE LIABLE FOR DAMAGE TO AIRCRAFT, OR OTHER PROPERTY, OR FOR INJURY AS A RESULT OF A STORM OR HURRICANE, OR PRECAUTIONARY MEASURES ESTABLISHED BY THE LANDLORD. IN THE EVENT OF A BREACH OR DEFAULT BY LANDLORD OF ANY OF ITS OBLIGATIONS UNDER THIS LEASE, TENANT SHALL LOOK SOLELY TO THE EQUITY OF LANDLORD IN LANDLORD'S LEASEHOLD INTEREST IN THE PREMISES FOR THE SATISFACTION OF TENANT'S REMEDIES. NO OTHER PROPERTY OR ASSETS OF LANDLORD OR ANY PARTNER, MEMBER, SHAREHOLDER, OFFICER OR DIRECTOR THEREOF, SHALL BE SUBJECT TO LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF TENANT'S REMEDIES UNDER OR WITH RESPECT TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

9. **INDEMNITY-FORCE MAJEURE.** TENANT agrees to release, indemnify, and hold LANDLORD, its officers and employees, harmless from and against any and all liabilities, damages, business interruptions, delays, losses, claims, judgments or any kind whatsoever, including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or charged to LANDLORD, arising from: (i) TENANT'S use of the PREMISES; (ii) by reason of any loss of or damage to any property or injury to or death of any person arising out of or related to this Lease; (iii) or by reason of any breach, violation or non-performance by TENANT or its servants, employees, agents or invitees, or invitees' invitees of any covenant or condition of the Lease or by any act or failure to act of those persons. LANDLORD shall not be liable for its failure to perform this Lease or for any loss, injury, damage or delay of any nature whatsoever resulting therefrom caused by any Act of God, fire, flood, accident, strike, labor dispute, riot, insurrection, war or any other cause beyond LANDLORD'S control, including without limitation acts or omissions to act by TENANT.

9.01. **Hurricane Procedures/Act of God:** It is the express sole obligation and responsibility of TENANT to provide for the safety, security and evacuation of its AIRCRAFT during any approaching storm, hurricane or other weather event. TENANT agrees to comply with and abide by any provisions for storm or hurricane preparedness required by LANDLORD, in LANDLORD's sole discretion, necessary for the safety and security of the Aircraft and/or Airport and/or PREMISES and/or neighboring aircraft and property, if any. TENANT hereby explicitly approves in advance and waives any and all objections to any and all such plans, if any, and further grants LANDLORD the authority to move TENANT's Aircraft within the PREMISES and/or other property under LANDLORD's control at the Airport as LANDLORD deems necessary. LANDLORD shall make a reasonable effort to notify TENANT of LANDLORD's plans prior to taking any action; however, TENANT's approval shall not be required. Notwithstanding the foregoing, LANDLORD shall not be liable for any damages, including without limitation, to TENANT's property or Aircraft as a result of this section.

9.02. **Vendor/Invitee or Invitees' Invitees Indemnification:** As set forth in this Lease, TENANT agrees to fully indemnify and hold LANDLORD harmless from and against any and all

liabilities, expenses, damages, claims and losses incurred by LANDLORD, including attorneys' fees and costs, as a result of: (i) the failure by TENANT to perform any covenant required to be performed hereunder; or (ii) any accident, injury or damage that shall happen in or about the PREMISES resulting from any act or omission of TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees; or (iii) any accident, injury or damage that shall happen in or about the PREMISES to TENANT or TENANT'S agents, employees, invitees or invitees' invitees, servants, consultants, contractors, subcontractors or licensees. TENANT further shall be solely responsible for notifying all such vendors, invitees, and third parties that LANDLORD has disclaimed such liability and that TENANT shall be solely liable to same for any such damages.

9.03 In the event that a third party makes a claim alleging facts that, if true, would require TENANT to indemnify under this Section, TENANT shall indemnify against all damages incurred in connection with defending that claim, including amounts paid in settlement, even though the claim is successfully defended in whole or in part and even though the claim is settled prior to a final determination as to the truth of such allegations: provided that LANDLORD may not settle a claim that would result in a claim for indemnification by the TENANT hereunder without the TENANT's prior written consent.

10. **ASSIGNMENT AND SUBLETTING.** TENANT may not assign this Lease or let or sublet the whole or any part of the PREMISES without the prior written consent of LANDLORD which may be withheld in LANDLORD'S sole discretion.

11. **CONDEMNATION.** The parties agree that should the entire PREMISES be taken or condemned by any competent authority for any public or quasi-public use or purpose during the term of this Lease, then this Lease shall terminate as of the date when possession is required for public use, unless LANDLORD, at his option, provides equal suitable space which shall be substituted for the PREMISES. In the event of a partial condemnation which renders the remainder of the PREMISES usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

11.1 **Award.** All damages or compensation awarded or paid for any such taking shall belong to and be the property of LANDLORD without any participation by TENANT, whether such damages or compensation shall be awarded or paid for diminution in value of the leasehold or any interest of LANDLORD in the land, buildings and other improvements, or in the leasehold estate created hereby or under the PRIME LEASE, and TENANT hereby expressly waives and relinquishes all claims to such award or compensation or any part thereof and of the right to participate in any such condemnation or eminent domain proceedings against the owners of any interest in same.

12. **DAMAGE OR DESTRUCTION.** If the PREMISES should be damaged or destroyed by fire or other casualty, TENANT will promptly notify LANDLORD of such casualty. LANDLORD will repair and restore the buildings and improvements (exclusive of improvements installed by TENANT) so damaged or destroyed as nearly as possible to their condition prior to such casualty, limited, however, to the amount of insurance proceeds actually received by LANDLORD. In the meantime, if the PREMISES should be rendered totally unusable due to such casualty, there will be an abatement of rent until the PREMISES are again tenantable, unless such fire or casualty results from the acts or negligence of TENANT, TENANT'S agents

or employees, in which event there will be no abatement of rent. The length of the abatement period shall be added to the term of the Lease. In the event LANDLORD does not make the PREMISES useable within ninety (90) days after LANDLORD receives the insurance proceeds in connection with the casualty, or in any event within one hundred eighty (180) days after the date of the casualty, TENANT may terminate this Lease but shall have no other remedies. In the event the damage is partial, and the remaining PREMISES are usable for the use stated herein in the sole discretion of the LANDLORD, the Rent shall be pro-rated diminished according to the square footage of PREMISES so taken. All such calculations shall be performed by LANDLORD.

13. **SURRENDER OF PREMISES.** Upon the expiration or termination of this Lease, TENANT shall surrender the PREMISES to LANDLORD in substantially the same condition as the PREMISES were in at the beginning of this Lease and in good and clean condition, reasonable wear and tear excepted. LANDLORD must be advised at least sixty (60) days in advance of non-renewal of Lease by TENANT or TENANT will be liable for an additional month's rent. Should TENANT remain in possession of the PREMISES after the expiration of the term or earlier termination of this Lease, with or without the consent of LANDLORD, express or implied, such holding over shall, in the absence of a written agreement to the contrary, be deemed to have created and be construed to be a tenancy at sufferance terminable on written notice by either party to the other, at double the rent installments (prorated on a monthly basis) in effect during the lease year immediately preceding the expiration of the term of this Lease, and otherwise subject to all of the other terms, covenants and conditions of this Lease insofar as the same may be applicable to a tenancy at sufferance, without prejudice to any remedy which LANDLORD may have against TENANT for holding over unlawfully, provided, however, that if TENANT holds over with the prior written consent of LANDLORD, the rent installments will not be doubled as hereinabove provided.

14. **ALTERATIONS.**

14.01 TENANT shall not make any alterations, additions or improvements to the exterior or interior of the PREMISES or to any other property of LANDLORD without LANDLORD'S prior written consent, or erect or install any additional improvements, signs and equipment without LANDLORD'S prior written consent, which may be withheld for any reason. It is expressly understood that no signs are to be installed anywhere on the PREMISES without LANDLORD's written prior and explicit consent.

14.02 If any mechanic's or construction lien is recorded against the PREMISES or against TENANT'S leasehold interest in the PREMISES by reason of work, labor, services or materials supplied or claimed to have been supplied to TENANT, TENANT shall, within thirty (30) days after the recording thereof, cause such lien to be discharged or bonded off of record. In any event, neither the PRIME LESSOR'S nor the LANDLORD'S interest in the PREMISES shall be subject to any lien arising out of any work, labor, services or materials supplied or claimed to have been supplied to or for TENANT. TENANT shall never, under any circumstances, have the power to subject the interest of LANDLORD or the PRIME LESSOR in the PREMISES to any mechanics', construction or materialmen's liens or liens of any kind, nor shall any provision contained in this Lease ever be construed as empowering the TENANT to encumber or cause the LANDLORD to encumber the title or interest of LANDLORD in the PREMISES. Any lien filed against the PREMISES in violation of this paragraph shall be null and void and of no force or effect.

15. **MAINTENANCE.** LANDLORD will maintain the structural components of the Hangar, including doors and door mechanisms. No hazardous or flammable materials will be stored within or about the PREMISES. No boxes, crates, rubbish, paper or other litter that could cause or support combustion shall be permitted to accumulate within or about the Hangar. This Lease, at LANDLORD's option, shall be terminated if TENANT willfully or negligently causes damage to LANDLORD'S property, including specifically, but not limited to, any of the following:

15.01 Dumps oil, gas or any harmful liquids or solids anywhere on LANDLORD's property other than in appropriate disposal containers. In connection therewith, in the event any asphalt is damaged due to the dumping or leaking of any gasoline or oil or other harmful substance, then TENANT shall immediately repair same at TENANT's expense within five (5) days after written notice from LANDLORD, or, at LANDLORD's option, LANDLORD shall repair same, in which event TENANT shall reimburse LANDLORD for all of LANDLORD's costs and expenses relating to such repair within five (5) days written demand by LANDLORD.

15.02 Parks cars, trucks, campers, trailers or airplanes on any of the grass areas of LANDLORD'S property or anywhere except designated parking areas for such vehicles.

15.03 It is further expressly understood that no tie-down or parking, or storage of any aircraft is permitted outside of the Hangar overnight unless authorized by LANDLORD. At no time shall TENANT representative leave an aircraft outside of the Hangar or leased PREMISES unattended unless authorized by LANDLORD. Further, no storage of boats, trucks, trailers or mobile homes is permitted in the PREMISES or outside of the Hangar or anywhere on LANDLORD's property. No pets or other animals are allowed on the PREMISES, except for handicap assistance animals and except for the transportation of pets or other animals.

16. **TENANT'S LOSSES.** All personal property of TENANT shall be kept in the PREMISES at TENANT'S sole risk. LANDLORD shall not be liable to TENANT for any damage or injury to TENANT, its employees, agents, guests or invitees, or to any property of TENANT, for any reason whatsoever, including but not limited to the acts, omissions or negligence of LANDLORD or any other tenant or their employees, agents, guests or invitees, or due to theft, vandalism, or water damage, and TENANT shall hold LANDLORD harmless from any such damage or injury. LANDLORD shall be responsible only for adjudicated grossly negligent acts on the part of LANDLORD.

17. **OPERATING EXPENSES.** LANDLORD shall pay all operating expenses, including without limitation charges for electricity, water and sewer, real estate taxes, and common area maintenance consumed on the PREMISES. TENANT shall not install or use any special equipment, which uses extraordinary amounts of electricity without the prior written consent of LANDLORD, which may be withheld in LANDLORD's reasonable discretion, and the only electricity consumed on the PREMISES shall be for purposes compatible with the existing electrical services and wiring. LANDLORD shall not be liable for any disruption of any of the above-referenced utility or other services, nor shall TENANT be entitled to any reduction or abatement of any RENT or other TENANT payments as a result of any such disruption.

18. **NOTICES.** All notices to be given hereunder shall be in writing and shall be sent to the addresses shown on the front page of this Lease, or to such other address as either party may have furnished by prior written notice sent pursuant hereto. Any notices permitted or

required to be given by the terms of this Lease shall be effective upon mailing and shall be deemed sufficient if mailed by United States certified mail or overnight delivery service, in either case with proper postage or delivery charges prepaid and the proper address affixed thereto.

19. **DEFAULT.** Failure to pay the rent by the fifth (5th) of the month or to cure any other default as soon as reasonably practical and in any event within ten (10) days after written notice by LANDLORD, or commencement of bankruptcy or insolvency proceedings against the TENANT, or if TENANT makes an assignment for the benefit of creditors, or suffers this Lease to be taken under any writ of execution or attachment, or if TENANT vacates or abandons the PREMISES, then any of such events shall constitute a default hereunder and the LANDLORD shall have the right at its option to terminate TENANT'S possession and to enter the PREMISES and remove all persons and property therefrom forcibly or otherwise. In the event of default hereunder, the LANDLORD may, at its option, enter the PREMISES as the agent of the TENANT and relet the PREMISES as the agent of the TENANT at such price and upon such terms, and for such duration of time, as LANDLORD may determine, and receive the rent and apply the same to the payment of the rent due from TENANT, and the TENANT shall pay any deficiency, but any excess monies shall be the sole property of LANDLORD. TENANT agrees to pay all costs of eviction, collection, and reasonable attorneys' fees, in the event LANDLORD engages the services of an attorney or commences proceedings, in pre-trial, trial, appeal and/or bankruptcy against TENANT. LANDLORD'S remedies hereunder are cumulative and shall be in addition to all legal remedies. Failure to promptly exercise any right in this Lease shall not be deemed a waiver of said right.

20. **HABITUAL DEFAULT.** Notwithstanding the foregoing, in the event that the TENANT has frequently, regularly or repetitively defaulted in the performance of or breached any of the terms, covenants and conditions required herein to be kept and performed by the TENANT of the same type and kind, in the sole opinion of the LANDLORD and regardless of whether the TENANT has cured each such individual condition of breach or default as provided in this lease hereinabove, the TENANT shall be determined by the LANDLORD to be an "habitual violator." At the time that such determination is made, LANDLORD shall issue to TENANT a written notice advising of such determination and citing the circumstances therefor. Three (3) such notices to TENANT by LANDLORD shall automatically negate any renewal options offered to TENANT pursuant to paragraph 1.07 at the sole discretion of LANDLORD.

21. **USE.** The PREMISES shall be used and occupied by TENANT solely for the purposes set forth in Paragraph 1.09 above and for no other purposes whatsoever. Without limiting the foregoing, TENANT agrees that LANDLORD may establish and amend from time to time reasonable Rules and Regulations regarding the use, operation and maintenance of the PREMISES and the complex housing same, and TENANT covenants to abide by all such Rules and Regulations that shall be now or hereafter in effect from time to time.

21.01 **Substitution of Hangar Space:** TENANT acknowledges that LANDLORD cannot guarantee that TENANT will have the same Hangar Space as its PREMISES every day. LANDLORD agrees that although it cannot guarantee the same Hangar Space, it shall make reasonable efforts to ensure that the Aircraft(s) are stored in a hangar. LANDLORD, however, shall retain the right to move, park and/or relocate the Aircraft to a new space within a hangar in the event that LANDLORD, in its sole discretion, determines that such a move is necessary or appropriate.

21.02 Services Provided:

- (1) **Movement of Aircraft.** Upon request of authorized personnel of TENANT, LANDLORD will provide the service of moving the Aircraft from the PREMISES onto the ramp area, and from the ramp area into the PREMISES. It is expressly agreed that TENANT shall have no right to perform the above services unless TENANT receives written permission from LANDLORD. In addition, LANDLORD may remove the Aircraft from the Hangar Space when necessary to do so for purposes of LANDLORD'S operations. In such instances, the Aircraft shall be replaced within the Hangar Space as promptly as LANDLORD'S operations shall reasonably permit. LANDLORD shall have no liability for the normal wear and tear on the Aircraft associated with such movement of the Aircraft to and from the ramp or about the Hangar Space.
- (2) **Aircraft Starting Services.** LANDLORD shall provide, for no additional charge, starting services for the Aircraft as reasonably requested by TENANT, including the use of auxiliary power units. In no event, however, shall LANDLORD be liable to TENANT for any damage or expense (including, without limitation, consequential damages or lost profits) arising from the non-existence or improper performance of any ground or auxiliary power unit or other device used to start (or attempt to start) the Aircraft.
- (3) **Fuel and Lubricants.** LANDLORD shall make available for sale to TENANT such fuel and lubricants as may be required by TENANT for the Aircraft while operating at the Airport.
- (4) **Utilities and Janitorial.** LANDLORD shall furnish, at its own expense, lighting of and routine cleaning of the HANGAR SPACE. However, LANDLORD shall not be liable for damages to either persons or property, nor shall there be any abatement of rent or setoff or recoupment for failure to furnish or for delay in furnishing power, electric current, or any other service or thing required of it to be done, nor shall LANDLORD be liable for such damage due to the hangar or any other portion or parcel of the Airport, or any part of or appurtenances thereof, becoming out of order, or for theft or burglary, or for such damage caused by water, steam, sewage, gases, or electric current, or the bursting or leaking of any pipes or conduits conveying or controlling any of the same, if the same shall arise or occur from causes beyond the reasonable, economic and practical control of LANDLORD, and none of the above shall be considered or construed as an actual or constructive eviction of TENANT, nor shall any of them in any way operate to release TENANT from the prompt and punctual performance of all of its covenants and agreements contained in this Agreement.

22. COMPLIANCE WITH GOVERNMENTAL AND AIRPORT REGULATIONS. TENANT shall comply with all statutes, ordinances, rules, regulations and requirements of the federal, state, county or city government departments or bureaus exercising jurisdiction over the leased PREMISES, including FAA regulations and rules and regulations of the applicable airport, and shall comply with all rules and regulations promulgated by LANDLORD of which TENANT is notified; including without limitation rules and procedures established for the safety and security of aircraft, crew and passengers in the event of an approaching storm, whether or not such storm is forecast to or actually reaches hurricane status. The TENANT acknowledges that pursuant to the terms of the PRIME LEASE, the PRIME LANDLORD reserves the right to 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 PREMISES, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for the navigation of or flight in the airspace, and for the use of the airspace for landing on, taking off from or operating within the AIRPORT.

23. **SAFE USE OF PREMISES.** TENANT agrees to make no unlawful, offensive or noxious use of the leased PREMISES. In addition, no explosives, firearms, volatile or flammable chemicals, or any other property which would materially increase the hazard of fire shall be stored on the leased PREMISES.

24. **EXCESS REFUSE.** TENANT shall reimburse LANDLORD for any charges incurred by LANDLORD in removing any excess refuse of TENANT or its guests or invitees, within ten (10) days after written notice by LANDLORD or, at LANDLORD'S option, to be exercised by written notice from LANDLORD to TENANT, TENANT shall procure at TENANT'S expense its own trash or refuse removal services.

25. **SUBORDINATION/ATTORNMEN TO PRIME LEASE AND TO MORTGAGES.**

25.01 **PRIME LEASE.** It is acknowledged that this is a sublease, and that LANDLORD has leased certain property ("PRIME LEASE"), which includes the PREMISES from the governmental authority ("PRIME LESSOR") which owns the Airport in which the PREMISES are located. This Lease shall be subordinate to LANDLORD'S PRIME LEASE and any amendments thereto. TENANT shall be bound by the terms and conditions of LANDLORD'S PRIME LEASE, and shall not do anything which will result in a default by LANDLORD under LANDLORD'S PRIME LEASE, and shall comply with all applicable provisions of LANDLORD'S PRIME LEASE and this lease shall be subject to the approval of the PRIME LESSOR.

25.02 **Mortgages.** This Lease is subject and subordinate to any and all mortgages which may now or hereafter affect the real property of which the PREMISES are located and to all renewals, modifications and extensions thereof. TENANT shall, upon request of LANDLORD, execute within fifteen (15) business days, any subordination documents which LANDLORD or any mortgagee of the PREMISES may reasonably request, but no such documents shall be required to effectuate said subordination.

25.03 **ATTORNMEN.** TENANT agrees that in the event of a sale, transfer or assignment of LANDLORD'S interest in the PREMISES, or in the event any proceedings are brought for the foreclosure of or for the exercise of any power of sale under any mortgage made by LANDLORD encumbering the PREMISES, to attorn to and to recognize such transferee, purchaser or mortgagee as the landlord under this LEASE.

26. **CONSTRUCTION OF LEASE.** All the provisions contained herein shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns. In the event, at any future time, one or more of the provisions of this Lease shall be held to be void by any court of competent jurisdiction for any reason, such provision shall be deemed to be separable, and the remainder of this Lease shall be valid and in full force and effect.

27. **RE-ENTRY.** LANDLORD shall have the right to enter the PREMISES at any hour to examine same, to make repairs, additions or alterations as may be necessary or

advisable for the safety, improvement or preservation thereof, and to exhibit the PREMISES for rental purposes.

28. **INGRESS AND EGRESS.** LANDLORD shall use commercially reasonable efforts to make available to TENANT free and uninterrupted ingress and egress to and from the PREMISES or the HANGAR SPACE at all reasonable times for TENANT's persons and (subject to reasonable restrictions as to quantity and size as may be established from time to time by LANDLORD) vehicles and for the Aircraft, over available or convenient roads, driveways, routes or lanes, all subject to necessary security regulations, including, but not limited to, those listed in Part 107 of the Federal Aviation Regulations.

29. **TIME OF THE ESSENCE.** Time shall be of the essence in connection with all terms and conditions set forth herein.

30. **FINAL AGREEMENT.** This Lease represents the entire agreement between the parties, and any other statements, conditions, representations or commitments are considered to be merged herein.

31. **SURVIVAL OF COVENANTS.** All portions of this Lease which may by necessity be required to be enforced by either party are enforceable beyond the date of the termination of this Lease.

32. **WAIVER.** The failure of either party to enforce any covenant or other provision of this Lease shall not constitute a waiver of the right to do so thereafter, nor shall the same give rise to any cause of action or defense on the part of the TENANT.

33. **MODIFICATION.** No modification of this Lease will be effective to vary any of the terms or provisions thereof unless the modification is in writing, referencing this Lease, and signed by both parties. A copy of any modification will be given to both parties.

34. **FAA REQUIREMENTS.** TENANT is aware that the Federal Aviation Administration regulates the use of airports. TENANT, in exercising any of the rights or privileges herein granted to it, shall not on the grounds of race, color or natural origin discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Regulations of the Secretary of Transportation. LANDLORD is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct in enforcing this non-discrimination covenant. TENANT understands and agrees that the governmental authority owning the airport in which the PREMISES is located has reserved unto itself, its successors and assigns, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of 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 airspace, and for the use of the airspace for landing on, taking off from, or operation of the airport. TENANT expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the PREMISES encompassed by this Lease to such a height so as to comply with Federal Aviation Regulations, Part 77. TENANT 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.

35. **HAZARDOUS WASTE.**

35.01 TENANT agrees that it will comply with all environmental laws, whether local, state or federal, as same may be amended from time to time. Without limiting the foregoing, TENANT agrees that it will (i) give written notice to LANDLORD at least seven (7) days in advance of any production, generation, handling, storage, treatment, transportation, disposal, release or removal of "Hazardous Waste" (as defined below) from or on the PREMISES; (ii) not use or employ the PREMISES or any portion of the Land to handle, transport, store, treat or dispose of any Hazardous Waste, whether or not it was generated or produced on the PREMISES; (iii) defend, indemnify and hold LANDLORD harmless from and against any and all claim, damage, liability, expense or cost of any kind whatsoever, including, but not limited to, attorneys' fees and costs at all tribunal levels, which LANDLORD may suffer, incur or pay resulting from or arising out of any act or omission of TENANT, or TENANT'S Agents or invitees, or any other person on the PREMISES under color of authority of TENANT, effecting the handling, storage, treatment, transportation, disposal, release or threat of release, or removal of Hazardous Waste from or on the PREMISES or any portion of the Land. Prior to TENANT producing, storing, and/or generating any Hazardous Waste from or on the PREMISES, TENANT shall obtain (and provide LANDLORD with evidence that it has obtained) environmental liability insurance naming LANDLORD and any mortgagee as additional insured. Such insurance shall be issued by a company with minimum limits of coverage satisfactory to LANDLORD.

35.02 The term "Hazardous Waste" shall include, without limitation, any toxic waste, chemical pollutant, solid waste, combination of solid waste, or similar environmental hazard, which, because of its quantity, concentration, or physical, chemical or infectious characteristics may cause or significantly contribute to (i) an increase in mortality, (ii) an irreversible or incapacitating illness, or (iii) a substantial, present, or potential hazard to human health or the environment, when improperly treated, stored, transported or disposed, or otherwise managed, whether at such time of occurrence, it shall be deemed a violation of any Law.

35.03 It is expressly understood and agreed by TENANT that TENANT shall be fully responsible for the disposal of any and all waste oil consumed, produced and expended by TENANT. TENANT shall contract with an authorized oil disposal company and shall not utilize LANDLORD'S property, tanks or equipment for disposing of any waste oil.

35.04 The obligations of TENANT, as well as the foregoing indemnity in connection with this Paragraph, shall survive the expiration or earlier termination of this Lease, anything herein to the contrary notwithstanding.

36. **EXCLUSIVE FUELING RIGHTS.** LANDLORD has the exclusive fueling rights for the PREMISES. TENANT agrees to purchase all of its aviation fuel for the aircraft listed in Paragraph 1.02 from LANDLORD, and from no other source, while operating at the Airport, and LANDLORD agrees to sell such fuel to TENANT. Under no conditions can any fuel truck(s) other than LANDLORD's be invited or permitted on the PREMISES.

37. OMITTED.

38. **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 the county public health unit.

39. **LITIGATION VENUE/APPLICABLE LAW.** This LEASE shall be governed and construed only in accordance with the laws of the State of Florida. The parties agree that sole and exclusive venue for purposes of any litigation arising out of or related to this LEASE shall be only in Palm Beach County, Florida. The prevailing party in any litigation arising out of or related to this Lease shall be entitled to its reasonably incurred attorneys' fees and costs. In the event of a counter-claim, the prevailing party shall be the party receiving the higher monetary award. TENANT HEREBY VOLUNTARILY WAIVES ITS RIGHT TO TRIAL BY JURY.

40. **RIGHTS OF AND ON TERMINATION.**

40.01 LANDLORD shall have the right to terminate this Lease as follows:

(1) Upon ten (10) days' prior written notice to TENANT in the event of the breach by TENANT of any provision of this Lease, including non-payment of rent, when TENANT shall have failed to comply within twenty (20) days after the giving by LANDLORD to TENANT of a written demand for rent or correction of any other breach by TENANT of one or more provisions of this Lease.

(2) Forthwith by written notice to TENANT in the event of termination for any cause of LANDLORD's PRIME LEASE of the tract upon which PREMISES are situated.

(3) Forthwith by written notice in the event TENANT shall become insolvent, or if bankruptcy proceedings shall be commenced by or against TENANT, or if a Receiver or Trustee shall be appointed for the TENANT.

(4) Without cause at the end of the Initial Term or any Renewal Term, if any, by giving TENANT written notice no later than sixty (60) days prior to the end of such Term.

40.02 TENANT shall have the right to terminate this Agreement as follows:

(1) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that the use of the Airport for the operations of any aircraft owned by or leased to TENANT and based at the PREMISES or employed by TENANT, shall be prohibited by any competent governmental authority.

(2) By giving ten (10) days' prior written notice of termination to LANDLORD in the event that the whole or any material part of the PREMISES shall be condemned, seized, or appropriated for any reason by any competent governmental authority.

(3) By giving thirty (30) days' prior written notice of termination to LANDLORD in the event that TENANT shall effect a bona fide sale of all of its Aircraft based at the Airport and for the servicing or storage of which the PREMISES are employed by TENANT; without option to repurchase; shall lease all of its said aircraft to third parties other than subsidiaries and/or affiliates of TENANT and for a term or terms of one (1) year or more; or shall effect such other disposition as shall constitute a complete alienation of its title to such aircraft, or, in the event that all of TENANT'S aircraft shall be destroyed or damaged to an extent making the repair thereof economically impracticable.

(4) By the giving of sixty (60) days' prior written notice to LANDLORD not later than thirty (30) days after the giving by LANDLORD to TENANT of any notice of an increase, decrease, or change of LANDLORD'S storage rates.

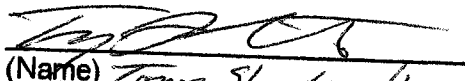
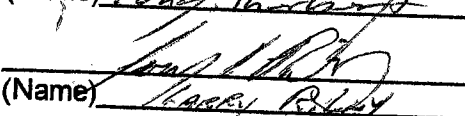
(5) Without cause at the end of the Initial Term or any Renewal Term, if any, by giving LANDLORD written notice no later than sixty (60) days prior to the end of such Term.

40.03 If the TENANT shall fail to remove all of its effects from said PREMISES upon the termination of this Agreement for any cause herein provided, LANDLORD may, at its option, remove the same in any reasonable manner that LANDLORD shall choose, and store said effects without liability to the TENANT for loss or damage thereof, and the TENANT agrees to pay LANDLORD on demand any and all expenses incurred in such removal, including court costs and attorney's fees, and storage charges on such effects for any length of time the same shall be in LANDLORD's possession as determined by a Court of competent jurisdiction, or LANDLORD may, at its option, without notice, sell said effects, or any of the same, at private sale and without legal process, for such price as LANDLORD may obtain and apply the proceeds of such sale to any amount due under this Agreement, from the TENANT to LANDLORD and to the expense incident to the removal and sale of said effects. Any excess proceeds from such sale shall be held by LANDLORD in trust for TENANT for a period of six months, after which, if unclaimed by TENANT any such excess funds, and any interest thereon, shall become the sole and exclusive property of LANDLORD.


[SIGNATURE PAGE FOLLOWS]

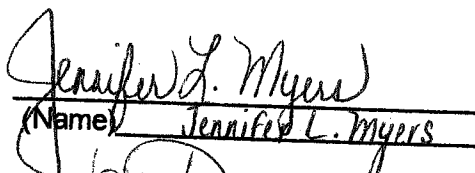
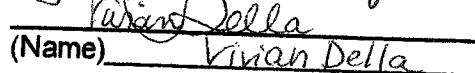
IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

WITNESSES:

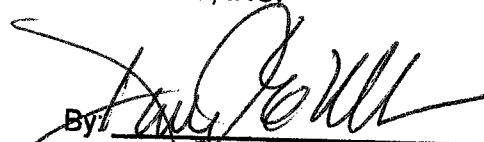

(Name) Tony Shorrock

(Name) Karen Kelly

LANDLORD:
GALAXY AVIATION OF PALM BEACH, INC.

By: 
Name: President
Title:


(Name) Jennifer L. Myers

(Name) Vivian Della

TENANT:
JOSEPH A. BANK MANUFACTURING
COMPANY, INC.

By: 
Name: David E. Wilman
Title: Executive Vice President and CFO



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

COPY

Date of Offer: June 13, 2008

Project Number: 3-12-0060-002-2008

Recipient: Palm Beach County (Herein called Sponsor)

Airport: Palm Beach County Glades Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, ^{FIVE} ~~NINETY~~ percent (95%) of the allowable costs incurred in accomplishing the project consisting of the following:


"Taxiway Rehabilitation and Apron Improvements"

as more particularly described in the Project Application dated June 5, 2008.

The maximum obligation of the United States payable under this Offer shall be \$314,692 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION


Manager, Airports District Office

ACCEPTANCE

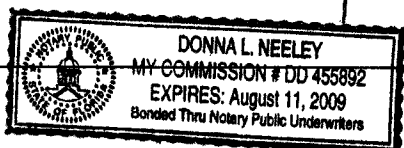
The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated September 1, 1999.

Executed this 16th day of June, 2008

(Seal)

Attest

Title



PALM BEACH COUNTY DEPARTMENT OF AIRPORTS

Name of Sponsor

Signature of Sponsor's Designated Official Representative
DIRECTOR OF AIRPORTS

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Anne Helfant, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Anne Helfant
Signature of Sponsor's Attorney

6/16/08
Date

COPY



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

COPY

Date of Offer: June 13, 2008

Project Number: 3-12-0113-013-2008

Recipient: Palm Beach County (Herein called Sponsor)

Airport: North Palm Beach County General Aviation Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, ^{Five} ~~Ninety~~ percent (95%) of the allowable costs incurred in accomplishing the project consisting of the following:

"Taxiway and Apron Rehabilitation; Airfield Lighting Improvements and Segmented Circle"

as more particularly described in the Project Application dated June 5, 2008.

The maximum obligation of the United States payable under this Offer shall be \$154,222 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION


Manager, Airports District Office

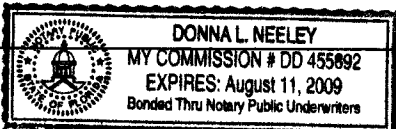
ACCEPTANCE


The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated September 1, 1999.

Executed this 16th day of June, 2008
(Seal)

Attest

Title




Name of Sponsor

Signature of Sponsor's Designated Official Representative
DIRECTOR OF AIRPORTS

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Anne Helfant, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.


Signature of Sponsor's Attorney

6/16/08
Date

COPY



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

COPY

Date of Offer: June 13, 2008

Project Number: 3-12-0086-008-2008

Recipient: Palm Beach County (Herein called Sponsor)

Airport: Palm Beach County Park Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, ^{FIVE PERCENT} ~~Ninety percent~~ (95%) of the allowable costs incurred in accomplishing the project consisting of the following:

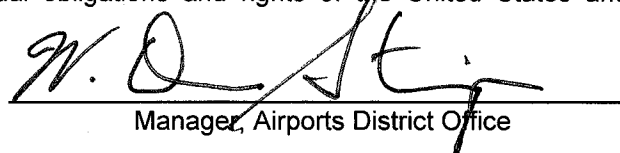
"Airfield Signage Improvements"

as more particularly described in the Project Application dated June 5, 2008.

The maximum obligation of the United States payable under this Offer shall be \$315,208 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION


Manager, Airports District Office

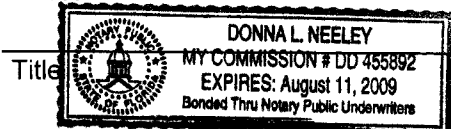
ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated September 1, 1999.

Executed this 16th day of June, 2008

(Seal)

Attest



Title

PALM BEACH COUNTY DEPARTMENT OF AIRPORTS

Name of Sponsor

Signature of Sponsor's Designated Official Representative

DIRECTOR OF AIRPORTS

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Anne Helfant, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.


Signature of Sponsor's Attorney

6/16/08
Date

COPY



GRANT AGREEMENT

U. S. Department
of Transportation
Federal Aviation
Administration

COPY

Date of Offer: June 13, 2008

Project Number: 3-12-0085-048-2008

Recipient: Palm Beach County (Herein called Sponsor)

Airport: Palm Beach International Airport

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, Seventy-five percent (75%) of the allowable costs incurred in accomplishing the project consisting of the following:

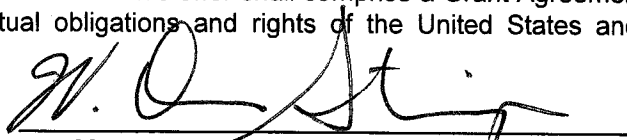
"Airfield Signage Improvements"

as more particularly described in the Project Application dated June 5, 2008.

The maximum obligation of the United States payable under this Offer shall be \$301,520 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION



Manager, Airports District Office

ACCEPTANCE

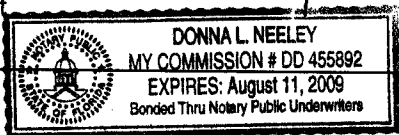
The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein and in the document "Terms and Conditions of Accepting Airport Improvement Program Grants" dated March 29, 2005.

Executed this 16th day of June, 2008
(Seal)



Attest

Title



PALM BEACH COUNTY DEPARTMENT OF AIRPORTS

Name of Sponsor



Signature of Sponsor's Designated Official Representative

DIRECTOR OF AIRPORTS

Title

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Anne Helfant, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of State of Florida. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.



Signature of Sponsor's Attorney

6/16/08

Date

COPY