



City of Biddeford
Capital Projects / Operations Committee

August 13, 2025 at 6:00 PM
City Hall Council Chambers & Zoom

[Join Zoom Meeting Online:](#)

Or call in by phone: +1 312 626 6799

Meeting ID: 976 6126 3883

Passcode: 634701

1. Roll Call
2. Adjustment(s) to Agenda
3. Approval of Minutes
 - 3.a July 9, 2025 Meeting Minutes
4. Old Business
 - 4.a FY26 Capital Projects Recommendations for Remaining Funds
 - 4.b Review - Biddeford Municipal Airport Ground Leases
5. New Business
 - 5.a City Hall Air Conditioning/Heating Update
 - 5.b Fire Department Vehicle/Apparatus Purchase Discussion
6. Adjourn



City of Biddeford
Capital Projects / Operations Committee
Meeting Minutes
July 9, 2025 at 6:00 PM

Call to order: 6:03 PM

1. Roll Call

Councilor LaFountain (Chairperson) - Present
Councilor Lessard - Present
Councilor Ortiz – Excused
Daniel Boucher - Excused
Dominic Deschambault - Present

2. Adjustment(s) to Agenda

None

3. Approval of Minutes

Motion to approve the minutes of March 12, 2025

Motion by: Councilor Lessard

Seconded by: Member Boucher

Vote: Unanimous in favor of the motion

Motion to approve the minutes of June 11, 2025

Motion by: Councilor Lessard

Seconded by: Member Boucher

Vote: Unanimous in favor of the motion

4. Old Business

FY2026 Capital Projects Recommendations

Acting City Manager Phinney informed the committee that the project balances are still outstanding. Once the balances are confirmed the final recommendations will be presented for review and approval.

Chairperson LaFountain asked for an update on the detective vehicle and use of asset forfeiture account funds. Acting City Manager Phinney indicated that clarification is still underway.

Chairperson LaFountain asked about the fire boat for the benefit of the Committee. Acting City Manager Phinney made the Committee aware that a grant had been received for roughly half the cost of the boat and grant acceptance will be before the City Council at the next meeting.

Councilor Lessard asked for clarification on the size, cost, intended use, and general specifications of the boat. Assistant Chief Thorpe provided clarifications.

Member Deschambault asked if the grant was for a percentage of the cost or a dollar amount and if there was a mooring for the boat. Acting City Manager Phinney confirmed that the grant was for a specific dollar amount. Assistant Chief Thorpe indicated the boat would be trailered to allow rapid access and deployment above and below the dam.

Chairperson LaFountain asked for clarification on what would potentially be in the St. Louis Field Complex CIP request in the amount of \$1.8M through 2030. Director Thompson provided an overview indicating that if approved this year the department will be looking at new fencing, lighting and restrooms.

Councilor Lessard offered comment on a used rigid hull inflatable he was able to locate on the internet to illustrate his view that consideration of a used boat may provide the ability to obtain a larger boat at roughly the same cost as a smaller new boat purchase.

5. **New Business**

5.a **Approval / Lease Renewal St. Louis Alumni Association – J. Richard Martin Community Center**

Acting City Manager Phinney queued up the item at the request of Chairperson LaFountain.

The Committee discussed a number of items including lease terms, extension periods, use of the space(s), paid vs unpaid lease space, and Director Thompson's plan to review all uses within the Community Center. Alumni Association Board Member Boston was present and provided comment and clarification. After discussion the Committee moved to vote on the renewal.

Motion to renew the St. Louis Alumni Association through December 31, 2025, to align the expiration date with all other leases.

Motion by: Councilor Lessard

Seconded by: Member Deschambault

Vote: Unanimous in favor of the motion.

5.b Review – Municipal Airport Ground Leases

The Committee entered into discussions related to the ordinance requirements, current lease terms, existing lease expirations, leasing rates, regulatory (FAA) limitations, and other related issues. The Committee consensus is to:

- not renew leases for such a long period of time, recommending two-year terms;
- consider a \$1,000-\$1,500 minimum lease fee or some other value;
- consider a fee structure that provides revenue to a sinking fund for ongoing improvements;
- consider a fee structure that is tiered in some way.

Director Demers asked for the opportunity to confirm whether the “O’Donnell” lease provided the required 180-day notification. Director Demers also provided information on ongoing efforts to improve the bottom line at the airport.

Motion to table this item until the next meeting.

Motion by: Councilor Lessard

Seconded by: Member Deschambault

Vote: Unanimous in favor of the motion

6. Adjourn 7:09 PM

Motion to adjourn.

Motion by: Councilor Lessard

Seconded by: Member Deschambault

Vote: Unanimous in favor of the motion



Capital Projects / Operations Committee

Meeting Date: August 13, 2025
Meeting Time: 6:00 PM
Agenda Item No: 4.a
Item Description: FY26 Capital Projects Recommendations for Remaining Funds
Submitted By: Brian S. Phinney, COO

Supporting Information/Documentation:

20250813 FY26 CIP - SUMMARY, 20250813 FY26 CIP Recommendation-VEHICLE, 20250813 FY26 CIP Recommendation-PROJECTS, 20250813 FY26 CIP Recommendation-CAPITAL PAVING

Key Terms:

Executive Summary:

Continuation of capital improvement project (CIP) recommendations. This item presents recommendations for the final FY26 CIP expenditures for paving and projects.

Detailed Review:

The FY26 Budget as approved included an allocation \$2,148,710 for FY26 CIP. This included \$20,000 moved from other funds and assigned to CIP. The \$20,000 allocation remains unassigned to be assigned at the discretion of the Capital Projects/Operation Committee. This leaves a balance of \$2,128,710.

As determined by a Committee vote on June 11, 2025, the Committee assigned \$300,700 to FY26 CIP Vehicles, \$500,000 to FY26 CIP Paving, and \$35,000 FY26 CIP Projects. This agenda item reflects the final recommendation for the remaining funds.

Capital Paving - After review of the project balances, Finance is comfortable with the balances as recorded. This leaves \$400,000 to be assigned from the initial FY26 CIP allocation of \$900,000. At the June meeting, the Committee assigned \$500,000. Assigning the remaining \$400,000 covers the capital paving project list through Medical Center Drive (see *20250813 FY2026 CIP Recommendation-CAPITAL PAVING*). As funds are available, DPW may update the StreetScan survey.

Capital Vehicles - The Committee approved \$300,700 in capital vehicles, leaving a balance of

\$121,600. In the FY25 Budget (CIP) a vehicle was missed; Service #4 assigned to the Fire Department was the vehicle that was overlooked. This vehicle has been added to the FY26 CIP request in the amount of \$64,000. If approved, this leaves a balance of \$57,600. In this proposal, \$57,600 has been added to the FY26 CIP - Projects request.

Capital Projects - At the June meeting, the Committee assigned \$35,000 from the projects list to start the skate park feasibility study. This left a balance of \$771,410. Adding the \$57,600 this brings the total to \$829,010. The recommendation for FY26 includes \$410,222 for Engineering projects, \$32,000 for Fire Department projects, \$500,000 for a CAD/RMS System paid over time at an estimated \$111,313 annually over a five (5) year period, \$191,475 for Public Works projects, and \$93,000 for Recreation. See *20250813 FY26 CIP Recommendation-PROJECTS* for the complete list.

The gross dollar assignments from June and this current recommendation are summarized in the attachment referenced as, *20250813 FY26 CIP - SUMMARY*.

Funding Source:

N/A

Staff Recommendation:

Staff recommends approval of the balance of the FY2026 CIP allocations as presented.

FY26 CIP - Capital Projects / Operations Committee Recommendation No. 2 - Summary

Allocation Category	Preliminary Proposal	Committee Recommendation No. 1 (06/11/25)	Balance to be Allocated	Recommendation #2, (08/13/25)
Committee Discretion	\$ 20,000		\$ 20,000	\$ 20,000
Vehicles ¹	\$ 422,300	\$ 300,700	\$ 121,600	\$ 64,000
Paving	\$ 900,000	\$ 500,000	\$ 400,000	\$ 400,000
Project	\$ 806,410	\$ 35,000	\$ 771,410	\$ 829,010
Fund 001	\$ 2,148,710.00	\$ 835,700	\$ 1,313,010	\$ 1,313,010

¹The Committee authorized the purchase of all recommended vehicles totaling \$422,300, with the following exceptions: Unit 213-Detective and Marine Unit 202-Rescue, be funded from Fund 268 and Fund 202, respectively. This leaves a balance of \$121,600. Service #4 added in Recommendation #2 leaving a balance of \$57,600. Recommend \$57,600 be added to "CIP Project".

FY2026 Capital Improvement Projects Recommendation No. 1 (A) - Vehicle Recommendations, General Fund 001

Description	Year	Request	Cash or DP			Lease	Notes	Capital Projects / Operations Committee Recommendation		
			Cash	or DP				Cash or DP	Lease	Notes
213 Car for Detective	2010	\$ 41,600	\$ 41,600							Approved, charge to Asset Forfeiture Account
015 Front End Loader	2009	\$ 191,017	\$ 75,000	\$ 1,202	10-year lease		\$ 75,000	\$ 1,202		
698 Skid Steer Loader	2003	\$ 35,700	\$ 35,700				\$ 35,700			
Mid Excavator	New	\$ 170,000	\$ 75,000	\$ 985	10-year lease		\$ 75,000	\$ 985		
698 Mower (to zero steer)	2003	\$ 45,000	\$ 45,000				\$ 45,000			
61 F-600 (Recycling vehicle)	2011	\$ 70,000	\$ 70,000		Alternatively, repurpose retireing ambulance		\$ 70,000			
Marine Unit 202 (rescue boat)	2010	\$ 80,000	\$ 80,000							Approved, charge to Mooring Fund
328 Fire Truck Pumper	2005	\$ 650,000								Approved, authorized to place order
General Fund		\$ 1,283,317	\$ 422,300	\$ 2,187			\$ 300,700	\$ 2,187		
CIP Vehicle Allocation (Recommended)			\$ 422,300				\$ 422,300			
Balance			\$ -				\$ 121,600			Balance to be allocated in Recommendation No. 2
Description	Year	Request	Cash	Lease						
610 Waste Water Pump Truck	2010	\$ 180,000	\$	22,386	Lease payment = \$1,865/mo	Capital Allocation	\$ 22,386	Lease payment = \$1,865/mo		
Camera Truck (new)		\$ 400,000	\$	25,000	Lease payment = \$4,166/mo	35102-60603	\$ 25,000	Lease payment = \$4,166/mo		
Wastewater Fund 601		\$ 580,000	\$	47,386			\$ 47,386			
CIP Vehicle Allocation (Recommended)			\$	47,386			\$ 47,386			

FY2026 Capital Improvement Projects Recommendation No. 2 - Vehicle Recommendations, General Fund 001

Description	Year	Request	Cash or DP			Lease	Notes	Capital Projects / Operations Committee Recommendation		
			Cash	or DP				Cash or DP	Lease	Notes
004 Fire Dept Service Pick-up	2012	\$ 64,000	\$ 64,000				\$ 64,000.00			
Dropped off list in 2025										
General Fund		\$ 64,000	\$ 64,000	\$ -			\$ 64,000	\$ -		
CIP Vehicle Allocation (Recommended)			\$ 64,000				\$ 121,600			
Balance			\$ -				\$ 57,600			Balance to be applied to CIP Project Allocation

FY26 CIP Project Recommendations

CIP Projects	Request	Recommend
Engineering	\$600,000	\$401,222
ENG-FY26-001-1-PACTS 2023 Complex Project - Alfred Street Sidewalks (Main to Washington)	\$50,000	\$50,000
ENG-FY26-005-5-General Engineering Design/Inspection Services (Non-CSO Master Plan)	\$100,000	\$100,000
ENG-FY26-007-7-General City-Wide ADA Sidewalk Improvements	\$400,000	\$201,222
ENG-FY26-008-8-General Crosswalk Upgrades	\$50,000	\$50,000
Fire Department	\$32,000	\$32,000
BFD-FY26-004-Standpipe Hose Pack & Equipment Replacement	\$18,000	\$18,000
BFD-FY26-011-Rescue Air Bags Replacement	\$14,000	\$14,000
Police Department	\$500,000	\$111,313
BPD-FY26-001-CAD/RMS System	\$500,000	\$111,313
Public Works	\$191,475	\$191,475
DPW-FY26-003-3-Recycling 30 Yard Roll-Off Container	\$18,975	\$18,975
DPW-FY26-004-4-City-Wide Sidewalks	\$97,500	\$97,500
DPW-FY26-006-6-Large Overhead Garage Doors	\$37,500	\$37,500
DPW-FY26-008-8-DPW Washbay Upgrade	\$37,500	\$37,500
Recreation	\$93,000	\$93,000
REC-FY26-012-Pump Station Rehab-Rotary Park	\$93,000	\$93,000
Grand Total	\$1,416,475	\$829,010

FY2026 Capital Improvement Projects Recommendation No. 2 (D) - Capital Paving

STREET	Roads in Feet	Cost mil and Asph.	Curbing Feet	Material	Estimated Cost	Sidewalk Feet	Material	Estimated Cost	Drainage Cost	Total Project	Cumulative Total
Fox Hollow	1450	\$110,239.00	0	0	\$0	1,450	Asph.	\$5,000	\$115,000	\$230,239	
Garden Drive	1650	\$167,263.00	0	0	\$0	-	0	\$0	\$120,000	\$287,263	\$517,502
Hill Street - West - Fall	3850	\$359,579.00	4,500	ASPH	\$67,500	7,000	Asph.	\$18,500	\$0	\$445,579	\$963,081
Brenton St	1131	\$82,525.00	-	0	\$0	-	0	\$0	\$10,000	\$92,525	\$1,055,606
Harmon St	400	\$29,187.00	-	0	\$0	-	0	\$0	\$0	\$29,187	\$1,084,793
Oakwood Circle	1158	\$29,187.00	-	0	\$0	-	0	\$0	\$0	\$29,187	\$1,113,980
First St	2025	\$141,847.00	-	0	\$0	-	0	\$0	\$0	\$141,847	\$1,255,827
Foavv Court	1313	\$91,973.00	-	-	-	-	-	-	-	\$91,973	\$1,347,800
Allison Ave	2500	\$175,120.00	850	ASPH	\$12,750	2,000	Asph	\$6,500	\$6,500	\$200,870	\$1,548,670
Bradbury St	720	\$50,434.00	-	-	-	-	-	-	-	\$50,434	\$1,599,104
Harrisin Ave	815	\$57,089.00	400	ASPH	\$6,000	400	Asph	\$4,500	\$4,500	\$72,089	\$1,671,193
Medicail Center Drive	225	\$15,760.00	-	-	\$0	-	-	\$0	-	\$15,760	\$1,686,953
Possible add Street/Street Scan	360	\$45,000.00	-	-	-	-	-	-	-	\$45,000	\$1,731,953
											\$1,731,953
Bond	360	\$25,217.28	-	-	\$0	-	-	\$0	\$0	\$25,217	\$1,757,170
Crestwood	534	\$37,406.03	-	-	\$0	-	-	\$0	\$0	\$37,406	\$1,794,576
First St	2,025	\$141,847.20	-	-	\$ -	-	-	-	-	\$141,847	\$1,936,424
Pike St	1,400	\$98,067.20	1,000	Granite	\$ 25,000	6,500		\$ 16,500	\$16,500	\$156,067	\$2,092,491
Bacon St - Hill to High	600	\$42,028.80	-	-	-	-	-	-	-	\$42,029	\$2,134,520
Totals :	22,516	\$1,699,770	6750		\$ 111,250	17350		\$ 51,000	\$272,500	\$2,134,520	
Mileage :	4.3		1.28			1.17					



Capital Projects / Operations Committee

Meeting Date: August 13, 2025
Meeting Time: 6:00 PM
Agenda Item No: 4.b
Item Description: Review - Biddeford Municipal Airport Ground Leases
Submitted By: Brian S. Phinney, COO

Supporting Information/Documentation:

20250813 Airport Lease Agreement Redline - DRAFT, 20250813 Airport Lease Agreement Clean - DRAFT, Memo to Council President (updated), Ground Lease Agreement Lot 6B, Ground Lease Agreement Lot 6E, Ground Lease Agreement & Exhibit A for Lot 7I

Key Terms:

Executive Summary:

The City of Biddeford leases ground space at the Biddeford Municipal Airport (B-19) to private hangar owners at a per-square-foot rate. Current lease rates are \$0.134/SqFt for the Saucier (6B) and Apte (6E) leases, and \$0.11965/SqFt for the O'Donnell (7I) lease (adjusted by CPI). Leases for three tenants will expire in August and November 2025.

The City Council's Capital Projects Operations Committee has reviewed potential changes to lease terms and revenue structures to support airport self-sustainability and the creation of a dedicated capital improvement sinking fund. Under FAA rules and grant assurances, the City is permitted to establish fair, reasonable, and non-discriminatory rates and charges to ensure the airport's financial self-sufficiency, provided revenues are used only for airport capital or operating purposes.

In addition to ground lease rent, staff recommends establishing a separate \$1,500 annual capital improvement fee payable by all hangar leaseholders, with proceeds dedicated to a restricted Airport Capital/Sinking Fund for long-term infrastructure needs.

Detailed Review:

The Biddeford Municipal Airport, designation B-19, leases land to various tenants for hangars. The City does not own the hangars and only leases the land beneath them. Please note the attached document titled *Memo to the Council President (updated)*, prepared by the City

Solicitor in response to questions from the Council President. This document is relevant to available actions and decisions of the Capital Projects Operations Committee (Committee) under Code of Ordinances §62-6, which grants the Committee, subject to Mayor and Council approval, the authority to recommend leasing City-owned lots not already under lease, for terms not exceeding 15 years with one renewal option of ten years.

Historically, the City has not strictly observed the lease review, renewal, or creation process set forth in the Code. Three current leases will expire in 2025 (two in November, one in August), and the required 180-day tenant notices have not been received as identified in the expired/expiring leases. The lack of notice by the tenant(s) allows the City to propose new lease terms.

FAA policy and Grant Assurances allow the airport to maintain a fee and rental structure that makes the airport as self-sustaining as possible, taking into account traffic volume and collection economy. FAA rules also allow sponsors to establish separate charges, provided they are reasonable, applied uniformly to similarly situated tenants, and used exclusively for airport purposes.

At its July 9, 2025 meeting, the Committee tabled review of the leases, requesting that staff evaluate:

- Shorter lease terms (e.g., two-year leases with renewal options)
- Minimum lease fees to fund capital expenses (\$1,000–\$1,500)
- A revenue structure supporting a sinking fund for capital improvements
- Possible tiered fee structures

Following the staff evaluation, staff recommends continuing the per-square-foot ground lease rates at levels consistent with fair market value and FAA requirements, and establishing a separate \$1,500 annual Capital Improvement Fee for all hangar leaseholders. This capital improvement fee will not be part of the lease agreement but will be adopted as part of the airport's published Rates and Charges Schedule, if approved. Current lease language at section 5.6., allows for such fees to be imposed.

If approved, revenues from the Capital Improvement Fee will be deposited into a dedicated, restricted Airport Capital/Sinking Fund to be used solely for FAA-eligible airport capital projects, grant matches, and repayment of prior City grant match advances, infrastructure maintenance, and other permissible airport operating costs. This approach is consistent with FAA Grant Assurances 24 and 25 and provides a predictable funding source for ongoing and future improvements without requiring full lease renegotiations. Although staff is comfortable with the proposal, it is recommended that, if the Committee is in agreement with a capital fund fee

concept, the proposed fee be discussed with FAA to ensure full compliance with FAA rules.

The revised draft ground lease agreement is included in the packet for review. The draft ground lease incorporates the shorter lease terms and current per square foot dollar amount. The per square foot is intended to reflect the original latest \$0.1429/SqFt rate adjusted by the CPI through 2025. During a review of the ground leases, it was discovered that the lease increases (adjusted by the CPI) were calculated incorrectly for FY23. It appears the base lease rate for each lease at the time each lease was signed was used as the base rate for the CPI calculation. This has the effect of resetting and underestimating the annual lease amount. The FY24 and FY25 leases continued to use FY23 base calculations for future CPI adjustments. To ensure the annual lease invoices are correct and reflect the cumulative CPI adjustments, staff recommends tabling a final decision on the draft lease(s) until a full assessment of prior year CPI calculations is performed. This assessment will ensure the starting rate for future airport lease invoices is accurate and will serve as a baseline for future CPI calculations for current leases.

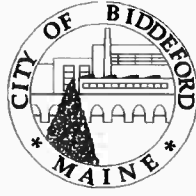
Funding Source:

N/A

Staff Recommendation:

Since the review and renewal process is being formally implemented starting with these renewals, it is recommended that the Committee evaluate the lease template and the soon-to-expire leases to develop a template and base square footage unit rate to reflect CPI adjustments through June 30, 2025. At a minimum, the three expiring leases should reflect the current unit rate multiplied by the leased square footage to determine the fixed rent and basis for CPI adjustments moving forward.

DRAFT



CITY OF BIDDEFORD

Biddeford Municipal Airport

Ground Lease Agreement

Adopted: Month xx, xxxx

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this ____ day of _____, by and between the **CITY OF BIDDEFORD**, a Maine municipal corporation, (the "**CITY**"), and _____, with a mailing address of _____, (the "**TENANT**").

WITNESSETH:

WHEREAS, CITY owns, controls and operates for the use and benefit of the public, Biddeford Municipal Airport, located in Biddeford, Maine, (the "**Airport**").

WHEREAS, TENANT wishes to enter into a Ground Lease Agreement with **CITY** in order to construct and/or maintain a hangar for **TENANT's** aircraft related equipment and materials and conduct certain permitted uses at the **Airport**;

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, **CITY** and **TENANT** hereby agree as follows:

ARTICLE 1 - LEASED PREMISES

1.1. DESCRIPTION OF LEASED PREMISES

The term "**Leased Premises**" or "**Premises**" as used in this Lease Agreement, shall mean and include real estate located at Biddeford Municipal Airport, Biddeford, York County, State of Maine, consisting of approximately _____square feet, as shown on Exhibit A attached hereto and incorporated herein, and including the rights of ingress thereto and egress therefrom and the right to install, use and maintain utilities, subject to any utility or other easements of record.

1.2 "AS IS" CONDITION.

TENANT takes the **Premises** in "as is" condition. Other than **CITY** ownership thereof, **CITY** makes no representation or warranty as to the physical condition of the **Premises** nor as to any other matter concerning the **Premises**, including but not limited to the presence of any environmental hazards thereon. Without limiting the foregoing, the **CITY** represents that, as of the execution date of this Lease, it has not received notice of any such hazards. All **TENANT** improvements, additions and alterations at or to the **Premises** will be at **TENANT's** sole cost and expense and **CITY** shall have no responsibility therefor.

ARTICLE 2 - OBJECTIVES AND PURPOSES OF LEASE

2.1 PERMITTED AND PROHIBITED USES OF LEASED PREMISES

2.1.1 Permitted Uses: **TENANT** shall use the **Premises** solely for the construction and/or maintenance of an aircraft storage hangar ("Hangar") and associated ramp and apron, which may be used for storage of

TENANT's owned or leased aircraft and aircraft related materials and equipment, provided, however, that any such uses shall be subject to all applicable Federal, State and Local law including, without limitations, the Biddeford Zoning Ordinance, the Minimum Standards and Procedures for the Lease and/or Use of the Property and Facilities for Aeronautical Activities (the "Minimum Standards") and all regulations of the Biddeford Municipal Airport currently in effect or enacted during the term of this Lease (See Section 5.8.1). Nothing in this section is intended, nor shall it be deemed, to permit TENANT to establish or carry out any commercial activity from the PREMISES (See Section 2.1.4).

2.1.2 TENANT shall have the right to install or improve therein and thereon such fixtures, equipment and facilities as TENANT may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, equipment or facility shall be constructed, improved or installed by TENANT without the prior written consent of the CITY; provided, further, that any such construction shall be subject to all Federal, State and Local Law including, without limitation, the Biddeford Building Codes and the regulations of the Biddeford Municipal Airport on hangar construction. TENANT covenants and agrees that prior to the construction or installation of any such structure, improvement, fixture, equipment, or facility, TENANT will submit detailed plans or other appropriate information showing the location, design and character to the Airport Manager and Biddeford Planning Office. Any such construction shall be subject to the approval of the Biddeford City Council or its designee.

2.1.3 TENANT shall have the right unless prohibited by any Fixed Base Operator Agreement to purchase or otherwise obtain personal property or services of any nature required by or incident to the operation and maintenance of the TENANT's aircraft from any person, partnership, firm, association or corporation it may choose, provided such person, partnership, firm, association or corporation shall have first obtained written approval from the CITY to operate within the airport and shall be in compliance with the Minimum Standards.

2.1.4 Prohibited Uses: TENANT shall not use the Premises for the conduct of any non-aeronautical business, for residential or non-aeronautical commercial use, or for non-aeronautical storage or non-aeronautical activities. TENANT shall obtain the written consent of the CITY prior to undertaking any commercial activities on the Premises

2.1.5 TENANT shall park his or her vehicle only in those areas designated for parking and only when using the Airport, TENANT's hangar or TENANT's aircraft.

2.1.6 All activities hereunder must be conducted pursuant to the Minimum Standards and Rules and Regulations and policies in effect on the date of execution of this Agreement and as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. Prior to undertaking any activities hereunder, TENANT shall obtain, at TENANT's own cost and expense, all approvals and permits required under the Minimum Standards, as well as any other required Federal, State or Local approvals and permits.

2.1.7 TENANT agrees that it shall not provide any Fixed Base Operator (FBO) services as defined by the CITY. TENANT may make a written request to perform FBO services, during the Lease term provided, that the Lease is not in default. The CITY shall have sole discretion to accept or reject TENANT's request. If the City grants TENANT request that it conduct FBO service(s), TENANT shall provide such service at its own cost and expense and shall comply will all applicable conditions imposed by the City including the Minimum Standards and Rules and Regulations and policies in effect on the date of this Agreement, as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. TENANT recognizes and agrees the CITY may revoke such consent at its sole discretion.

ARTICLE 3 - TERM

3.1 INITIAL TERM; RENT COMMENCEMENT DATE

3.1.1 This Lease shall be effective as of the date of execution of this Lease Agreement (the "Lease Commencement Date") for a term ~~ending on Month xx, xxxx~~ of up to thirty-six months (36) months to expire on June 30th of the respective year with such term defined in Subsection 4.1.1.

3.1.2 TENANT shall pay annual rent to the CITY during the Term of this Lease as provided in Article 4 below beginning on the Lease Commencement Date.

3.2 RENEWAL TERM

TENANT shall have the option to renew this Lease for five (5) additional two (2) years terms through negotiations with the City so long as TENANT has been and is continuing in full compliance with all of the terms and conditions herein, and subject to any applicable rent increase as provided in Article 4 below. TENANT shall provide CITY with no less than One Hundred and Eighty (180) days' notice of its intent to renew prior to expiration of the initial term of this Lease and each subsequent term. CITY shall renew the Lease pursuant to Section 4.3 below and subject to the continuing compliance by TENANT with all the terms and conditions herein. Such renewal shall be in writing signed by both parties.

3.3 HOLDING OVER

3.3.1 In the event TENANT shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without CITY's written renewal thereof, such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy at sufferance which may be terminated at any time by CITY or TENANT by giving thirty (30) days' written notice to the other party. Any such tenancy at sufferance shall otherwise be on all of the terms and conditions of this Lease Agreement.

ARTICLE 4 - RENTALS, FEES AND RECORDS

4.1 FIXED RENT

4.1.1. Fixed annual rent. TENANT agrees to pay CITY, a fixed rent of \$xxx.xx, with the first payment prorated from the month of execution through the next June 30. The second payment and all subsequent payments shall be calculated from July 1, 20xx through June 30, 20xx. ~~for the period from Month xx, xxxx through the following July 1, 20xx for the first, payment credit will be given for any amount previously paid for the period from July 1, 20xx to Month xx, xxxx~~

4.1.2 Rent increases. Beginning on the first day of JulyMonth 20xx, and annually thereafter, the fixed rent in Section 4.1.1 will be adjusted, based on the increase in the prior 12 months' Consumer Price Index of the U.S. Department of Labor, All Urban Consumers (CPI-U), all items (1982-84 = 100) for the U.S. City Average (Table 10, Northeast Urban areas, Size A – more than 1,500,000), June to June, or comparable successor index for the immediately prior twelve months. In no event shall such adjustment result in a reduction of the prior year's fixed annual rent. Rent shall be invoiced by the City Finance Department in August of each year.

4.2 RENEWAL RENT

In the event **TENANT** wishes to renew this Lease as provided in Section 3.2 above, **TENANT** shall provide the **CITY** with a notice of intent to renew the lease no less than 180 days prior to renewal of the Lease. Rent for the Renewal Term shall be equal to the then current [published](#) general aviation ground rent in effect as of the commencement of the renewal term [multiplied by the leased square footage referenced in Section 1.1 or as amended](#), with any then current inflation adjustment applicable to general aviation ground leases. Upon request, **CITY** shall provide **TENANT** with documentation as to those current rents and adjustments.

4.3 TIME AND PLACE OF PAYMENTS

4.3.1 The foregoing rent shall be payable, on or before September 1 of each year, at the Finance Department, Biddeford City Hall, or such other place as the **CITY** may direct in writing from time to time.

4.3.2 **TENANT** shall make prompt and timely payment, without deduction or setoff, of all rentals, fees, assessments, taxes and other charges due hereunder as the same may from time to time come due.

4.4 DELINQUENT RENTALS

There shall be added to all sums which the **TENANT** is required to pay hereunder (whether as rental or otherwise) to **CITY** and which are unpaid after their due date, a late charge of one and one-half percent (1-1/2%) of the unpaid sum for each full calendar month of delinquency computed as simple interest on a monthly basis which corresponds to eighteen percent (18%) per annum. Any late charge assessed shall be computed from the original due date of the unpaid sum. The rate of the late charge may be changed from time to time pursuant to generally applicable Airport rules and regulations. Any late charge hereunder shall be additional to any interest or other charge imposed by the **CITY** generally, including without limitation, interest on unpaid real or personal property taxes.

ARTICLE 5 - OBLIGATIONS OF TENANT

5.1 NET LEASE

The use and occupancy of the Leased Premises by **TENANT** will be without cost or expense to **CITY** and all rent payable hereunder shall be net to the **CITY**. It shall be the sole responsibility of **TENANT** to maintain, repair and operate the entirety of the Leased Premises and any improvements and facilities constructed thereon at **TENANT**'s sole cost and expense, except as otherwise explicitly stated herein.

5.2 CITY'S CONSENT TO IMPROVEMENTS REQUIRED.

5.2.1 If a hangar has not been previously constructed on the Premises, **TENANT** shall design and construct, at **TENANT**'s own cost and expense, a hangar and associated ramp and apron in accordance with the Minimum Standards. Prior to Planning Board review, the proposed design and materials to be used for such construction shall be subject to the review and approval of the Biddeford Planning Office, which approval shall not be unreasonably withheld or delayed. The Planning Office's review shall include review for compatibility with existing airport design and materials and for compliance with the Airport Master Plan then in effect. **TENANT**'s proposed landscaping plan shall be part of the Planning Office's review, and if required subject to final approval by the Planning Board. **TENANT** shall pay for and obtain all required Federal, State, County and **CITY** permits or approvals prior to such construction, including but not limited to any required Planning Board approval, and Federal Aviation Agency (hereinafter the "FAA") approvals, including filing FAA Form 7460, Notice of Proposed Construction or Alteration. In addition to

complying with any applicable CITY ordinance, all exterior signage to be placed or erected on the Premises shall be subject to the prior written approval of the Planning Office. In the event any substantive change is made ~~into~~ the proposed design and materials to be used after all other applicable review, such changes shall be submitted to the Planning Office for review and approval, which approval shall not be unreasonably withheld or delayed.

5.2.2 TENANT shall apply for any necessary permits and approvals within 60 days of the execution of this Lease. In the event TENANT is unable to obtain any required Federal, State or Local approvals and permits necessary for construction of its project and to begin construction no later than One (1) year from the date of execution of this Lease, each Party reserves the right to terminate this Lease upon no less than thirty (30) days prior written notice, with no further obligations of either Party hereunder. Upon obtaining all approvals and permits required for construction of the project, TENANT shall promptly commence and diligently complete such construction. All buildings and associated landscaping shall be completed within one (1) year of permit approvals.

5.2.3 Except as provided above, TENANT shall not erect any structures, make any improvements, nor do any construction work on the Premises, without the prior written approval of the Planning Office, whose approval shall not be unreasonably withheld or delayed. Alterations, modifications, additions to or replacements of any structure constructed on the Premises are subject to the prior written approval of the Planning Office, which approval shall not be unreasonably withheld or delayed. TENANT also shall obtain any necessary Planning Board approval. The requirement for the Planning Office's prior approval shall not apply to any improvements, repairs or replacements which are immediately necessary because of an emergency caused by no fault of TENANT, but TENANT shall inform the Airport Manager and Planning Office of such emergency work as soon as reasonable practicable.

5.3 MAINTENANCE AND OPERATIONS

5.3.1 All repair, and maintenance of the leased Premises, including, but not limited to, landscaping, paving and snow and ice removal, shall be the responsibility of the TENANT. TENANT shall maintain the Premises and all of the fixtures, equipment and personal property which may be located in or upon any part thereof in a reasonably neat, clean and sanitary condition. TENANT shall not store snow off the Premises without written approval from the Airport Manager. Snow removal shall not block any aircraft movement areas at any time. CITY agrees that it shall maintain, repair and remove snow and ice from the common areas of the Airport.

5.3.2 CITY shall have the right to take any action it considers necessary to protect general operation of the Airport and the aerial approaches to the Airport against obstruction. TENANT, in the use of the roadways, approaches, taxiways and runways of the aircraft landing field and in the use of the adjacent areas for storage of aircraft, or in the use of their buildings shall abide by and conform to any and all reasonable rules and regulations now existing or as may be hereafter promulgated by the CITY and will comply with the requirements of any Federal, State or Local act or regulation which relates to the operation of the Airport, including, but not limited to, abiding, at TENANT's sole cost and expense, with any Federal, State or Local security or certification requirements which relate to its operations at the Airport.

5.3.3 TENANT shall take good care of the Premises; shall reasonably maintain the Premises and the improvements, buildings and fixtures thereon in good condition at all times; shall make all repairs and replacements inside and outside, ordinary and extraordinary, structural or otherwise. Such repairs and replacements by TENANT shall be in quality and class not inferior to the original material and workmanship. TENANT shall pay promptly the costs and expenses of such repairs, replacements and

maintenance, and maintain and repair all utility service lines located upon the Leased Premises to the extent they are used by TENANT, except to the extent such maintenance or repair is the obligation of the utility company providing such utility service.

5.3.4 All exterior repairs, replacements and maintenance shall be subject to the prior written approval of the Planning Office, which shall not be unreasonably withheld or delayed, and shall comply with all applicable Federal, State and Local permit requirements as well as any applicable rules and regulations enacted by the CITY relating to the Airport.

5.3.5 TENANT shall paint, repair, replace or rebuild all or any part of the Premises, interior or exterior, structural or non-structural, as provided above, which may be damaged or destroyed (subject to the provisions of Article 9 below). In such case, TENANT shall have the right to apply any available insurance proceeds ~~to~~for such purposes.

5.3.6 TENANT shall provide, at its sole cost and expense, the necessary receptacles and arrangements for adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse that results from use of, or activities on, the Premises. CITY reserves the right to require TENANT to participate in any recycling program which may be imposed by Airport rules or by Local, State or Federal law or regulation. TENANT shall defend, indemnify and hold the CITY harmless from any cost, expense, claim, fine or liability, including without limitation attorney's fees and court costs, arising out of or resulting from TENANT's storage, collection, transportation or disposal of any trash, garbage or other refuse hereunder. This obligation of defense and indemnification shall remain in full force and effect after termination or expiration of this Lease.

5.3.7 TENANT shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse and said receptacles must be stored inside the hangar. ~~Piling of~~Piling boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Lease Premises, shall not be permitted.

5.3.8 To the extent that TENANT does not undertake or pay for any of its obligations under this Subsection 5.3 or Subsection 9, CITY reserves the right to undertake such obligations or to pay such costs, in its sole discretion, and to charge all costs thereof to TENANT. In the event CITY undertakes any such obligation or pays such cost hereunder, TENANT shall repay the CITY all such amounts immediately upon CITY's demand therefor. Nothing herein shall prevent or prohibit the CITY from declaring a default hereunder and terminating the Lease as provided in Article 11 below.

5.4 CITY RIGHT TO INSPECT AND REPAIR

5.4.1 CITY, through its agents, may come on the Premises and enter the Hangar to inspect for compliance with the requirements of this Lease, Airport rules and regulations, environmental laws, or other applicable legal and regulatory requirements. Such inspection will generally take place during normal business hours and following forty eight (48) hours advance notice to the TENANT, but the CITY reserves the right to enter the Premises unannounced at any time that the Airport Manager or City determines such entry is necessary for public safety or security reasons or if necessary for Federal or State required compliance inspections. In the event of such unannounced entry, CITY shall notify the TENANT that such inspection occurred within a reasonable time thereafter. TENANT shall provide CITY with the ability to access the Premises and the Hangar for such public safety and security purposes.

5.4.2 CITY or its designee, at its discretion, shall be the sole judge of the quality of the exterior repair and maintenance; and TENANT, upon notice by CITY to TENANT shall be required to perform whatever

repair and maintenance CITY deems reasonably necessary. If said repair and maintenance is not undertaken by TENANT within thirty (30) days after receipt of written notice, CITY shall have the right to enter upon the Leased Premises and perform the necessary repair and maintenance, the cost of which shall be borne by TENANT as additional rent to be paid to CITY immediately upon demand therefor. Notwithstanding the foregoing, in the case of a threat to public health or safety, CITY may undertake such repairs as it deems reasonably necessary and charge the cost thereto to TENANT as additional rent to be paid to CITY, without regard to any notice requirement herein. No waste shall be committed or damage done to the Premises, the buildings and equipment located thereon, nor to property of CITY.

5.5 UTILITIES

TENANT shall assume and pay for all construction, installation and periodic costs or charges for utility services furnished to TENANT during the term hereof; provided, however, that, consistent with applicable laws, regulations or permit requirements, TENANT shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense; and TENANT shall pay for any and all service charges incurred there from. The TENANT must also meet the requirements of any Airport Storm Water Pollution Prevention Plan and any amendments thereto. TENANT agrees to relocate at its expense any utility service if CITY determines in its sole discretion that said utility service interferes with present or future airport operations or expansions.

5.6 PAYMENT OF TAXES AND OTHER ASSESSMENTS

5.6.1 TENANT agrees to pay promptly when due, and not to permit to become delinquent, levies, taxes, assessments, improvement fees, excises, permit fees, license fees, charges, impositions or burdens of whatsoever kind and nature, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or for any public improvements or utility services (hereinafter "impositions") which, at any time during the term of this Lease Agreement, may be created, levied, assessed, imposed or charged upon or with respect to the Leased Premises or any part thereof, by any Federal, State, County, Municipal or other authority, which imposition would be valid and applicable to TENANT irrespective of this section.

5.6.2 TENANT acknowledges that CITY has the right from time to time to establish and impose reasonable charges and fees for users of the Airport or its facilities, provided that such charges and fees are charged in a uniform and non-discriminatory manner and do not significantly increase the total fixed and percentage rent due hereunder; and provided, further, that CITY shall provide TENANT with no less than thirty (30) days prior written notice prior to imposing any new fee or charge which directly or indirectly affects TENANT or any subtenant of TENANT.

5.7 NONDISCRIMINATION; AFFIRMATIVE ACTION

5.7.1 The TENANT, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with this Lease of the Premises that, to the extent applicable to TENANT's operations hereunder:

(a) no person on the grounds of race, color, sex, disability, religion, national origin or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, disability, religion, national origin, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise

be subjected to discrimination; and

(c) that the **TENANT** shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

5.8 OBSERVANCE OF LAWS, STATUTES, ORDINANCES, RULES AND REGULATIONS

5.8.1 During the Term hereof and any renewal term, **TENANT** shall, at its own cost and expense, promptly observe and comply with all existing and future applicable laws, ordinances, rules, regulations, licenses, permits, decisions and decrees of the Federal, State, County and **CITY** Governments (including but not limited to Airport Minimum Standards and Procedures for the Lease and/or Use of Property and Facilities for Aeronautical Activities (Exhibit A), Airport Rules and Regulations (Exhibit B), Airport Hangar Construction and Minimum Specifications (Exhibit C), Airport Storm Water Pollution Prevention Practices (Exhibit D), copies of which **TENANT** acknowledges having received and which are incorporated herein, as well as those of any other government authority having jurisdiction over the Premises or any part thereof, including without limitation all applicable Federal Aviation Administration rules and regulations, whether the same are in force at the commencement of the term of this Agreement or should be enacted in the future.

5.8.2 **TENANT** shall pay all fines, penalties, damages, expenses or costs, including reasonable counsel fees, and shall indemnify and hold the **CITY** harmless therefrom, which may in any manner arise out of or are imposed on **TENANT**, **CITY** or Airport because of the failure of the **TENANT** to comply with the requirements of this Section 5.8. Without limiting any other right of **CITY** hereunder, **TENANT**'s non-compliance with any provision of this Section 5.8 shall be grounds for termination of this Lease Agreement.

5.9 ENVIRONMENTAL STATUTES

5.9.1 **TENANT** covenants and agrees to comply with all applicable environmental laws, including without limitation all laws governing hazardous substances and all requirements related to storm water discharges and permits, and to provide to **CITY**, immediately upon receipt, copies of any correspondence, Notice, Pleading, Citation, Indictment, Complaint, Order, Decree or other document from any source asserting or alleging a circumstance or condition which requires, or may require, a clean-up, removal, remedial action, or other response by or on the part of **TENANT** under environmental laws, or which seek civil, criminal or punitive penalties from **TENANT** for an alleged violation of environmental laws. **TENANT** further agrees to advise the **CITY** in writing as soon as **TENANT** becomes aware of any condition or circumstances that may result in a potential violation of any environmental laws. **TENANT** shall comply with any Storm Water Pollution Prevention Plan and any amendments thereto and shall grant access to the **CITY** for any inspections required by the plan. **TENANT** agrees, at its expense, and at the request of **CITY** when it has a reasonable belief that there is a problem or when required by another governmental entity, to permit an environmental audit solely for the benefit of **CITY**, to be conducted by **CITY**. This provision shall not relieve **CITY** from conducting its own environmental audits or taking any other steps necessary to comply with environmental laws.

5.9.2 Without limiting the foregoing, **TENANT** shall not dump, flush, or in any way introduce any hazardous materials or hazardous waste or any other toxic materials upon the Leased Premises nor shall it improperly store, or dispose of any hazardous materials or hazardous waste from any such property, except in full compliance with all applicable laws and regulations. For purposes of this paragraph, the term

hazardous materials shall mean inflammable, explosives, radioactive materials and hazardous substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, the Hazardous Conservation and Recovery Act, and the Resources Conservation and Recovery Act, or any similar federal, state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The term "hazardous materials" shall also include any other chemical, material or substance which is or may be regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by any federal, state or other ~~governmental~~government authority or agency or which, even if not so regulated, may or could pose a hazard to human health and safety.

5.9.3 If in the opinion of **CITY**, there exists any uncorrected violation by **TENANT** of an environmental law which requires, or may require, a cleanup, removal or any condition or other remedial action by **TENANT** under any environmental law, regulation, permit, license, judgment or decree, and such cleanup, removal or other remedial action is not completed, or commenced and diligently pursued, within thirty (30) days from the date of written notice from **CITY** to **TENANT**, the same shall, at the option of **CITY**, constitute an event of default hereunder.

5.9.4 For the purposes of this Section 5.9, the term "environmental law or laws" shall mean all Federal, State and Local laws including statutes, regulations, ordinances, codes, rules, permits, licenses, judgments, decrees, or other governmental restrictions and requirements relating to the environment or any hazardous substance, including but not limited to, the State of Maine environmental protection statutes, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Research Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendments and Reauthorization Act of 1986, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any State Department of Environmental Protection or successor agency now or anytime hereafter in effect.

5.9.5 **TENANT** shall defend, indemnify and hold the **CITY** harmless from and against any and all damages, costs and expenses, including without limitation, fines, penalties, reasonable attorney's fees, consequential damages and remedial costs and other liabilities arising from claims based upon the environmental condition of the Premises and the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), resulting from (a) **TENANT**'s use of the Premises or operations thereon by or on behalf of **TENANT**; (b) claims arising out of, related to, or in connection with (i) the release by **TENANT** of any hazardous material into, onto or from the Premises; or (ii) any arrangement by **TENANT** for the treatment, recycling, storage or disposal at any facility owned or operated by any person or entity of a hazardous material which is present on the Premises or has been or may be deposited at, disposed on or released onto the Premises; and (c) claims related to demolition, cleanup or other remedial measure with regard to environmental conditions on or around the Premises by **TENANT**; or (d) claims resulting from any act or omission of **TENANT** in violation of any Federal, State or Local environmental laws or regulations with respect to **TENANT**'s use of the Leased Premises.

5.9.6 **CITY** shall give to **TENANT** prompt and reasonable notice of any such claim or action, and **TENANT** shall have the right to investigate, compromise, and defend the same.

5.9.7 **TENANT**, as used in this Section 5.9, shall mean and include the named **TENANT**, or anyone for whose act **TENANT** may be legally liable.

5.9.8 The Terms of this Section 5.9 shall expressly survive the expiration or earlier termination of this

Lease Agreement, including without limitation the terms of Subsection 5.9.5.

5.10 CONFLICTING REGULATIONS

Where there exists a conflict between any of the regulations or limitations prescribed in this Lease and any other regulations applicable to the same area, whether the conflict is with respect to the height of structures or trees, and the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

ARTICLE 6 - OBLIGATIONS OF CITY

6.1 OPERATION AS A MUNICIPAL AIRPORT

CITY agrees that at all times during the term of this Lease it will operate and maintain the Airport as a municipal airport. If CITY permanently ceases operations of the Airport during the term of this Lease, CITY will pay TENANT the appraised value of any building constructed on the Premises in accordance with the terms of this Lease as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from TENANT. CITY shall have no further obligations financial or otherwise to TENANT.

6.2 INGRESS AND EGRESS

Upon paying the ~~rental~~rent hereunder and performing the covenants of this Lease, TENANT shall have the right of ingress to and egress from the Premises for the TENANT, over the roadway provided by CITY serving the Premises. TENANT's access shall be in common with other users and shall be subject to applicable security requirements and to possible episodic interruptions due to security or safety concerns. CITY's roadway shall be used jointly with other tenants ~~on~~at the Airport, and TENANT shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as CITY deems necessary. TENANT shall have the right to bring utilities to the Premises at its own cost and expense and in accord with all applicable laws, rules and regulations for the extension and hookup of such utilities. TENANT shall be responsible for paying for all hookup and periodic usage charges for such utilities and CITY shall have no responsibility therefor.

ARTICLE 7 - CITY'S RESERVATIONS

7.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES

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

7.1.2 In the event CITY requires the use of the Premises for expansion, improvement, or development of the Airport, CITY reserves the right, on six (6) months' notice, to relocate or replace TENANT's improvements in substantially similar form at another generally comparable location on the Airport. The reasonable costs of such relocation or replacement shall be paid or reimbursed, as appropriate, by CITY. Alternatively, CITY reserves the right to terminate this Lease. In that event, CITY will pay TENANT the

appraised value of any building constructed on the premises as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from TENANT. CITY shall have no further obligations financial or otherwise to TENANT.

7.2 WAR OR NATIONAL EMERGENCY

During any time of war or national emergency, CITY shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease or agreement is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the lease or agreement with the Government shall be suspended or terminated, and in that event, a just and proportionate part of the rent hereunder shall be abated. CITY shall have no further obligations financial or otherwise to the TENANT.

ARTICLE 8 - INDEMNITY AND INSURANCE

8.1 INDEMNIFICATION

8.1.1 To the fullest extent permitted by law, TENANT agrees to defend, indemnify, and save forever harmless the CITY, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of TENANT's use or occupancy of the Leased Premises; CITY shall give to TENANT prompt and reasonable notice of any such claims or actions, and TENANT shall have the right to investigate, compromise and defend the same; and provided further, that TENANT shall not be liable for any claims, actions, injury, damages or losses to the extent they are occasioned by the negligent or intentional act of CITY, its officers, agents or employees. TENANT as used in this Subsection 8.1.1 and in Section 8.2 shall mean and include the named TENANT, and anyone for whose act TENANT may be legally liable.

8.1.2 TENANT shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against CITY or in which CITY may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. CITY shall have the right to participate in such suits, and no action shall be settled without prior consent of the CITY. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the CITY that would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

8.1.3 If TENANT is required to obtain workers compensation coverage under Maine law, TENANT agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against CITY.

8.1.4 The indemnity and hold harmless provision of Section 8.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the CITY. The provisions of this Article 8 and the obligations of TENANT hereunder shall survive the termination or expiration of this Lease.

8.1.5 In no case shall CITY be liable to TENANT or to any third party for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

8.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, **TENANT** shall not cause nor permit any lien against the Leased Premises, any portion thereof or any City property wherever located, or any improvements thereto, to arise out of or accrue from any action, omission or use thereof by **TENANT**. **TENANT** may in good faith, however, contest the validity of any alleged lien. **TENANT** shall defend and indemnify and hold the **CITY** harmless from any cost, expense, attorney's fees or other liability arising out of or resulting from any such lien or liens, and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure that is acceptable to the **CITY**. So long as **TENANT** defends **CITY** in any action concerning any such lien, **TENANT** shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the **CITY**. This provision shall survive termination or expiration of this Lease Agreement. **CITY** may, at its sole discretion, pay any amounts secured by any such lien and in such case, **TENANT** shall repay all such payments to **CITY** immediately upon **CITY**'s demand therefor.

8.3 INSURANCE

8.3.1 Without expense to the **CITY**, and with no lapse in coverage, **TENANT** shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance required by the Minimum Standards for a category 1X FBO – Aircraft Tie Down and Storage.

8.3.2 **TENANT** and the **CITY** understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and **CITY** reserves the right to amend the minimums as needed throughout the term of this Lease. **TENANT** agrees that it will increase such minimum limits upon receipt of notice in writing from the **CITY**.

8.3.4 In the event any construction or renovation on the Premises is approved by the **CITY**, **TENANT** shall procure and maintain, or cause to be procured and maintained, comprehensive general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the **CITY** may reasonably require, covering such construction. Said insurance shall protect **TENANT** and **CITY** from any claims or damages arising out of or resulting from such construction or renovations, and shall name the **CITY** as an additional insured thereon. In addition to the foregoing, **TENANT** shall cause to be procured and maintained automobile liability in such amounts as the **CITY** may reasonably require.

8.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Premises shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport Manager. Each liability policy required to be obtained hereunder shall name the **CITY** as an additional insured thereunder and shall be on an occurrence basis. All policies required hereunder shall be primary to any insurance or self-insurance that **CITY** may maintain for its own benefit.

8.3.6 Certificates or other evidence of insurance coverage required of **TENANT** in this Article, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the **CITY** prior to the execution of this Lease Agreement and annually thereafter. **TENANT** shall at all times during the term of this Lease Agreement provide **CITY** with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises. Insurer shall provide no less than thirty (30) days written notice prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Manager.

It shall be **TENANT's** responsibility throughout the term of this Lease to provide or have provided to the Airport Manager renewal insurance certificates with no lapse in coverage prior to such renewal.

8.3.7 If at any time **TENANT** should fail either to obtain or to maintain in force the insurance required herein, the **CITY** shall notify **TENANT** of its intention to purchase such insurance for **TENANT's** account; and, if **TENANT** has not delivered evidence of insurance to the Airport Manager prior to the date on which the current insurance expires, the **CITY** may effect such insurance by taking out policies in companies satisfactory to the **CITY**. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the **CITY** shall be payable by **TENANT** as additional rental immediately upon demand therefor by **CITY**.

ARTICLE 9 - DESTRUCTION OF PREMISES

9.1 In the event the buildings and improvements on the Premises, or any substantial part thereof, should be damaged or destroyed by an insured casualty, such buildings or improvements shall be repaired or rebuilt by **TENANT** and paid for with **TENANT's** insurance proceeds; and, if such proceeds are insufficient for such purposes **TENANT** shall pay the deficiency, unless otherwise agreed as provided herein. Repair or restoration of the buildings and improvements shall be in accordance with the original Plans and Specifications, together with alterations or modifications made or agreed upon prior to the casualty, unless the Parties otherwise mutually agree to new or modified plans.

9.2 Notwithstanding the foregoing, during the term of this Agreement or any renewal thereof, in the event the buildings and improvements on the Premises, or a substantial part thereof, should be destroyed, then **TENANT** may terminate this Agreement by written notice to **CITY** within ninety (90) days of the casualty and all obligations of each party hereunder shall terminate. In the event of such termination, **TENANT** shall return the Premises to **CITY** restored to a clean and usable condition, with removal of all personal and real property as provided in Article 12 below. If **TENANT** does not provide notice of such termination, **TENANT** shall proceed diligently to rebuild and restore the Premises and the buildings and improvements thereon in accord with the original plans and specifications or such other plans and specifications as may be approved by the Planning Office and, if required, the Planning Board.

ARTICLE 10 - CONDEMNATION

10.1 **CITY** agrees to give prompt written notice to **TENANT** of any eminent domain, condemnation, compulsory acquisition or like proceedings by any competent authority which might result in a partial or full taking of the Leased Premises and of which **CITY** has actual notice. Each party may file and prosecute their respective claims for an award, but all awards and payments on account of a taking shall be held in trust by the recipient to be distributed according to the respective interests of the parties, i.e., payments allocable to the value of the Leased Premises and the residual interest in the Leased Premises shall be paid to **CITY** and payments allocable to **TENANT's** leasehold interest and improvements shall be paid to **TENANT**.

10.2 In the case of a taking (other than for temporary use) of the fee of the entire Leased Premises, or so substantial a part of the Leased Premises that such taking materially impairs **TENANT's** conduct of its operations at or from the Premises, this Agreement shall terminate as of the effective date of such taking. In the case of a temporary taking (including without limitation a temporary taking as a result of relocation under 7.1.2 above), this Agreement shall be suspended during such time as **TENANT** is unable to use the Leasehold Premises for the uses provided herein. In the case of a temporary taking which does not permit **TENANT** to use the Premises as provided herein for a period of ninety (90) days or more, at the conclusion of said ninety (90) day period, **TENANT** may, in its discretion, give **CITY** a thirty (30) day notice of its

intent to terminate the Lease Agreement. This Lease shall terminate at the end of the thirty (30) day notice period, with no further obligation by either party. **TENANT's** obligation to pay rent hereunder shall be suspended during any temporary taking during which **TENANT** is unable to conduct its operations at or from the Leased Premises; provided, however, to the extent **TENANT** is able to continue its operations hereunder from the Premises or from an alternative site, the **TENANT** shall continue to pay the fixed rent based upon the square footage then available to **TENANT**.

ARTICLE 11 - TERMINATION OF LEASE

11.1 **CITY's Right to Terminate.** The **CITY**, in addition to any other rights to which it may be entitled by law, acting by and through its **CITY MANAGER**, may declare this Lease Agreement terminated in its entirety, subject to and in the manner provided herein, upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Premises:

- (a) To the extent permitted by law, the filing by **TENANT** of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of **TENANT's** assets;
- (b) To the extent permitted by law, the entry of an order for relief against the **TENANT**, by a court of applicable jurisdiction, pursuant to any involuntary bankruptcy petition filed against the **TENANT**;
- (c) To the extent permitted by law, the taking of jurisdiction by a court of competent jurisdiction of **TENANT** or its assets, pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) To the extent permitted by law, the appointment of a receiver or trustee of **TENANT's** assets by a court of competent jurisdiction or a voluntary agreement with **TENANT's** creditors;
- (e) The voluntary abandonment by **TENANT** of the Leased Premises (and the failure to pay rent thereon) for a period in excess of sixty (60) days; or
- (f) The material breach by **TENANT** of any of the covenants or agreements herein contained and not cured as provided below. A material breach shall include, but not be limited to, the failure of the **TENANT** to comply with the Minimum Standards, **TENANT's** use of the premises in a manner prohibited under this Lease, or the failure of **TENANT** to pay any rental, fee, or charge required to be paid by the terms of this Lease Agreement when the same is due and payable.

11.2 **TENANT's Right to Terminate.** **TENANT**, in addition to any other right given to it herein or to which it may be entitled by law, may terminate this Agreement in its entirety, subject to and in the manner provided herein, upon or after the happening of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction which materially prevents or restrains the use of the Airport or the Leased Premises for the purposes permitted under this Lease Agreement and such injunction remaining in force for a period of at least ninety (90) days after the date of receipt of written notice of such injunction by **CITY**;
- (b) Subject to **TENANT's** obligation to restore or repair the Premises under Article 9 above, the inability of **TENANT** to use said Leased Premises and Airport facilities due to war, earthquake or other casualty for a longer period than ninety (90) days after the date of receipt of written notice of such inability from **TENANT**;

(c) Any action of any governmental authority, board, agency or officer having jurisdiction thereof preventing **TENANT** from conducting the activities permitted hereunder at or on the Leased Premises by a taking, directly or indirectly, in whole or a substantial part, of the Leased Premises for a period of at least ninety (90) days after receipt of written notice of such action by **CITY**, subject to Article 10 above;

(d) The taking, through the process of eminent domain, of all or a substantial part of the Premises leased by **TENANT**, subject to Article 10 above; or

(e) The material breach by **CITY** of any of the covenants or agreements herein contained and not cured as provided below.

11.3 **Default by CITY.** In the event of any default by **CITY** of any of its obligations under this Lease Agreement, **TENANT** may declare the **CITY** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to the **CITY MANAGER** addressed and copied as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. No termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **TENANT** to **CITY**, and the City shall not have cured such default during such thirty (30) day period. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **CITY** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable.

11.4 **Default by TENANT.** In the event of any default by **TENANT** of any of its obligations under this Lease Agreement, **CITY** may declare the **TENANT** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to **TENANT** addressed as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. Except as provided otherwise in this Lease Agreement whereby no opportunity to cure is required, no termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **CITY** to **TENANT**, and such default shall not have been cured during such thirty (30) day period by the **TENANT**. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **TENANT** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable. In the event **TENANT** knew or should have known of the default prior to receipt of **CITY** notice, said thirty (30) day period to cure shall be deemed to begin as of the date **TENANT** knew or should have known of said default. Notwithstanding the foregoing, if **TENANT** should fail to pay any sum, including without limitation any rental, tax, assessment or use fee or charge, as required hereunder, **TENANT** shall have ten (10) days from receipt of **CITY** notice of default to cure said default, and if not so cured, termination of this Lease Agreement shall be effective as of the eleventh day following said receipt of notice.

ARTICLE 12 - RIGHTS UPON TERMINATION

12.1 **TENANT** agrees that upon the expiration of the Initial Term of this Lease or sooner termination thereof, the Leased Premises will be promptly delivered to **CITY**. **TENANT** shall remove all buildings, fixtures and personal property located on the Leased Premises within thirty (30) days of the date of expiration or termination and repair any damage resulting from such removal and restore the Premises, all

at TENANT's cost and expense. In lieu of removal, TENANT may, at its option, offer to transfer title, through execution of appropriate documents, to some or all of the buildings and improvements on the Premises to CITY at no cost to CITY and in such case, TENANT shall provide CITY of notice of such offer at least ninety (90) days prior to termination of this Agreement. CITY shall notify TENANT in writing within the ninety (90) day period ~~as whether~~whether it accepts or rejects said offer. In the event CITY rejects the offer, TENANT shall be obligated to remove the buildings and improvement from the Premises within thirty (30) days of expiration or termination as provided herein. Upon the termination or expiration of the Initial Term of this Lease Agreement, all rights of TENANT hereunder to possession of the Premises under this Agreement shall immediately terminate.

12.2 If the TENANT elects, and CITY agrees, to enter into a Renewal of this Agreement, at expiration or termination of any Renewal term, at CITY's option, the CITY may take title or require removal of improvements, alterations and additions made by TENANT in the same manner and on the same terms as provided in Section 12.1 at termination or expiration of the Initial Term.

12.3 Unless CITY has agreed in writing to accept title to buildings and improvements under Section 12.1 above, in the event TENANT fails to remove the buildings, fixtures or personal property from the Premises within thirty (30) days of termination or expiration of this Lease, title to said buildings, fixtures and personal property shall vest in CITY on the thirty-first (31st) day after the date of such termination or expiration, and CITY may dispose of such buildings, fixtures and personal property as it sees fit, in CITY discretion, and retain any proceeds from such disposal. In the event CITY incurs a net loss for such disposal, TENANT shall be liable to CITY for reimbursement of such loss.

ARTICLE 13 - ASSIGNMENT AND SUBLETTING

13.1 The TENANT shall not assign, rent, sublease, sell, convey, mortgage, encumber or otherwise transfer in any manner all or any part of the Leased Premises or the improvements located thereon or any of the privileges granted to TENANT hereunder, without the prior written consent of the CITY, which approval shall be at the CITY's sole discretion. CITY reserves the right to review the form of all such proposed transfers. TENANT shall notify CITY annually of the identity of all subleases of any portion of the Premises or shall provide such information upon CITY's request. CITY further reserves the right to place such reasonable conditions upon any such transfer as it deems to be in the best interest of the CITY.

In the event of any approved transfer, sublease or assignment, TENANT shall continue to be liable to CITY for all rent, fees, taxes, assessments and all other obligations under this Lease for which it is liable hereunder. All approved transferees, subleases or assignees shall be required to conform to all of the terms and conditions of this Lease Agreement, including without limitation, all insurance requirements hereunder. Additionally, all approved transferees, subleases or assignees shall be required to register their aircraft as "based" at the Biddeford Municipal Airport (B19) if such aircraft will be located at the Biddeford Municipal Airport for a cumulative period of One Hundred and Eighty (180) days or more, within any twelve month period.

13.2 Any violation of the terms of this Article by any person at or on the Premises, or conducting any activities from, at or on the Premises, shall be deemed a breach of this Lease Agreement and, at CITY's option, may result in termination of this Lease Agreement pursuant to Article 11.

13.3 Any sale or transfer, whether to one or more persons or entities and whether at one or more different times, of a total of fifty percent (50%) or more of the ownership interest in any corporation, partnership, limited liability company or other entity which is then the legal tenant under this Lease Agreement shall be deemed an assignment of this Lease Agreement within the meaning of this Article 13, for the first 30 days

or until a new lease is signed, whichever occurs first. The new owner(s), will be required to enter into a new Lease Agreement with the City for the leased premises within the first 30 days of taking ownership.

ARTICLE 14 - MISCELLANEOUS PROVISIONS

14.1 NON-INTERFERENCE WITH OPERATION OF AIRPORT

14.1.1 **TENANT**, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard or interfere with or endanger general operations at the Airport. In the event the aforesaid covenant is breached, the **CITY** reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the **TENANT**, and reimbursement for such **CITY** expense shall be paid by **TENANT** immediately upon **CITY**'s demand therefor.

14.1.2 **CITY** hereby reserves for 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 said air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport. In addition, **TENANT** acknowledges that because of the close location of the Premises to the "airfield operations area", that noise, vibration, fumes, debris and other interference with the Premises will be caused by Airport operations. **TENANT** hereby waives any and all rights and remedies against **CITY** arising out of any noise, vibration, fumes, debris and/or interference that is caused by the operation of the Airport.

14.2 QUIET ENJOYMENT

The **CITY** agrees that on payment of the rentals and fees hereunder, and subject to performance and compliance by **TENANT** of the covenants, conditions and agreement on its part to be performed and complied with herein, **TENANT** shall peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities, and of the Leased Premises, to the extent granted herein.

14.3 AGREEMENTS WITH FEDERAL GOVERNMENT

This Lease Agreement is subject and subordinate to the provisions of any agreements that have been or shall be made between the **CITY** and the United States of America relative to the operation or maintenance of the Airport, the execution of which have been or shall be required as a condition to the expenditure of Federal funds for the extension, expansion, improvement, maintenance or development of the Airport. **TENANT** agrees to comply with all applicable laws and regulations and to modify or amend this Agreement as required to comply with such applicable laws and regulations.

14.4 LICENSE FEES AND PERMITS

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

14.5 SECURITY AGREEMENT

TENANT, at its own cost and expense, shall be responsible for ensuring that all building entrances, exits,

and any access to the Leased Premises are in compliance with all applicable Airport Security Programs. It shall be **TENANT's** responsibility, at its own cost and expense, to be in compliance with all existing and future security requirements of the Department of Transportation, Transportation Security Administration, and/or the Airport Security Program, and **TENANT** shall hold the **CITY** harmless and shall pay any fines, penalties, cost or expenses incurred by **CITY** or by **TENANT** and arising out of any breach of said security requirements by **TENANT**, its invitees, subtenants, or anyone for whose act **TENANT** may be liable.

14.6 PARAGRAPH HEADINGS

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

14.7 INTERPRETATIONS

The laws of the State of Maine shall govern the validity, interpretation, performance and enforcement of this Agreement. Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires. Unless the context specifically provides otherwise, "person" wherever used in this Lease shall include, without limitation, an individual, a sole proprietor, a corporation, a partnership or any legal entity authorized by law.

14.8 DISPUTE RESOLUTION

All disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts of York County, State of Maine. **TENANT** hereby agrees to waive any rights which **TENANT** may have to a trial by jury. Notwithstanding the foregoing, **TENANT** and **CITY** may mutually agree to submit any dispute hereunder to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association.

14.9 NOTICES

Except as otherwise provided in Article 11 for certified mail or hand delivery of notice of default, whenever any notice or payment is required by this Lease Agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, addressed to, or hand-delivered to:

CITY:

City Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

Airport Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

TENANT:

Name
Xxxx, xxxxx Street
City, State

or such place as either party shall designate in writing.

14.10 ENTIRE AGREEMENT

This Lease Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties and all other representations or statements heretofore made, verbal or written, are merged herein, and this Lease Agreement may be amended only in a writing executed by duly authorized representatives of the parties hereto.

14.11 NON-WAIVER

No waiver by either Party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other Party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party. The receipt by CITY of any rent with knowledge of any breach of this Lease Agreement by TENANT or of any default by TENANT in the observance or performance of any of the terms, covenants or conditions of this Lease Agreement shall not be deemed to be a waiver of any provision of this Lease Agreement. If any action by TENANT shall require the consent or approval of CITY, CITY's consent to, or approval of, such action on any one occasion shall not be deemed a consent to, or approval of, said action on any subsequent occasion, or consent to, or approval of, any other action on the same or any subsequent occasion.

14.12 REMEDIES CUMULATIVE

All rights and remedies of the parties herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by either party of any remedy provided herein or allowed by law shall not be to the exclusion of any other remedy.

14.13 TIME OF ESSENCE

Time is and shall be of the essence in respect to the performance of each and every provision of this Lease Agreement.

14.14 FORCE MAJEURE

Neither the CITY nor TENANT shall be deemed in violation of this Lease Agreement if either should be prevented from performing any of the obligations hereunder (other than any obligations to make payments) by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. The party claiming force majeure shall give prompt written notice to the other party of such event or events, and shall resume performance promptly upon the conclusion of the event or events preventing its performance.

14.15 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term or provision

to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

14.16 MEMORANDUM OF LEASE

Either party at the request of the other, shall execute, acknowledge and deliver for recording, a memorandum or short form lease prepared by the requesting party; provided, however, that the relations between **CITY** and **TENANT** shall be governed solely by the provisions of this Lease Agreement and not by any such memorandum or short form lease which may be executed, delivered and recorded.

14.17 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Lease Agreement shall extend to and bind the legal representatives, heirs, successors, and any permitted assigns of the respective parties hereto. Nothing herein shall be deemed to authorize or permit any assignment or other transfer, in whole or in part, of the interest of **TENANT** in violation of any other provisions contained in this Lease Agreement.

14.18 ASSIGNMENT TO CITY SUCCESSOR IN INTEREST

The **CITY** may assign or otherwise convey its interest, rights, duties and/or obligations hereunder to any airport authority or other successor in interest.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above mentioned at Biddeford, Maine.

WITNESS

CITY OF BIDDEFORD, MAINE

By:
Airport Manager

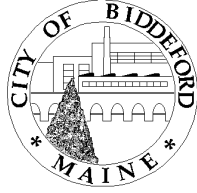
By:
City Manager

TENANT

By:

By:

DRAFT



CITY OF BIDDEFORD

Biddeford Municipal Airport

Ground Lease Agreement

Adopted: Month xx, xxxx

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this ____ day of _____, by and between the **CITY OF BIDDEFORD**, a Maine municipal corporation, (the "**CITY**"), and _____, with a mailing address of _____, (the "**TENANT**").

W I T N E S S E T H:

WHEREAS, CITY owns, controls and operates for the use and benefit of the public, Biddeford Municipal Airport, located in Biddeford, Maine, (the "**Airport**").

WHEREAS, TENANT wishes to enter into a Ground Lease Agreement with **CITY** in order to construct and/or maintain a hangar for **TENANT**'s aircraft related equipment and materials and conduct certain permitted uses at the Airport;

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, **CITY** and **TENANT** hereby agree as follows:

ARTICLE 1 - LEASED PREMISES

1.1. DESCRIPTION OF LEASED PREMISES

The term "Leased Premises" or "Premises" as used in this Lease Agreement, shall mean and include real estate located at Biddeford Municipal Airport, Biddeford, York County, State of Maine, consisting of approximately _____ square feet, as shown on Exhibit A attached hereto and incorporated herein, and including the rights of ingress thereto and egress therefrom and the right to install, use and maintain utilities, subject to any utility or other easements of record.

1.2 "AS IS" CONDITION.

TENANT takes the Premises in "as is" condition. Other than **CITY** ownership thereof, **CITY** makes no representation or warranty as to the physical condition of the Premises nor as to any other matter concerning the Premises, including but not limited to the presence of any environmental hazards thereon. Without limiting the foregoing, the **CITY** represents that, as of the execution date of this Lease, it has not received notice of any such hazards. All **TENANT** improvements, additions and alterations at or to the Premises will be at **TENANT**'s sole cost and expense and **CITY** shall have no responsibility therefor.

ARTICLE 2 - OBJECTIVES AND PURPOSES OF LEASE

2.1 PERMITTED AND PROHIBITED USES OF LEASED PREMISES

2.1.1 Permitted Uses: **TENANT** shall use the Premises solely for the construction and/or maintenance of an aircraft storage hangar ("Hangar") and associated ramp and apron, which may be used for storage of

TENANT's owned or leased aircraft and aircraft related materials and equipment, provided, however, that any such uses shall be subject to all applicable Federal, State and Local law including, without limitations, the Biddeford Zoning Ordinance, the Minimum Standards and Procedures for the Lease and/or Use of the Property and Facilities for Aeronautical Activities (the "Minimum Standards") and all regulations of the Biddeford Municipal Airport currently in effect or enacted during the term of this Lease (See Section 5.8.1). Nothing in this section is intended, nor shall it be deemed, to permit TENANT to establish or carry out any commercial activity from the PREMISES (See Section 2.1.4).

2.1.2 TENANT shall have the right to install or improve therein and thereon such fixtures, equipment and facilities as TENANT may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, equipment or facility shall be constructed, improved or installed by TENANT without the prior written consent of the CITY; provided, further, that any such construction shall be subject to all Federal, State and Local Law including, without limitation, the Biddeford Building Codes and the regulations of the Biddeford Municipal Airport on hangar construction. TENANT covenants and agrees that prior to the construction or installation of any such structure, improvement, fixture, equipment, or facility, TENANT will submit detailed plans or other appropriate information showing the location, design and character to the Airport Manager and Biddeford Planning Office. Any such construction shall be subject to the approval of the Biddeford City Council or its designee.

2.1.3 TENANT shall have the right unless prohibited by any Fixed Base Operator Agreement to purchase or otherwise obtain personal property or services of any nature required by or incident to the operation and maintenance of the TENANT's aircraft from any person, partnership, firm, association or corporation it may choose, provided such person, partnership, firm, association or corporation shall have first obtained written approval from the CITY to operate within the airport and shall be in compliance with the Minimum Standards.

2.1.4 Prohibited Uses: TENANT shall not use the Premises for the conduct of any non-aeronautical business, for residential or non-aeronautical commercial use, or for non-aeronautical storage or non-aeronautical activities. TENANT shall obtain the written consent of the CITY prior to undertaking any commercial activities on the Premises

2.1.5 TENANT shall park his or her vehicle only in those areas designated for parking and only when using the Airport, TENANT's hangar or TENANT's aircraft.

2.1.6 All activities hereunder must be conducted pursuant to the Minimum Standards and Rules and Regulations and policies in effect on the date of execution of this Agreement and as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. Prior to undertaking any activities hereunder, TENANT shall obtain, at TENANT's own cost and expense, all approvals and permits required under the Minimum Standards, as well as any other required Federal, State or Local approvals and permits.

2.1.7 TENANT agrees that it shall not provide any Fixed Base Operator (FBO) services as defined by the CITY. TENANT may make a written request to perform FBO services, during the Lease term provided, that the Lease is not in default. The CITY shall have sole discretion to accept or reject TENANT's request. If the City grants TENANT request that it conduct FBO service(s), TENANT shall provide such service at its own cost and expense and shall comply will all applicable conditions imposed by the City including the Minimum Standards and Rules and Regulations and policies in effect on the date of this Agreement, as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. TENANT recognizes and agrees the CITY may revoke such consent at its sole discretion.

ARTICLE 3 - TERM

3.1 INITIAL TERM; RENT COMMENCEMENT DATE

3.1.1 This Lease shall be effective as of the date of execution of this Lease Agreement (the "Lease Commencement Date") for a term of up to thirty-six months (36) months to expire on June 30th of the respective year with such term defined in Subsection 4.1.1.

3.1.2 **TENANT** shall pay annual rent to the **CITY** during the Term of this Lease as provided in Article 4 below beginning on the Lease Commencement Date.

3.2 RENEWAL TERM

TENANT shall have the option to renew this Lease for five (5) additional two (2) year terms through negotiations with the City so long as **TENANT** has been and is continuing in full compliance with all of the terms and conditions herein, and subject to any applicable rent increase as provided in Article 4 below. **TENANT** shall provide **CITY** with no less than One Hundred and Eighty (180) days' notice of its intent to renew prior to expiration of the initial term of this Lease and each subsequent term. **CITY** shall renew the Lease pursuant to Section 4.3 below and subject to the continuing compliance by **TENANT** with all the terms and conditions herein. Such renewal shall be in writing signed by both parties.

3.3 HOLDING OVER

3.3.1 In the event **TENANT** shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without **CITY**'s written renewal thereof, such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy at sufferance which may be terminated at any time by **CITY** or **TENANT** by giving thirty (30) days' written notice to the other party. Any such tenancy at sufferance shall otherwise be on all of the terms and conditions of this Lease Agreement.

ARTICLE 4 - RENTALS, FEES AND RECORDS

4.1 FIXED RENT

4.1.1. Fixed annual rent. **TENANT** agrees to pay **CITY**, a fixed rent of \$xxx.xx, with the first payment prorated from the month of execution through the next June 30. The second payment and all subsequent payments shall be calculated from July 1, 20xx through June 30, 20xx.

4.1.2 Rent increases. Beginning on the first day of July 20xx, and annually thereafter, the fixed rent in Section 4.1.1 will be adjusted, based on the increase in the prior 12 months' Consumer Price Index of the U.S. Department of Labor, All Urban Consumers (CPI-U), all items (1982-84 = 100) for the U.S. City Average (Table 10, Northeast Urban areas, Size A – more than 1,500,000), June to June, or comparable successor index for the immediately prior twelve months. In no event shall such adjustment result in a reduction of the prior year's fixed annual rent. Rent shall be invoiced by the City Finance Department in August of each year.

4.2 RENEWAL RENT

In the event **TENANT** wishes to renew this Lease as provided in Section 3.2 above, **TENANT** shall provide the **CITY** with a notice of intent to renew the lease no less than 180 days prior to renewal of the Lease.

Rent for the Renewal Term shall be equal to the then current published general aviation ground rent in effect as of the commencement of the renewal term multiplied by the leased square footage referenced in Section 1.1 or as amended, with any then current inflation adjustment applicable to general aviation ground leases. Upon request, CITY shall provide TENANT with documentation as to those current rents and adjustments.

4.3 TIME AND PLACE OF PAYMENTS

4.3.1 The foregoing rent shall be payable, on or before September 1 of each year, at the Finance Department, Biddeford City Hall, or such other place as the CITY may direct in writing from time to time.

4.3.2 TENANT shall make prompt and timely payment, without deduction or setoff, of all rentals, fees, assessments, taxes and other charges due hereunder as the same may from time to time come due.

4.4 DELINQUENT RENTALS

There shall be added to all sums which the TENANT is required to pay hereunder (whether as rental or otherwise) to CITY and which are unpaid after their due date, a late charge of one and one-half percent (1-1/2%) of the unpaid sum for each full calendar month of delinquency computed as simple interest on a monthly basis which corresponds to eighteen percent (18%) per annum. Any late charge assessed shall be computed from the original due date of the unpaid sum. The rate of the late charge may be changed from time to time pursuant to generally applicable Airport rules and regulations. Any late charge hereunder shall be additional to any interest or other charge imposed by the CITY generally, including without limitation, interest on unpaid real or personal property taxes.

ARTICLE 5 - OBLIGATIONS OF TENANT

5.1 NET LEASE

The use and occupancy of the Leased Premises by TENANT will be without cost or expense to CITY and all rent payable hereunder shall be net to the CITY. It shall be the sole responsibility of TENANT to maintain, repair and operate the entirety of the Leased Premises and any improvements and facilities constructed thereon at TENANT's sole cost and expense, except as otherwise explicitly stated herein.

5.2 CITY'S CONSENT TO IMPROVEMENTS REQUIRED.

5.2.1 If a hangar has not been previously constructed on the Premises, TENANT shall design and construct, at TENANT's own cost and expense, a hangar and associated ramp and apron in accordance with the Minimum Standards. Prior to Planning Board review, the proposed design and materials to be used for such construction shall be subject to the review and approval of the Biddeford Planning Office, which approval shall not be unreasonably withheld or delayed. The Planning Office's review shall include review for compatibility with existing airport design and materials and for compliance with the Airport Master Plan then in effect. TENANT's proposed landscaping plan shall be part of the Planning Office's review, and if required subject to final approval by the Planning Board. TENANT shall pay for and obtain all required Federal, State, County and CITY permits or approvals prior to such construction, including but not limited to any required Planning Board approval, and Federal Aviation Agency (hereinafter the "FAA") approvals, including filing FAA Form 7460, Notice of Proposed Construction or Alteration. In addition to complying with any applicable CITY ordinance, all exterior signage to be placed or erected on the Premises shall be subject to the prior written approval of the Planning Office. In the event any substantive change is

made to the proposed design and materials to be used after all other applicable review, such changes shall be submitted to the Planning Office for review and approval, which approval shall not be unreasonably withheld or delayed.

5.2.2 **TENANT** shall apply for any necessary permits and approvals within 60 days of the execution of this Lease. In the event **TENANT** is unable to obtain any required Federal, State or Local approvals and permits necessary for construction of its project and to begin construction no later than One (1) year from the date of execution of this Lease, each Party reserves the right to terminate this Lease upon no less than thirty (30) days prior written notice, with no further obligations of either Party hereunder. Upon obtaining all approvals and permits required for construction of the project, **TENANT** shall promptly commence and diligently complete such construction. All buildings and associated landscaping shall be completed within one (1) year of permit approvals.

5.2.3 Except as provided above, **TENANT** shall not erect any structures, make any improvements, nor do any construction work on the Premises, without the prior written approval of the Planning Office, whose approval shall not be unreasonably withheld or delayed. Alterations, modifications, additions to or replacements of any structure constructed on the Premises are subject to the prior written approval of the Planning Office, which approval shall not be unreasonably withheld or delayed. **TENANT** also shall obtain any necessary Planning Board approval. The requirement for the Planning Office's prior approval shall not apply to any improvements, repairs or replacements which are immediately necessary because of an emergency caused by no fault of **TENANT**, but **TENANT** shall inform the Airport Manager and Planning Office of such emergency work as soon as reasonable practicable.

5.3 MAINTENANCE AND OPERATIONS

5.3.1 All repair, and maintenance of the leased Premises, including, but not limited to, landscaping, paving and snow and ice removal, shall be the responsibility of the **TENANT**. **TENANT** shall maintain the Premises and all of the fixtures, equipment and personal property which may be located in or upon any part thereof in a reasonably neat, clean and sanitary condition. **TENANT** shall not store snow off the Premises without written approval from the Airport Manager. Snow removal shall not block any aircraft movement areas at any time. **CITY** agrees that it shall maintain, repair and remove snow and ice from the common areas of the Airport.

5.3.2 **CITY** shall have the right to take any action it considers necessary to protect general operation of the Airport and the aerial approaches to the Airport against obstruction. **TENANT**, in the use of the roadways, approaches, taxiways and runways of the aircraft landing field and in the use of the adjacent areas for storage of aircraft, or in the use of their buildings shall abide by and conform to any and all reasonable rules and regulations now existing or as may be hereafter promulgated by the **CITY** and will comply with the requirements of any Federal, State or Local act or regulation which relates to the operation of the Airport, including, but not limited to, abiding, at **TENANT**'s sole cost and expense, with any Federal, State or Local security or certification requirements which relate to its operations at the Airport.

5.3.3 **TENANT** shall take good care of the Premises; shall reasonably maintain the Premises and the improvements, buildings and fixtures thereon in good condition at all times; shall make all repairs and replacements inside and outside, ordinary and extraordinary, structural or otherwise. Such repairs and replacements by **TENANT** shall be in quality and class not inferior to the original material and workmanship. **TENANT** shall pay promptly the costs and expenses of such repairs, replacements and maintenance, and maintain and repair all utility service lines located upon the Leased Premises to the extent they are used by **TENANT**, except to the extent such maintenance or repair is the obligation of the utility

company providing such utility service.

5.3.4 All exterior repairs, replacements and maintenance shall be subject to the prior written approval of the Planning Office, which shall not be unreasonably withheld or delayed, and shall comply with all applicable Federal, State and Local permit requirements as well as any applicable rules and regulations enacted by the CITY relating to the Airport.

5.3.5 TENANT shall paint, repair, replace or rebuild all or any part of the Premises, interior or exterior, structural or non-structural, as provided above, which may be damaged or destroyed (subject to the provisions of Article 9 below). In such case, TENANT shall have the right to apply any available insurance proceeds for such purposes.

5.3.6 TENANT shall provide, at its sole cost and expense, the necessary receptacles and arrangements for adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse that results from use of, or activities on, the Premises. CITY reserves the right to require TENANT to participate in any recycling program which may be imposed by Airport rules or by Local, State or Federal law or regulation. TENANT shall defend, indemnify and hold the CITY harmless from any cost, expense, claim, fine or liability, including without limitation attorney's fees and court costs, arising out of or resulting from TENANT's storage, collection, transportation or disposal of any trash, garbage or other refuse hereunder. This obligation of defense and indemnification shall remain in full force and effect after termination or expiration of this Lease.

5.3.7 TENANT shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse and said receptacles must be stored inside the hangar. Piling boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Lease Premises, shall not be permitted.

5.3.8 To the extent that TENANT does not undertake or pay for any of its obligations under this Subsection 5.3 or Subsection 9, CITY reserves the right to undertake such obligations or to pay such costs, in its sole discretion, and to charge all costs thereof to TENANT. In the event CITY undertakes any such obligation or pays such cost hereunder, TENANT shall repay the CITY all such amounts immediately upon CITY's demand therefor. Nothing herein shall prevent or prohibit the CITY from declaring a default hereunder and terminating the Lease as provided in Article 11 below.

5.4 CITY RIGHT TO INSPECT AND REPAIR

5.4.1 CITY, through its agents, may come on the Premises and enter the Hangar to inspect for compliance with the requirements of this Lease, Airport rules and regulations, environmental laws, or other applicable legal and regulatory requirements. Such inspection will generally take place during normal business hours and following forty eight (48) hours advance notice to the TENANT, but the CITY reserves the right to enter the Premises unannounced at any time that the Airport Manager or City determines such entry is necessary for public safety or security reasons or if necessary for Federal or State required compliance inspections. In the event of such unannounced entry, CITY shall notify the TENANT that such inspection occurred within a reasonable time thereafter. TENANT shall provide CITY with the ability to access the Premises and the Hangar for such public safety and security purposes.

5.4.2 CITY or its designee, at its discretion, shall be the sole judge of the quality of the exterior repair and maintenance; and TENANT, upon notice by CITY to TENANT shall be required to perform whatever repair and maintenance CITY deems reasonably necessary. If said repair and maintenance is not undertaken by TENANT within thirty (30) days after receipt of written notice, CITY shall have the right

to enter upon the Leased Premises and perform the necessary repair and maintenance, the cost of which shall be borne by **TENANT** as additional rent to be paid to **CITY** immediately upon demand therefor. Notwithstanding the foregoing, in the case of a threat to public health or safety, **CITY** may undertake such repairs as it deems reasonably necessary and charge the cost thereto to **TENANT** as additional rent to be paid to **CITY**, without regard to any notice requirement herein. No waste shall be committed or damage done to the Premises, the buildings and equipment located thereon, nor to property of **CITY**.

5.5 UTILITIES

TENANT shall assume and pay for all construction, installation and periodic costs or charges for utility services furnished to **TENANT** during the term hereof; provided, however, that, consistent with applicable laws, regulations or permit requirements, **TENANT** shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense; and **TENANT** shall pay for any and all service charges incurred there from. The **TENANT** must also meet the requirements of any Airport Storm Water Pollution Prevention Plan and any amendments thereto. **TENANT** agrees to relocate at its expense any utility service if **CITY** determines in its sole discretion that said utility service interferes with present or future airport operations or expansions.

5.6 PAYMENT OF TAXES AND OTHER ASSESSMENTS

5.6.1 **TENANT** agrees to pay promptly when due, and not to permit to become delinquent, levies, taxes, assessments, improvement fees, excises, permit fees, license fees, charges, impositions or burdens of whatsoever kind and nature, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or for any public improvements or utility services (hereinafter "impositions") which, at any time during the term of this Lease Agreement, may be created, levied, assessed, imposed or charged upon or with respect to the Leased Premises or any part thereof, by any Federal, State, County, Municipal or other authority, which imposition would be valid and applicable to **TENANT** irrespective of this section.

5.6.2 **TENANT** acknowledges that **CITY** has the right from time to time to establish and impose reasonable charges and fees for users of the Airport or its facilities, provided that such charges and fees are charged in a uniform and non-discriminatory manner and do not significantly increase the total fixed and percentage rent due hereunder; and provided, further, that **CITY** shall provide **TENANT** with no less than thirty (30) days prior written notice prior to imposing any new fee or charge which directly or indirectly affects **TENANT** or any subtenant of **TENANT**.

5.7 NONDISCRIMINATION; AFFIRMATIVE ACTION

5.7.1 The **TENANT**, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with this Lease of the Premises that, to the extent applicable to **TENANT**'s operations hereunder:

(a) no person on the grounds of race, color, sex, disability, religion, national origin or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, disability, religion, national origin, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(c) that the **TENANT** shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

5.8 OBSERVANCE OF LAWS, STATUTES, ORDINANCES, RULES AND REGULATIONS

5.8.1 During the Term hereof and any renewal term, **TENANT** shall, at its own cost and expense, promptly observe and comply with all existing and future applicable laws, ordinances, rules, regulations, licenses, permits, decisions and decrees of the Federal, State, County and **CITY** Governments (including but not limited to Airport Minimum Standards and Procedures for the Lease and/or Use of Property and Facilities for Aeronautical Activities (Exhibit A), Airport Rules and Regulations (Exhibit B), Airport Hangar Construction and Minimum Specifications (Exhibit C), Airport Storm Water Pollution Prevention Practices (Exhibit D), copies of which **TENANT** acknowledges having received and which are incorporated herein, as well as those of any other government authority having jurisdiction over the Premises or any part thereof, including without limitation all applicable Federal Aviation Administration rules and regulations, whether the same are in force at the commencement of the term of this Agreement or should be enacted in the future.

5.8.2 **TENANT** shall pay all fines, penalties, damages, expenses or costs, including reasonable counsel fees, and shall indemnify and hold the **CITY** harmless therefrom, which may in any manner arise out of or are imposed on **TENANT**, **CITY** or Airport because of the failure of the **TENANT** to comply with the requirements of this Section 5.8. Without limiting any other right of **CITY** hereunder, **TENANT**'s non-compliance with any provision of this Section 5.8 shall be grounds for termination of this Lease Agreement.

5.9 ENVIRONMENTAL STATUTES

5.9.1 **TENANT** covenants and agrees to comply with all applicable environmental laws, including without limitation all laws governing hazardous substances and all requirements related to storm water discharges and permits, and to provide to **CITY**, immediately upon receipt, copies of any correspondence, Notice, Pleading, Citation, Indictment, Complaint, Order, Decree or other document from any source asserting or alleging a circumstance or condition which requires, or may require, a clean-up, removal, remedial action, or other response by or on the part of **TENANT** under environmental laws, or which seek civil, criminal or punitive penalties from **TENANT** for an alleged violation of environmental laws. **TENANT** further agrees to advise the **CITY** in writing as soon as **TENANT** becomes aware of any condition or circumstances that may result in a potential violation of any environmental laws. **TENANT** shall comply with any Storm Water Pollution Prevention Plan and any amendments thereto and shall grant access to the **CITY** for any inspections required by the plan. **TENANT** agrees, at its expense, and at the request of **CITY** when it has a reasonable belief that there is a problem or when required by another governmental entity, to permit an environmental audit solely for the benefit of **CITY**, to be conducted by **CITY**. This provision shall not relieve **CITY** from conducting its own environmental audits or taking any other steps necessary to comply with environmental laws.

5.9.2 Without limiting the foregoing, **TENANT** shall not dump, flush, or in any way introduce any hazardous materials or hazardous waste or any other toxic materials upon the Leased Premises nor shall it improperly store, or dispose of any hazardous materials or hazardous waste from any such property, except in full compliance with all applicable laws and regulations. For purposes of this paragraph, the term hazardous materials shall mean inflammable, explosives, radioactive materials and hazardous substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive

Environmental Response Compensation Liability Act of 1980, as amended, the Hazardous Conservation and Recovery Act, and the Resources Conservation and Recovery Act, or any similar federal, state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The term "hazardous materials" shall also include any other chemical, material or substance which is or may be regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by any federal, state or other government authority or agency or which, even if not so regulated, may or could pose a hazard to human health and safety.

5.9.3 If in the opinion of **CITY**, there exists any uncorrected violation by **TENANT** of an environmental law which requires, or may require, a cleanup, removal or any condition or other remedial action by **TENANT** under any environmental law, regulation, permit, license, judgment or decree, and such cleanup, removal or other remedial action is not completed, or commenced and diligently pursued, within thirty (30) days from the date of written notice from **CITY** to **TENANT**, the same shall, at the option of **CITY**, constitute an event of default hereunder.

5.9.4 For the purposes of this Section 5.9, the term "environmental law or laws" shall mean all Federal, State and Local laws including statutes, regulations, ordinances, codes, rules, permits, licenses, judgments, decrees, or other governmental restrictions and requirements relating to the environment or any hazardous substance, including but not limited to, the State of Maine environmental protection statutes, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Research Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendments and Reauthorization Act of 1986, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any State Department of Environmental Protection or successor agency now or anytime hereafter in effect.

5.9.5 **TENANT** shall defend, indemnify and hold the **CITY** harmless from and against any and all damages, costs and expenses, including without limitation, fines, penalties, reasonable attorney's fees, consequential damages and remedial costs and other liabilities arising from claims based upon the environmental condition of the Premises and the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), resulting from (a) **TENANT's** use of the Premises or operations thereon by or on behalf of **TENANT**; (b) claims arising out of, related to, or in connection with (i) the release by **TENANT** of any hazardous material into, onto or from the Premises; or (ii) any arrangement by **TENANT** for the treatment, recycling, storage or disposal at any facility owned or operated by any person or entity of a hazardous material which is present on the Premises or has been or may be deposited at, disposed on or released onto the Premises; and (c) claims related to demolition, cleanup or other remedial measure with regard to environmental conditions on or around the Premises by **TENANT**; or (d) claims resulting from any act or omission of **TENANT** in violation of any Federal, State or Local environmental laws or regulations with respect to **TENANT's** use of the Leased Premises.

5.9.6 **CITY** shall give to **TENANT** prompt and reasonable notice of any such claim or action, and **TENANT** shall have the right to investigate, compromise, and defend the same.

5.9.7 **TENANT**, as used in this Section 5.9, shall mean and include the named **TENANT**, or anyone for whose act **TENANT** may be legally liable.

5.9.8 The Terms of this Section 5.9 shall expressly survive the expiration or earlier termination of this Lease Agreement, including without limitation the terms of Subsection 5.9.5.

5.10 CONFLICTING REGULATIONS

Where there exists a conflict between any of the regulations or limitations prescribed in this Lease and any other regulations applicable to the same area, whether the conflict is with respect to the height of structures or trees, and the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

ARTICLE 6 - OBLIGATIONS OF CITY

6.1 OPERATION AS A MUNICIPAL AIRPORT

CITY agrees that at all times during the term of this Lease it will operate and maintain the Airport as a municipal airport. If **CITY** permanently ceases operations of the Airport during the term of this Lease, **CITY** will pay **TENANT** the appraised value of any building constructed on the Premises in accordance with the terms of this Lease as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from **TENANT**. **CITY** shall have no further obligations financial or otherwise to **TENANT**.

6.2 INGRESS AND EGRESS

Upon paying the rent hereunder and performing the covenants of this Lease, **TENANT** shall have the right of ingress to and egress from the Premises for the **TENANT**, over the roadway provided by **CITY** serving the Premises. **TENANT**'s access shall be in common with other users and shall be subject to applicable security requirements and to possible episodic interruptions due to security or safety concerns. **CITY**'s roadway shall be used jointly with other tenants at the Airport, and **TENANT** shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as **CITY** deems necessary. **TENANT** shall have the right to bring utilities to the Premises at its own cost and expense and in accord with all applicable laws, rules and regulations for the extension and hookup of such utilities. **TENANT** shall be responsible for paying for all hookup and periodic usage charges for such utilities and **CITY** shall have no responsibility therefor.

ARTICLE 7 - CITY'S RESERVATIONS

7.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES

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

7.1.2 In the event **CITY** requires the use of the Premises for expansion, improvement, or development of the Airport, **CITY** reserves the right, on six (6) months' notice, to relocate or replace **TENANT**'s improvements in substantially similar form at another generally comparable location on the Airport. The reasonable costs of such relocation or replacement shall be paid or reimbursed, as appropriate, by **CITY**. Alternatively, **CITY** reserves the right to terminate this Lease. In that event, **CITY** will pay **TENANT** the appraised value of any building constructed on the premises as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from **TENANT**. **CITY** shall have no further

obligations financial or otherwise to **TENANT**.

7.2 WAR OR NATIONAL EMERGENCY

During any time of war or national emergency, **CITY** shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease or agreement is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the lease or agreement with the Government shall be suspended or terminated, and in that event, a just and proportionate part of the rent hereunder shall be abated. **CITY** shall have no further obligations financial or otherwise to the **TENANT**.

ARTICLE 8 - INDEMNITY AND INSURANCE

8.1 INDEMNIFICATION

8.1.1 To the fullest extent permitted by law, **TENANT** agrees to defend, indemnify, and save forever harmless the **CITY**, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of **TENANT**'s use or occupancy of the Leased Premises; **CITY** shall give to **TENANT** prompt and reasonable notice of any such claims or actions, and **TENANT** shall have the right to investigate, compromise and defend the same; and provided further, that **TENANT** shall not be liable for any claims, actions, injury, damages or losses to the extent they are occasioned by the negligent or intentional act of **CITY**, its officers, agents or employees. **TENANT** as used in this Subsection 8.1.1 and in Section 8.2 shall mean and include the named **TENANT**, and anyone for whose act **TENANT** may be legally liable.

8.1.2 **TENANT** shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against **CITY** or in which **CITY** may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. **CITY** shall have the right to participate in such suits, and no action shall be settled without prior consent of the **CITY**. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the **CITY** that would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

8.1.3 If **TENANT** is required to obtain workers compensation coverage under Maine law, **TENANT** agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against **CITY**.

8.1.4 The indemnity and hold harmless provision of Section 8.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the **CITY**. The provisions of this Article 8 and the obligations of **TENANT** hereunder shall survive the termination or expiration of this Lease.

8.1.5 In no case shall **CITY** be liable to **TENANT** or to any third party for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

8.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, **TENANT** shall not cause nor permit any lien against the Leased Premises, any portion thereof or any City property wherever located, or any improvements thereto, to arise out of or accrue from any action, omission or use thereof by **TENANT**. **TENANT** may in good faith, however, contest the validity of any alleged lien. **TENANT** shall defend and indemnify and hold the **CITY** harmless from any cost, expense, attorney's fees or other liability arising out of or resulting from any such lien or liens, and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure that is acceptable to the **CITY**. So long as **TENANT** defends **CITY** in any action concerning any such lien, **TENANT** shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the **CITY**. This provision shall survive termination or expiration of this Lease Agreement. **CITY** may, at its sole discretion, pay any amounts secured by any such lien and in such case, **TENANT** shall repay all such payments to **CITY** immediately upon **CITY**'s demand therefor.

8.3 INSURANCE

8.3.1 Without expense to the **CITY**, and with no lapse in coverage, **TENANT** shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance required by the Minimum Standards for a category 1X FBO – Aircraft Tie Down and Storage.

8.3.2 **TENANT** and the **CITY** understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and **CITY** reserves the right to amend the minimums as needed throughout the term of this Lease. **TENANT** agrees that it will increase such minimum limits upon receipt of notice in writing from the **CITY**.

8.3.4 In the event any construction or renovation on the Premises is approved by the **CITY**, **TENANT** shall procure and maintain, or cause to be procured and maintained, comprehensive general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the **CITY** may reasonably require, covering such construction. Said insurance shall protect **TENANT** and **CITY** from any claims or damages arising out of or resulting from such construction or renovations, and shall name the **CITY** as an additional insured thereon. In addition to the foregoing, **TENANT** shall cause to be procured and maintained automobile liability in such amounts as the **CITY** may reasonably require.

8.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Premises shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport Manager. Each liability policy required to be obtained hereunder shall name the **CITY** as an additional insured thereunder and shall be on an occurrence basis. All policies required hereunder shall be primary to any insurance or self-insurance that **CITY** may maintain for its own benefit.

8.3.6 Certificates or other evidence of insurance coverage required of **TENANT** in this Article, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the **CITY** prior to the execution of this Lease Agreement and annually thereafter. **TENANT** shall at all times during the term of this Lease Agreement provide **CITY** with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises. Insurer shall provide no less than thirty (30) days written notice prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Manager. It shall be **TENANT**'s responsibility throughout the term of this Lease to provide or have provided to the Airport Manager renewal insurance certificates with no lapse in coverage prior to such renewal.

8.3.7 If at any time **TENANT** should fail either to obtain or to maintain in force the insurance required herein, the **CITY** shall notify **TENANT** of its intention to purchase such insurance for **TENANT**'s account; and, if **TENANT** has not delivered evidence of insurance to the Airport Manager prior to the date on which the current insurance expires, the **CITY** may effect such insurance by taking out policies in companies satisfactory to the **CITY**. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the **CITY** shall be payable by **TENANT** as additional rental immediately upon demand therefor by **CITY**.

ARTICLE 9 - DESTRUCTION OF PREMISES

9.1 In the event the buildings and improvements on the Premises, or any substantial part thereof, should be damaged or destroyed by an insured casualty, such buildings or improvements shall be repaired or rebuilt by **TENANT** and paid for with **TENANT**'s insurance proceeds; and, if such proceeds are insufficient for such purposes **TENANT** shall pay the deficiency, unless otherwise agreed as provided herein. Repair or restoration of the buildings and improvements shall be in accordance with the original Plans and Specifications, together with alterations or modifications made or agreed upon prior to the casualty, unless the Parties otherwise mutually agree to new or modified plans.

9.2 Notwithstanding the foregoing, during the term of this Agreement or any renewal thereof, in the event the buildings and improvements on the Premises, or a substantial part thereof, should be destroyed, then **TENANT** may terminate this Agreement by written notice to **CITY** within ninety (90) days of the casualty and all obligations of each party hereunder shall terminate. In the event of such termination, **TENANT** shall return the Premises to **CITY** restored to a clean and usable condition, with removal of all personal and real property as provided in Article 12 below. If **TENANT** does not provide notice of such termination, **TENANT** shall proceed diligently to rebuild and restore the Premises and the buildings and improvements thereon in accord with the original plans and specifications or such other plans and specifications as may be approved by the Planning Office and, if required, the Planning Board.

ARTICLE 10 - CONDEMNATION

10.1 **CITY** agrees to give prompt written notice to **TENANT** of any eminent domain, condemnation, compulsory acquisition or like proceedings by any competent authority which might result in a partial or full taking of the Leased Premises and of which **CITY** has actual notice. Each party may file and prosecute their respective claims for an award, but all awards and payments on account of a taking shall be held in trust by the recipient to be distributed according to the respective interests of the parties, i.e., payments allocable to the value of the Leased Premises and the residual interest in the Leased Premises shall be paid to **CITY** and payments allocable to **TENANT**'s leasehold interest and improvements shall be paid to **TENANT**.

10.2 In the case of a taking (other than for temporary use) of the fee of the entire Leased Premises, or so substantial a part of the Leased Premises that such taking materially impairs **TENANT**'s conduct of its operations at or from the Premises, this Agreement shall terminate as of the effective date of such taking. In the case of a temporary taking (including without limitation a temporary taking as a result of relocation under 7.1.2 above), this Agreement shall be suspended during such time as **TENANT** is unable to use the Leasehold Premises for the uses provided herein. In the case of a temporary taking which does not permit **TENANT** to use the Premises as provided herein for a period of ninety (90) days or more, at the conclusion of said ninety (90) day period, **TENANT** may, in its discretion, give **CITY** a thirty (30) day notice of its intent to terminate the Lease Agreement. This Lease shall terminate at the end of the thirty (30) day notice period, with no further obligation by either party. **TENANT**'s obligation to pay rent hereunder shall be

suspended during any temporary taking during which TENANT is unable to conduct its operations at or from the Leased Premises; provided, however, to the extent TENANT is able to continue its operations hereunder from the Premises or from an alternative site, the TENANT shall continue to pay the fixed rent based upon the square footage then available to TENANT.

ARTICLE 11 - TERMINATION OF LEASE

11.1 CITY's Right to Terminate. The CITY, in addition to any other rights to which it may be entitled by law, acting by and through its CITY MANAGER, may declare this Lease Agreement terminated in its entirety, subject to and in the manner provided herein, upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Premises:

- (a) To the extent permitted by law, the filing by TENANT of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of TENANT's assets;
- (b) To the extent permitted by law, the entry of an order for relief against the TENANT, by a court of applicable jurisdiction, pursuant to any involuntary bankruptcy petition filed against the TENANT;
- (c) To the extent permitted by law, the taking of jurisdiction by a court of competent jurisdiction of TENANT or its assets, pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) To the extent permitted by law, the appointment of a receiver or trustee of TENANT's assets by a court of competent jurisdiction or a voluntary agreement with TENANT's creditors;
- (e) The voluntary abandonment by TENANT of the Leased Premises (and the failure to pay rent thereon) for a period in excess of sixty (60) days; or
- (f) The material breach by TENANT of any of the covenants or agreements herein contained and not cured as provided below. A material breach shall include, but not be limited to, the failure of the TENANT to comply with the Minimum Standards, TENANT's use of the premises in a manner prohibited under this Lease, or the failure of TENANT to pay any rental, fee, or charge required to be paid by the terms of this Lease Agreement when the same is due and payable.

11.2 TENANT's Right to Terminate. TENANT, in addition to any other right given to it herein or to which it may be entitled by law, may terminate this Agreement in its entirety, subject to and in the manner provided herein, upon or after the happening of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction which materially prevents or restrains the use of the Airport or the Leased Premises for the purposes permitted under this Lease Agreement and such injunction remaining in force for a period of at least ninety (90) days after the date of receipt of written notice of such injunction by CITY;
- (b) Subject to TENANT's obligation to restore or repair the Premises under Article 9 above, the inability of TENANT to use said Leased Premises and Airport facilities due to war, earthquake or other casualty for a longer period than ninety (90) days after the date of receipt of written notice of such inability from TENANT;
- (c) Any action of any governmental authority, board, agency or officer having jurisdiction

thereof preventing **TENANT** from conducting the activities permitted hereunder at or on the Leased Premises by a taking, directly or indirectly, in whole or a substantial part, of the Leased Premises for a period of at least ninety (90) days after receipt of written notice of such action by **CITY**, subject to Article 10 above;

(d) The taking, through the process of eminent domain, of all or a substantial part of the Premises leased by **TENANT**, subject to Article 10 above; or

(e) The material breach by **CITY** of any of the covenants or agreements herein contained and not cured as provided below.

11.3 Default by **CITY**. In the event of any default by **CITY** of any of its obligations under this Lease Agreement, **TENANT** may declare the **CITY** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to the **CITY MANAGER** addressed and copied as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. No termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **TENANT** to **CITY**, and the City shall not have cured such default during such thirty (30) day period. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **CITY** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable.

11.4 Default by **TENANT**. In the event of any default by **TENANT** of any of its obligations under this Lease Agreement, **CITY** may declare the **TENANT** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to **TENANT** addressed as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. Except as provided otherwise in this Lease Agreement whereby no opportunity to cure is required, no termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **CITY** to **TENANT**, and such default shall not have been cured during such thirty (30) day period by the **TENANT**. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **TENANT** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable. In the event **TENANT** knew or should have known of the default prior to receipt of **CITY** notice, said thirty (30) day period to cure shall be deemed to begin as of the date **TENANT** knew or should have known of said default. Notwithstanding the foregoing, if **TENANT** should fail to pay any sum, including without limitation any rental, tax, assessment or use fee or charge, as required hereunder, **TENANT** shall have ten (10) days from receipt of **CITY** notice of default to cure said default, and if not so cured, termination of this Lease Agreement shall be effective as of the eleventh day following said receipt of notice.

ARTICLE 12 - RIGHTS UPON TERMINATION

12.1 **TENANT** agrees that upon the expiration of the Initial Term of this Lease or sooner termination thereof, the Leased Premises will be promptly delivered to **CITY**. **TENANT** shall remove all buildings, fixtures and personal property located on the Leased Premises within thirty (30) days of the date of expiration or termination and repair any damage resulting from such removal and restore the Premises, all at **TENANT**'s cost and expense. In lieu of removal, **TENANT** may, at its option, offer to transfer title, through execution of appropriate documents, to some or all of the buildings and improvements on the

Premises to CITY at no cost to CITY and in such case, TENANT shall provide CITY of notice of such offer at least ninety (90) days prior to termination of this Agreement. CITY shall notify TENANT in writing within the ninety (90) day period whether it accepts or rejects said offer. In the event CITY rejects the offer, TENANT shall be obligated to remove the buildings and improvement from the Premises within thirty (30) days of expiration or termination as provided herein. Upon the termination or expiration of the Initial Term of this Lease Agreement, all rights of TENANT hereunder to possession of the Premises under this Agreement shall immediately terminate.

12.2 If the TENANT elects, and CITY agrees, to enter into a Renewal of this Agreement, at expiration or termination of any Renewal term, at CITY's option, the CITY may take title or require removal of improvements, alterations and additions made by TENANT in the same manner and on the same terms as provided in Section 12.1 at termination or expiration of the Initial Term.

12.3 Unless CITY has agreed in writing to accept title to buildings and improvements under Section 12.1 above, in the event TENANT fails to remove the buildings, fixtures or personal property from the Premises within thirty (30) days of termination or expiration of this Lease, title to said buildings, fixtures and personal property shall vest in CITY on the thirty-first (31st) day after the date of such termination or expiration, and CITY may dispose of such buildings, fixtures and personal property as it sees fit, in CITY discretion, and retain any proceeds from such disposal. In the event CITY incurs a net loss for such disposal, TENANT shall be liable to CITY for reimbursement of such loss.

ARTICLE 13 - ASSIGNMENT AND SUBLETTING

13.1 The TENANT shall not assign, rent, sublease, sell, convey, mortgage, encumber or otherwise transfer in any manner all or any part of the Leased Premises or the improvements located thereon or any of the privileges granted to TENANT hereunder, without the prior written consent of the CITY, which approval shall be at the CITY's sole discretion. CITY reserves the right to review the form of all such proposed transfers. TENANT shall notify CITY annually of the identity of all subleases of any portion of the Premises or shall provide such information upon CITY's request. CITY further reserves the right to place such reasonable conditions upon any such transfer as it deems to be in the best interest of the CITY.

In the event of any approved transfer, sublease or assignment, TENANT shall continue to be liable to CITY for all rent, fees, taxes, assessments and all other obligations under this Lease for which it is liable hereunder. All approved transferees, subleases or assignees shall be required to conform to all of the terms and conditions of this Lease Agreement, including without limitation, all insurance requirements hereunder. Additionally, all approved transferees, subleases or assignees shall be required to register their aircraft as "based" at the Biddeford Municipal Airport (B19) if such aircraft will be located at the Biddeford Municipal Airport for a cumulative period of One Hundred and Eighty (180) days or more, within any twelve month period.

13.2 Any violation of the terms of this Article by any person at or on the Premises, or conducting any activities from, at or on the Premises, shall be deemed a breach of this Lease Agreement and, at CITY's option, may result in termination of this Lease Agreement pursuant to Article 11.

13.3 Any sale or transfer, whether to one or more persons or entities and whether at one or more different times, of a total of fifty percent (50%) or more of the ownership interest in any corporation, partnership, limited liability company or other entity which is then the legal tenant under this Lease Agreement shall be deemed an assignment of this Lease Agreement within the meaning of this Article 13, for the first 30 days or until a new lease is signed, whichever occurs first. The new owner(s), will be required to enter into a new Lease Agreement with the City for the leased premises within the first 30 days of taking ownership.

ARTICLE 14 - MISCELLANEOUS PROVISIONS

14.1 NON-INTERFERENCE WITH OPERATION OF AIRPORT

14.1.1 **TENANT**, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard or interfere with or endanger general operations at the Airport. In the event the aforesaid covenant is breached, the **CITY** reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the **TENANT**, and reimbursement for such **CITY** expense shall be paid by **TENANT** immediately upon **CITY**'s demand therefor.

14.1.2 **CITY** hereby reserves for 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 said air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport. In addition, **TENANT** acknowledges that because of the close location of the Premises to the "airfield operations area", that noise, vibration, fumes, debris and other interference with the Premises will be caused by Airport operations. **TENANT** hereby waives any and all rights and remedies against **CITY** arising out of any noise, vibration, fumes, debris and/or interference that is caused by the operation of the Airport.

14.2 QUIET ENJOYMENT

The **CITY** agrees that on payment of the rentals and fees hereunder, and subject to performance and compliance by **TENANT** of the covenants, conditions and agreement on its part to be performed and complied with herein, **TENANT** shall peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities, and of the Leased Premises, to the extent granted herein.

14.3 AGREEMENTS WITH FEDERAL GOVERNMENT

This Lease Agreement is subject and subordinate to the provisions of any agreements that have been or shall be made between the **CITY** and the United States of America relative to the operation or maintenance of the Airport, the execution of which have been or shall be required as a condition to the expenditure of Federal funds for the extension, expansion, improvement, maintenance or development of the Airport. **TENANT** agrees to comply with all applicable laws and regulations and to modify or amend this Agreement as required to comply with such applicable laws and regulations.

14.4 LICENSE FEES AND PERMITS

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

14.5 SECURITY AGREEMENT

TENANT, at its own cost and expense, shall be responsible for ensuring that all building entrances, exits, and any access to the Leased Premises are in compliance with all applicable Airport Security Programs. It shall be **TENANT**'s responsibility, at its own cost and expense, to be in compliance with all existing and

future security requirements of the Department of Transportation, Transportation Security Administration, and/or the Airport Security Program, and TENANT shall hold the CITY harmless and shall pay any fines, penalties, cost or expenses incurred by CITY or by TENANT and arising out of any breach of said security requirements by TENANT, its invitees, subtenants, or anyone for whose act TENANT may be liable.

14.6 PARAGRAPH HEADINGS

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

14.7 INTERPRETATIONS

The laws of the State of Maine shall govern the validity, interpretation, performance and enforcement of this Agreement. Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires. Unless the context specifically provides otherwise, "person" wherever used in this Lease shall include, without limitation, an individual, a sole proprietor, a corporation, a partnership or any legal entity authorized by law.

14.8 DISPUTE RESOLUTION

All disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts of York County, State of Maine. TENANT hereby agrees to waive any rights which TENANT may have to a trial by jury. Notwithstanding the foregoing, TENANT and CITY may mutually agree to submit any dispute hereunder to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association.

14.9 NOTICES

Except as otherwise provided in Article 11 for certified mail or hand delivery of notice of default, whenever any notice or payment is required by this Lease Agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, addressed to, or hand-delivered to:

CITY:

City Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

Airport Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

TENANT:

Name
XXXX, XXXXX Street
City, State

or such place as either party shall designate in writing.

14.10 ENTIRE AGREEMENT

This Lease Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties and all other representations or statements heretofore made, verbal or written, are merged herein, and this Lease Agreement may be amended only in a writing executed by duly authorized representatives of the parties hereto.

14.11 NON-WAIVER

No waiver by either Party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other Party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party. The receipt by CITY of any rent with knowledge of any breach of this Lease Agreement by TENANT or of any default by TENANT in the observance or performance of any of the terms, covenants or conditions of this Lease Agreement shall not be deemed to be a waiver of any provision of this Lease Agreement. If any action by TENANT shall require the consent or approval of CITY, CITY's consent to, or approval of, such action on any one occasion shall not be deemed a consent to, or approval of, said action on any subsequent occasion, or consent to, or approval of, any other action on the same or any subsequent occasion.

14.12 REMEDIES CUMULATIVE

All rights and remedies of the parties herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by either party of any remedy provided herein or allowed by law shall not be to the exclusion of any other remedy.

14.13 TIME OF ESSENCE

Time is and shall be of the essence in respect to the performance of each and every provision of this Lease Agreement.

14.14 FORCE MAJEURE

Neither the CITY nor TENANT shall be deemed in violation of this Lease Agreement if either should be prevented from performing any of the obligations hereunder (other than any obligations to make payments) by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. The party claiming force majeure shall give prompt written notice to the other party of such event or events, and shall resume performance promptly upon the conclusion of the event or events preventing its performance.

14.15 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Lease Agreement shall be valid

and be enforced to the fullest extent permitted by law.

14.16 MEMORANDUM OF LEASE

Either party at the request of the other, shall execute, acknowledge and deliver for recording, a memorandum or short form lease prepared by the requesting party; provided, however, that the relations between **CITY** and **TENANT** shall be governed solely by the provisions of this Lease Agreement and not by any such memorandum or short form lease which may be executed, delivered and recorded.

14.17 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Lease Agreement shall extend to and bind the legal representatives, heirs, successors, and any permitted assigns of the respective parties hereto. Nothing herein shall be deemed to authorize or permit any assignment or other transfer, in whole or in part, of the interest of **TENANT** in violation of any other provisions contained in this Lease Agreement.

14.18 ASSIGNMENT TO CITY SUCCESSOR IN INTEREST

The **CITY** may assign or otherwise convey its interest, rights, duties and/or obligations hereunder to any airport authority or other successor in interest.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above mentioned at Biddeford, Maine.

WITNESS

CITY OF BIDDEFORD, MAINE

By:
Airport Manager


By:
City Manager

TENANT

By:

By:

Memorandum

TO: Council President Liam LaFontain
From: Woodman Edmands, P.A. 
Date: April 30, 2025
RE: Biddeford Airport Leases

This memo is in relation to your formal request to review the airport leases that the City of Biddeford maintains with the various rental tenants at the Biddeford Municipal Airport. In addition, it analyses the questions proposed by Council President Liam LaFontain regarding the leases.

Attached to this Memo as Exhibit A is a breakdown of the current leases, their end dates, and their renewal timelines. Each of the leases is based on one of three forms that existed during the adoption, and the Exhibit breaks down which form is used. For the most part, each of the three forms are quite similar, with some minor differences in the provisions throughout.

As an executive summary, our opinion is that the leases remain valid and in effect against the City. Our best course of action will be to abide strictly by the terms of the leases moving forward, in order to bring the terms into more favorable ones for the City, such as through the CPI rent adjustments, and begin the process of preparing a new form lease to have ready to enter into once the current leases expire.

Where the leases properly authorized under City Ordinance?

The City Ordinance contained in Section 62-6 states that “The committee on Capital Projects shall, subject to the approval of the Mayor and Council, have the authority to recommend the leasing of any lot or part thereof owned by the City not already under lease... Such lease shall be recommended to the full Council upon such terms and conditions as the committee deems expedient and shall be for a period not to exceed 15 years, with an option to renew for a ten-year period.”

A review of the Capital Projects minutes and agendas, and a review of the City Council minutes and Agendas around the times the leases were entered and did not reveal any approvals granted by those bodies. Although there may be occurrences where some leases were properly authorized and others were not, we would argue that it is a safe assumption that many, if not all, of the leases were not authorized pursuant to the City Ordinance requiring approval of the Mayor and Council, nor any input from the Capital Projects Committee.

Has the City’s Conduct (accepting rent) legally ratified these leases?

Whether the City's conduct has ratified the leases is not necessarily a straightforward answer and rather is a question of fact¹. At the very least, the collection of rents by the City from the Tenants of the various hangars has created a landlord-tenant relationship between the parties and ratified the tenancy. The City will face difficulties in challenging a ratification of the leases due to an estoppel claim², and may not only have ratified the leases, but may be estopped from claiming any invalidity of the leases due to their actions. Equitable estoppel occurs to prevent a party from asserting a right or claim, if their actions or words have led another party to reasonably believe that right or claim would not be asserted, and the other party has detrimentally relied on such a belief.

In particular, when referring to the City's actions, we note the collection of rent, the entering of new Ground Lease Agreements, the subsequent collection of rent on those Leases, and the entering of the Leases into the various Budget Books for the City. These actions likely amount to ratification of not only the tenancy, but of the lease itself, and it is our opinion that the City would be bound by the terms of the leases and estopped from any denial thereof.

Are any of the leases voidable or otherwise subject to challenge?

It would be our legal opinion that none of the leases are voidable or otherwise subject to any challenges. As noted above, since the City would be estopped from challenging or voiding the leases, as the City has been acting like the leases are valid and have been collecting rent from the tenants³.

I believe the best course of action the City may have for voiding the leases would be on the renewal of them. Under the terms of the leases, one renewal term of 10 years is allowed, if notice is provided to the City in the proper timeframe (180 days prior to the expiration of the lease). As the Council President notes, this is a unilateral extension of the lease, but it is only for one renewal term. With that being said, if any tenants fail to provide the proper 180 days notice, or have failed to provide the 180 day notice, I would argue that the City may have grounds to deny the extension of the lease⁴. Many of the leases initial terms end on June 30, 2028, and many of the leases were supposed to end on June 30, 2024 or otherwise are currently in their 10 year renewal timeframe. There may be some room to challenge that the failure of the tenant to

¹ *Matrix Fin. Servs. Corp. v. Albert*, 2015 Me. Super. LEXIS 118, which quotes the Restatement (Third) of Agency, § 4.02 cmt.c. "Whether a principal's actions are sufficient to constitute ratification is an issue of fact."

² Under *Auburn v. Desgrosseilliers*, 578 A.2d 712, "...equitable estoppel may be applied to the activities of a government official or agency in the discharge of government functions."

³ We note in your email that rents may not have even been collected last year. If there is any tenant who has signed a lease and never paid any rent, there may be some more room for argument here on that particular lease.

⁴ *Medomak Canning Co. v. York*, 143 Me. 190, "Where the lessee has the right of renewal "Provided he gives notice at or before a specified time to the lessor of his intention to exercise the privilege of renewal, it is ordinarily held that the giving of notice is a condition precedent which must be complied with within the stipulated time, and that, in the absence of special circumstances...the right to renewal is lost if the notice is not given..."

properly provide notice to renew their lease, especially for the leases which ended in June 30, 2024 that may not have paid rent for the year yet, were never renewed, but this could be a difficult argument that would certainly be contested by the Tenants.

What options does the City have to renegotiate, restructure, or terminate these leases?

The previous section summarizes responses to these questions, however we will expand on some other options below.

The City and the Tenant could renegotiate the leases, sign a document dismissing the old lease, and entering into a new lease on different terms. However, this would have to be by mutual agreement between the City and the Tenant, and there is nothing that would explicitly require the tenant to negotiate a new lease.

In terms of restricting the leases, since all of the hangars are currently rented and will be up for renewal/new tenants at around the same times, it may be worthwhile to begin the process of adopting a new lease form for future tenancies to ensure the best possible terms for the City. This may allow the time to get the proper inputs from the City Council and the public to ensure that the new form lease is in the best interest of the City, and conforms to the terms that the City wishes to implement.

The City does possess some situations in which it can terminate the leases, one of which would be the non-payment of any rental amounts owed. However, this provision is conditioned on providing notice to the Tenant of their failure to pay and providing the opportunity for them to cure the rent defect. It may be worthwhile to ensure that all tenants are properly provided notice of any rent not paid and the CPI Adjusted inflations of the rent as to where they will be, as this may provide either some room to renegotiate the leases⁵. Any tenants which fail to cure the rent defect may be subject to having their leases terminated subject to the provisions of Article 11 of each lease.

In addition, the City does have some leeway in modifying the rental amounts at the time of renewal of the leases. Under Article 3.2 of the leases, it states that a Renewal Term is subject to the renegotiation of the rent under Article 4, or any applicable rent increase provided in Article 4⁶. Under Article 4, the Renewal Rent for each of the contracts is equal to the then current general aviation ground rent in effect as of the commencement of the renewal term, with any then current inflation adjustment applicable to general aviation ground leases. As a result, many of the leases which are up for renewal in the coming years can be brought to a more updated rental amount when renewed. For any previously renewed units which have not paid rent, there may be some negotiation in their renewed rent being increased, but I would argue that it is better

⁵ This is to say that if the Tenants have been enjoying the privilege of the leases not being properly enforced per the exact language of the leases, beginning to do so and providing the proper notices may open more options for the city.

⁶ The exact language differs between the various lease agreement forms.

to look at these leases on a case-by-case basis to determine the specific facts that may determine a proper outcome.

At the very least, the City should begin ensuring that all CPI adjustments are being made going forward. We did not find any relevant case law which supports a claim that missed CPI adjustments can be demanded moving forward. The Leases note that these increases had to be performed annually based on the prior 12 months CPI adjustment, and also notes that the failure of the City to exercise a right under the Lease does not waive the ability to exercise that right in the future. We may have the proper backing in the contract language to impose some additional rental increases for missed ones, but it would almost certainly be opposed by most, if not all, of the affected Tenants.

Would pursuing back bill for missed CPI adjustments or rent weaken any potential argument that the leases were improperly authorized or voidable?

As a short answer, it is possible for the City to make an argument for the enforcement of the lease and an argument for the invalidity of the lease or voidability of it. Assuming that an argument about the lease being void was brought, there would be nothing against or weakening of the City's argument that, as a back up in the instance the lease is found to not be void, that there are rent adjustments that were missed.

In addition, as noted above, pursuing back billing for missed CPI adjustments, especially the notion of back-billing for amounts that should have been paid under an increase and never were, would be a very difficult action to bring. We did not find any relevant case law where a non-residential tenant was back-charged for missed rent increases, and our concern would be that this argument may not hold up in a Court compared to the arguments that the Tenants may have available to them, such as estoppel or ratification.

EXHIBIT A

Hangar	Tenant	Lease End	Lease Renewal	Lease Version
1	Marcel Bertrand	June 30, 2028	June 30, 2038	March 1, 2018
2	Joel Keller ¹	October 15, 2024	October 15, 2035	February 3, 2009
3	Marcel Bertrand	June 30, 2024	June 30, 2034	February 3, 2009
4	Paul B. Lariviere	June 30, 2024	June 30, 2034	February 3, 2009
5A	Eldon L. Morrison and Ward Hand, DEW LLC	June 12, 2022	June 12, 2032	February 1, 2007
5B	Eldon L. Morrison and Ward Hand, DEW LLC	June 12, 2022	June 12, 2032	February 1, 2007
5C	Eldon Morrison and Ward Hand	June 30, 2028	June 30, 2038	March 1, 2018
5D	Steven & Louise Morris	June 30, 2024	June 20, 2038	February 3, 2009
5E	Roger A. Cross	June 30, 2028	June 30, 2038	March 1, 2018
5F	Lannie McGahey	June 30, 2024	June 30, 2034	February 3, 2009
5G	GAL-AIR, LLC	June 30, 2024	June 30, 2034	February 3, 2009
5H	Alan E. Godburn	June 30, 2024	June 30, 2034	February 3, 2009
5I	Richard H. Pate	June 30, 2028	June 30, 2038	March 1, 2018
6A	43 North LLC	June 30, 2033	June 30, 2043	March 1, 2018
6B	Donald P. Saucier	November 22, 2025	November 22, 2035	February 3, 2009
6C	Great Moose Aviation, LLC (Records indicate a sale of some sort, see footnote ²)	May 30, 2023	May 30, 2033	February 1, 2007
6D	Richard J. Rousseau	June 30, 2028	June 30, 2038	March 1, 2018

¹ This lease was scanned with only every other page. All even pages are missing from the document.

² The file indicates there was a lease with RJ Aviation, Inc. prior to the Great Moose Aviation lease. Record also indicates a bill of sale between RJ Aviation, Inc. and Great Moose Aviation for an Aircraft Hangar, per a Hangar Purchase Agreement, which was not attached to the record.

6E	John Apte	November 8, 2025	November 8, 2035	February 3, 2009
6F	Michael Glaude and Jeanne Glaude ³	N/A	N/A	N/A
7A	Henry & Roberta Morin	June 30, 2024	June 30, 2034	February 3, 2009
7B	Thomas Bryand	June 30, 2024	June 30, 2034	February 3, 2009
7C	Theodore N. Poirier	June 30, 2028	June 30, 2038	March 1, 2018
7D	Frederick Celce	June 30, 2028	June 30, 2038	March 1, 2018
7E	Leonard Clow	June 30, 2028	June 30, 2038	March 1, 2018
7F	Roland Belair	June 30, 2028	June 30, 2038	March 1, 2018
7G	Gerald Polakewich	June 30, 2028	June 30, 2038	March 1, 2018
7H	Thomas Sinclair (Assigned by Corey Jacques)	November 21, 2019	November 21, 2029	February 3, 2009
7I	John M. O'Donnell	August 25, 2025	August 25, 2035	February 3, 2009

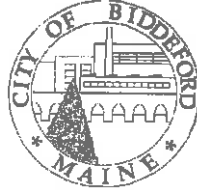
Note:

The February 1, 2007 leases contain a “start date” of the date of the execution of the agreement, continuing for 10 years, with a 10 year renewal option.

The February 3, 2009 leases contain a “start date” of July 1st, or the date of the agreement, whichever is later, continuing for 10 years with a 10 year renewal option. Exceptions: Lot 6A notes July 5, 2015;

The March 1, 2018 leases contain a start date of the execution of the lease agreement, with a term ending on June 30th of varying years (some are 10 years, some are 15 years), with a renewal option of 10 years.

³ No lease was contained in the file for this hangar, but there is another Bill of Sale for an aircraft hangar from RJ Aviation, Inc. to Michael and Jeanne Glaude.



CITY OF BIDDEFORD

Biddeford Municipal Airport

Ground Lease Agreement

*Lease Expires on
November 22, 2025*

Adopted: February 3, 2009

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 23rd day of November 2015, by and between the **CITY OF BIDDEFORD**, a Maine municipal corporation, (the "**CITY**"), and Donald P. Saucier, with a mailing address of 1 Saucier Lane, Old Orchard Beach, Maine 04064, (the "**TENANT**").

WITNESSETH:

WHEREAS, **CITY** owns, controls and operates for the use and benefit of the public, Biddeford Municipal Airport, located in Biddeford, Maine, (the "Airport").

WHEREAS, **TENANT** wishes to enter into a Ground Lease Agreement with **CITY** in order to construct and/or maintain a hangar for **TENANT**'s aircraft related equipment and materials and conduct certain permitted uses at the Airport;

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, **CITY** and **TENANT** hereby agree as follows:

ARTICLE 1 - LEASED PREMISES

1.1. DESCRIPTION OF LEASED PREMISES

The term "Leased Premises" or "Premises" as used in this Lease Agreement, shall mean and include real estate located at Biddeford Municipal Airport, Biddeford, York County, State of Maine, consisting of approximately 4,800 square feet, as shown on Exhibit A attached hereto and incorporated herein, and including the rights of ingress thereto and egress therefrom and the right to install, use and maintain utilities, subject to any utility or other easements of record.

1.2 "AS IS" CONDITION.

TENANT takes the Premises in "as is" condition. Other than **CITY** ownership thereof, **CITY** makes no representation or warranty as to the physical condition of the Premises nor as to any other matter concerning the Premises, including but not limited to the presence of any environmental hazards thereon. Without limiting the foregoing, the **CITY** represents that, as of the execution date of this Lease, it has not received notice of any such hazards. All **TENANT** improvements, additions and alterations at or to the Premises will be at **TENANT**'s sole cost and expense and **CITY** shall have no responsibility therefor.

ARTICLE 2 - OBJECTIVES AND PURPOSES OF LEASE

2.1 PERMITTED AND PROHIBITED USES OF LEASED PREMISES

2.1.1 **Permitted Uses:** **TENANT** shall use the Premises solely for the construction and/or maintenance of an aircraft storage hangar ("Hangar") and associated ramp and apron, which may be used for storage of **TENANT**'s owned or leased aircraft and aircraft related materials and equipment, provided, however,

that any such uses shall be subject to all applicable Federal, State and Local law including, without limitations, the Biddeford Zoning Ordinance, the Minimum Standards and Procedures for the Lease and/or Use of the Property and Facilities for Aeronautical Activities (the "Minimum Standards") and all regulations of the Biddeford Municipal Airport currently in effect or enacted during the term of this Lease (See Section 5.8.1). Nothing in this section is intended, nor shall it be deemed, to permit TENANT to establish or carry out any commercial activity from the PREMISES (See Section 2.1.4).

2.1.2 TENANT shall have the right to install or improve therein and thereon such fixtures, equipment and facilities as TENANT may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, equipment or facility shall be constructed, improved or installed by TENANT without the prior written consent of the CITY; provided, further, that any such construction shall be subject to all Federal, State and Local Law including, without limitation, the Biddeford Building Codes and the regulations of the Biddeford Municipal Airport on hangar construction. TENANT covenants and agrees that prior to the construction or installation of any such structure, improvement, fixture, equipment, or facility, TENANT will submit detailed plans or other appropriate information showing the location, design and character to the Airport Manager and Biddeford Planning Office. Any such construction shall be subject to the approval of the Biddeford City Council or its designee.

2.1.3 TENANT shall have the right unless prohibited by any Fixed Base Operator Agreement to purchase or otherwise obtain personal property or services of any nature required by or incident to the operation and maintenance of the TENANT's aircraft from any person, partnership, firm, association or corporation it may choose, provided such person, partnership, firm, association or corporation shall have first obtained written approval from the CITY to operate within the airport and shall be in compliance with the Minimum Standards.

2.1.4 Prohibited Uses: TENANT shall not use the Premises for the conduct of any nonaeronautical business, for residential or nonaeronautical commercial use, or for nonaeronautical storage or nonaeronautical activities. TENANT shall obtain the written consent of the CITY prior to undertaking any commercial activities on the Premises

2.1.5 TENANT shall park his or her vehicle only in those areas designated for parking and only when using the Airport, TENANT's hangar or TENANT's aircraft.

2.1.6 All activities hereunder must be conducted pursuant to the Minimum Standards and Rules and Regulations and policies in effect on the date of execution of this Agreement and as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. Prior to undertaking any activities hereunder, TENANT shall obtain, at TENANT's own cost and expense, all approvals and permits required under the Minimum Standards, as well as any other required Federal, State or Local approvals and permits.

2.1.7 TENANT agrees that it shall not provide any Fixed Base Operator (FBO) services as defined by the CITY.

ARTICLE 3 - TERM

3.1 INITIAL TERM; RENT COMMENCEMENT DATE

3.1.1 This Lease shall commence as of the date of execution of this Lease Agreement or July 5, 2015, whichever is later (the "Lease Commencement Date") for a term of ten (10) years.

3.1.2 **TENANT** shall pay rent to the **CITY** during the Initial Term as provided in Article 4 below beginning on the Lease Commencement Date.

3.2 RENEWAL TERM

TENANT shall have the option to renew this Lease for an additional ten (10) years so long as **TENANT** has been and is continuing in full compliance with all of the terms and conditions herein, and subject to renegotiation of the rent as provided in Article 4 below. **TENANT** shall provide **CITY** with no less than One Hundred and Eighty (180) days notice of its intent to renew prior to expiration of the initial term of this Lease. **CITY** shall renew the Lease pursuant to Section 4.3 below and subject to the continuing compliance by **TENANT** with all the terms and conditions herein. Such renewal shall be in writing signed by both parties.

3.3 HOLDING OVER

3.3.1 In the event **TENANT** shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without **CITY**'s written renewal thereof, such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy at sufferance which may be terminated at any time by **CITY** or **TENANT** by giving thirty (30) days' written notice to the other party. Any such tenancy at sufferance shall otherwise be on all of the terms and conditions of this Lease Agreement.

ARTICLE 4 - RENTALS, FEES AND RECORDS

4.1 FIXED RENT

4.1.1. Fixed annual rent. **TENANT** agrees to pay **CITY**, a fixed rent of \$643.20 for the period from the July 1, 2015 through the following June 30. For the first year, payment credit will be given for any amount previously paid for the period from July 1 to December 31, 2015.

4.1.2 Rent increases. Beginning on the first day of July 2015, and annually thereafter during the Initial Term, the fixed rent in Section 4.1.1 will be adjusted, based on the increase in the prior 12 months' Consumer Price Index of the U.S. Department of Labor, All Urban Consumers, all items (1982-84 = 100) for the U.S. City Average (Table 10), March to March, or comparable successor index for the immediately prior twelve months. In no event shall such adjustment result in a reduction of the prior year's fixed annual rent. Rent shall be invoiced by the City Finance Department in June of each year.

4.2 RENEWAL RENT

In the event **TENANT** wishes to renew this Lease as provided in Section 3.2 above, **TENANT** shall provide the **CITY** with a notice of intent to renew the lease no less than 180 days prior to renewal of the Lease. Rent for the Renewal Term shall be equal to the then current general aviation ground rent in effect as of the commencement of the renewal term, with any then current inflation adjustment applicable to general aviation ground leases. Upon request, **CITY** shall provide **TENANT** with documentation as to those current rents and adjustments.

4.3 TIME AND PLACE OF PAYMENTS

4.3.1 The foregoing rent shall be payable, on or before August 1 of each year, at the Finance Department, Biddeford City Hall, or such other place as the **CITY** may direct in writing from time to

time.

4.3.2 TENANT shall make prompt and timely payment, without deduction or setoff, of all rentals, fees, assessments, taxes and other charges due hereunder as the same may from time to time come due.

4.4 DELINQUENT RENTALS

There shall be added to all sums which the TENANT is required to pay hereunder (whether as rental or otherwise) to CITY and which are unpaid after their due date, a late charge of one and one-half percent (1-1/2%) of the unpaid sum for each full calendar month of delinquency computed as simple interest on a monthly basis which corresponds to eighteen (18%) per annum. Any late charge assessed shall be computed from the original due date of the unpaid sum. The rate of the late charge may be changed from time to time pursuant to generally applicable Airport rules and regulations. Any late charge hereunder shall be additional to any interest or other charge imposed by the CITY generally, including without limitation, interest on unpaid real or personal property taxes.

ARTICLE 5 - OBLIGATIONS OF TENANT

5.1 NET LEASE

The use and occupancy of the Leased Premises by TENANT will be without cost or expense to CITY and all rent payable hereunder shall be net to the CITY. It shall be the sole responsibility of TENANT to maintain, repair and operate the entirety of the Leased Premises and any improvements and facilities constructed thereon at TENANT's sole cost and expense, except as otherwise explicitly stated herein.

5.2 CITY'S CONSENT TO IMPROVEMENTS REQUIRED.

5.2.1 If a hangar has not been previously constructed on the Premises, TENANT shall design and construct, at TENANT's own cost and expense, a hangar and associated ramp and apron in accordance with the Minimum Standards. Prior to Planning Board review, the proposed design and materials to be used for such construction shall be subject to the review and approval of the Biddeford Planning Office, which approval shall not be unreasonably withheld or delayed. The Planning Office's review shall include review for compatibility with existing airport design and materials and for compliance with the Airport Master Plan then in effect. TENANT's proposed landscaping plan shall be part of the Planning Office's review, and if required subject to final approval by the Planning Board. TENANT shall pay for and obtain all required Federal, State, County and CITY permits or approvals prior to such construction, including but not limited to any required Planning Board approval, and Federal Aviation Agency (hereinafter the "FAA") approvals, including filing FAA Form 7460, Notice of Proposed Construction or Alteration. In addition to complying with any applicable CITY ordinance, all exterior signage to be placed or erected on the Premises shall be subject to the prior written approval of the Planning Office. In the event any substantive change is made in the proposed design and materials to be used after all other applicable review, such changes shall be submitted to the Planning Office for review and approval, which approval shall not be unreasonably withheld or delayed.

5.2.2 TENANT shall apply for any necessary permits and approvals within 60 days of the execution of this Lease. In the event TENANT is unable to obtain any required Federal, State or Local approvals and permits necessary for construction of its project and to begin construction no later than One (1) year from the date of execution of this Lease, each Party reserves the right to terminate this Lease upon no less than thirty (30) days prior written notice, with no further obligations of either Party hereunder. Upon obtaining

all approvals and permits required for construction of the project, **TENANT** shall promptly commence and diligently complete such construction. All buildings and associated landscaping shall be completed within one (1) year of permit approvals.

5.2.3 Except as provided above, **TENANT** shall not erect any structures, make any improvements, nor do any construction work on the Premises, without the prior written approval of the Planning Office, whose approval shall not be unreasonably withheld or delayed. Alterations, modifications, additions to or replacements of any structure constructed on the Premises are subject to the prior written approval of the Planning Office, which approval shall not be unreasonably withheld or delayed. **TENANT** also shall obtain any necessary Planning Board approval. The requirement for the Planning Office's prior approval shall not apply to any improvements, repairs or replacements which are immediately necessary because of an emergency caused by no fault of **TENANT**, but **TENANT** shall inform the Airport Manager and Planning Office of such emergency work as soon as reasonable practicable.

5.3 MAINTENANCE AND OPERATIONS

5.3.1 All repair, and maintenance of the leased Premises, including, but not limited to, landscaping, paving and snow and ice removal, shall be the responsibility of the **TENANT**. **TENANT** shall maintain the Premises and all of the fixtures, equipment and personal property which may be located in or upon any part thereof in a reasonably neat, clean and sanitary condition. **TENANT** shall not store snow off the Premises without written approval from the Airport Manager. Snow removal shall not block any aircraft movement areas at any time. **CITY** agrees that it shall maintain, repair and remove snow and ice from the common areas of the Airport.

5.3.2 **CITY** shall have the right to take any action it considers necessary to protect general operation of the Airport and the aerial approaches to the Airport against obstruction. **TENANT**, in the use of the roadways, approaches, taxiways and runways of the aircraft landing field and in the use of the adjacent areas for storage of aircraft, or in the use of their buildings shall abide by and conform to any and all reasonable rules and regulations now existing or as may be hereafter promulgated by the **CITY** and will comply with the requirements of any Federal, State or Local act or regulation which relates to the operation of the Airport, including, but not limited to, abiding, at **TENANT**'s sole cost and expense, with any Federal, State or Local security or certification requirements which relate to its operations at the Airport.

5.3.3 **TENANT** shall take good care of the Premises; shall reasonably maintain the Premises and the improvements, buildings and fixtures thereon in good condition at all times; shall make all repairs and replacements inside and outside, ordinary and extraordinary, structural or otherwise. Such repairs and replacements by **TENANT** shall be in quality and class not inferior to the original material and workmanship. **TENANT** shall pay promptly the costs and expenses of such repairs, replacements and maintenance, and maintain and repair all utility service lines located upon the Leased Premises to the extent they are used by **TENANT**, except to the extent such maintenance or repair is the obligation of the utility company providing such utility service.

5.3.4 All exterior repairs, replacements and maintenance shall be subject to the prior written approval of the Planning Office, which shall not be unreasonably withheld or delayed, and shall comply with all applicable Federal, State and Local permit requirements as well as any applicable rules and regulations enacted by the **CITY** relating to the Airport.

5.3.5 **TENANT** shall paint, repair, replace or rebuild all or any part of the Premises, interior or

exterior, structural or non-structural, as provided above, which may be damaged or destroyed (subject to the provisions of Article 9 below). In such case, TENANT shall have the right to apply any available insurance proceeds to such purposes.

5.3.6 TENANT shall provide, at its sole cost and expense, the necessary receptacles and arrangements for adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse that results from use of, or activities on, the Premises. CITY reserves the right to require TENANT to participate in any recycling program which may be imposed by Airport rules or by Local, State or Federal law or regulation. TENANT shall defend, indemnify and hold the CITY harmless from any cost, expense, claim, fine or liability, including without limitation attorney's fees and court costs, arising out of or resulting from TENANT's storage, collection, transportation or disposal of any trash, garbage or other refuse hereunder. This obligation of defense and indemnification shall remain in full force and effect after termination or expiration of this Lease.

5.3.7 TENANT shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse and said receptacles must be stored inside the hangar. Piling of boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Lease Premises, shall not be permitted.

5.3.8 To the extent that TENANT does not undertake or pay for any of its obligations under this Subsection 5.3 or Subsection 9, CITY reserves the right to undertake such obligations or to pay such costs, in its sole discretion, and to charge all costs thereof to TENANT. In the event CITY undertakes any such obligation or pays such cost hereunder, TENANT shall repay the CITY all such amounts immediately upon CITY's demand therefor. Nothing herein shall prevent or prohibit the CITY from declaring a default hereunder and terminating the Lease as provided in Article 11 below.

5.4 CITY RIGHT TO INSPECT AND REPAIR

5.4.1 CITY, through its agents, may come on the Premises and enter the Hangar to inspect for compliance with the requirements of this Lease, Airport rules and regulations, environmental laws, or other applicable legal and regulatory requirements. Such inspection will generally take place during normal business hours and following forty eight (48) hours advance notice to the TENANT, but the CITY reserves the right to enter the Premises unannounced at any time that the Airport Manager or City determines such entry is necessary for public safety or security reasons or if necessary for Federal or State required compliance inspections. In the event of such unannounced entry, CITY shall notify the TENANT that such inspection occurred within a reasonable time thereafter. TENANT shall provide CITY with the ability to access the Premises and the Hangar for such public safety and security purposes.

5.4.2 CITY or its designee, at its discretion, shall be the sole judge of the quality of the exterior repair and maintenance; and TENANT, upon notice by CITY to TENANT shall be required to perform whatever repair and maintenance CITY deems reasonably necessary. If said repair and maintenance is not undertaken by TENANT within thirty (30) days after receipt of written notice, CITY shall have the right to enter upon the Leased Premises and perform the necessary repair and maintenance, the cost of which shall be borne by TENANT as additional rent to be paid to CITY immediately upon demand therefor. Notwithstanding the foregoing, in the case of a threat to public health or safety, CITY may undertake such repairs as it deems reasonably necessary and charge the cost thereto to TENANT as additional rent to be paid to CITY, without regard to any notice requirement herein. No waste shall be committed or damage done to the Premises, the buildings and equipment located thereon, nor to property of CITY.

5.5 UTILITIES

TENANT shall assume and pay for all construction, installation and periodic costs or charges for utility services furnished to TENANT during the term hereof; provided, however, that, consistent with applicable laws, regulations or permit requirements, TENANT shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense; and TENANT shall pay for any and all service charges incurred there from. The TENANT must also meet the requirements of any Airport Storm Water Pollution Prevention Plan and any amendments thereto. TENANT agrees to relocate at its expense any utility service if CITY determines in its sole discretion that said utility service interferes with present or future airport operations or expansions.

5.6 PAYMENT OF TAXES AND OTHER ASSESSMENTS

5.6.1 TENANT agrees to pay promptly when due, and not to permit to become delinquent, levies, taxes, assessments, improvement fees, excises, permit fees, license fees, charges, impositions or burdens of whatsoever kind and nature, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or for any public improvements or utility services (hereinafter "impositions") which, at any time during the term of this Lease Agreement, may be created, levied, assessed, imposed or charged upon or with respect to the Leased Premises or any part thereof, by any Federal, State, County, Municipal or other authority, which imposition would be valid and applicable to TENANT irrespective of this section.

5.6.2 TENANT acknowledges that CITY has the right from time to time to establish and impose reasonable charges and fees for users of the Airport or its facilities, provided that such charges and fees are charged in a uniform and non-discriminatory manner and do not significantly increase the total fixed and percentage rent due hereunder; and provided, further, that CITY shall provide TENANT with no less than thirty (30) days prior written notice prior to imposing any new fee or charge which directly or indirectly affects TENANT or any subtenant of TENANT.

5.7 NONDISCRIMINATION; AFFIRMATIVE ACTION

5.7.1 The TENANT, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with this Lease of the Premises that, to the extent applicable to TENANT's operations hereunder:

(a) no person on the grounds of race, color, sex, disability, religion, national origin or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, disability, religion, national origin, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(c) that the TENANT shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

5.8 OBSERVANCE OF LAWS, STATUTES, ORDINANCES, RULES AND REGULATIONS

5.8.1 During the Term hereof and any renewal term, **TENANT** shall, at its own cost and expense, promptly observe and comply with all existing and future applicable laws, ordinances, rules, regulations, licenses, permits, decisions and decrees of the Federal, State, County and **CITY** Governments (including but not limited to Airport Minimum Standards and Procedures for the Lease and/or Use of Property and Facilities for Aeronautical Activities (Exhibit A), Airport Rules and Regulations (Exhibit B), Airport Hangar Construction and Minimum Specifications (Exhibit C), Airport Storm Water Pollution Prevention Practices (Exhibit D), copies of which **TENANT** acknowledges having received and which are incorporated herein, as well as those of any other government authority having jurisdiction over the Premises or any part thereof, including without limitation all applicable Federal Aviation Administration rules and regulations, whether the same are in force at the commencement of the term of this Agreement or should be enacted in the future.

5.8.2 **TENANT** shall pay all fines, penalties, damages, expenses or costs, including reasonable counsel fees, and shall indemnify and hold the **CITY** harmless therefrom, which may in any manner arise out of or are imposed on **TENANT**, **CITY** or Airport because of the failure of the **TENANT** to comply with the requirements of this Section 5.8. Without limiting any other right of **CITY** hereunder, **TENANT**'s non-compliance with any provision of this Section 5.8 shall be grounds for termination of this Lease Agreement.

5.9 ENVIRONMENTAL STATUTES

5.9.1 **TENANT** covenants and agrees to comply with all applicable environmental laws, including without limitation all laws governing hazardous substances and all requirements related to storm water discharges and permits, and to provide to **CITY**, immediately upon receipt, copies of any correspondence, Notice, Pleading, Citation, Indictment, Complaint, Order, Decree or other document from any source asserting or alleging a circumstance or condition which requires, or may require, a clean-up, removal, remedial action, or other response by or on the part of **TENANT** under environmental laws, or which seek civil, criminal or punitive penalties from **TENANT** for an alleged violation of environmental laws. **TENANT** further agrees to advise the **CITY** in writing as soon as **TENANT** becomes aware of any condition or circumstances that may result in a potential violation of any environmental laws. **TENANT** shall comply with any Storm Water Pollution Prevention Plan and any amendments thereto, and shall grant access to the **CITY** for any inspections required by the plan. **TENANT** agrees, at its expense, and at the request of **CITY** when it has a reasonable belief that there is a problem or when required by another governmental entity, to permit an environmental audit solely for the benefit of **CITY**, to be conducted by **CITY**. This provision shall not relieve **CITY** from conducting its own environmental audits or taking any other steps necessary to comply with environmental laws.

5.9.2 Without limiting the foregoing, **TENANT** shall not dump, flush, or in any way introduce any hazardous materials or hazardous waste or any other toxic materials upon the Leased Premises nor shall it improperly store, or dispose of any hazardous materials or hazardous waste from any such property, except in full compliance with all applicable laws and regulations. For purposes of this paragraph, the term hazardous materials shall mean inflammable, explosives, radioactive materials and hazardous substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, the Hazardous Conservation and Recovery Act, and the Resources Conservation and Recovery Act, or any similar federal, state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The term "hazardous materials" shall also include any other chemical, material or

substance which is or may be regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by any federal, state or other governmental authority or agency or which, even if not so regulated, may or could pose a hazard to human health and safety.

5.9.3 If in the opinion of CITY, there exists any uncorrected violation by TENANT of an environmental law which requires, or may require, a cleanup, removal or any condition or other remedial action by TENANT under any environmental law, regulation, permit, license, judgment or decree, and such cleanup, removal or other remedial action is not completed, or commenced and diligently pursued, within thirty (30) days from the date of written notice from CITY to TENANT, the same shall, at the option of CITY, constitute an event of default hereunder.

5.9.4 For the purposes of this Section 5.9, the term "environmental law or laws" shall mean all Federal, State and Local laws including statutes, regulations, ordinances, codes, rules, permits, licenses, judgments, decrees, or other governmental restrictions and requirements relating to the environment or any hazardous substance, including but not limited to, the State of Maine environmental protection statutes, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Research Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendments and Reauthorization Act of 1986, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any State Department of Environmental Protection or successor agency now or anytime hereafter in effect.

5.9.5 TENANT shall defend, indemnify and hold the CITY harmless from and against any and all damages, costs and expenses, including without limitation, fines, penalties, reasonable attorney's fees, consequential damages and remedial costs and other liabilities arising from claims based upon the environmental condition of the Premises and the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), resulting from (a) TENANT's use of the Premises or operations thereon by or on behalf of TENANT; (b) claims arising out of, related to, or in connection with (i) the release by TENANT of any hazardous material into, onto or from the Premises; or (ii) any arrangement by TENANT for the treatment, recycling, storage or disposal at any facility owned or operated by any person or entity of a hazardous material which is present on the Premises or has been or may be deposited at, disposed on or released onto the Premises; and (c) claims related to demolition, cleanup or other remedial measure with regard to environmental conditions on or around the Premises by TENANT; or (d) claims resulting from any act or omission of TENANT in violation of any Federal, State or Local environmental laws or regulations with respect to TENANT's use of the Leased Premises.

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

5.9.7 TENANT, as used in this Section 5.9, shall mean and include the named TENANT, or anyone for whose act TENANT may be legally liable.

5.9.8 The Terms of this Section 5.9 shall expressly survive the expiration or earlier termination of this Lease Agreement, including without limitation the terms of Subsection 5.9.5.

5.10 CONFLICTING REGULATIONS

Where there exists a conflict between any of the regulations or limitations prescribed in this Lease and

any other regulations applicable to the same area, whether the conflict is with respect to the height of structures or trees, and the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

ARTICLE 6 - OBLIGATIONS OF CITY

6.1 OPERATION AS A MUNICIPAL AIRPORT

CITY agrees that at all times during the term of this Lease it will operate and maintain the Airport as a municipal airport. If **CITY** permanently ceases operations of the Airport during the term of this Lease, **CITY** will pay **TENANT** the appraised value of any building constructed on the Premises in accordance with the terms of this Lease as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from **TENANT**. **CITY** shall have no further obligations financial or otherwise to **TENANT**.

6.2 INGRESS AND EGRESS

Upon paying the rental hereunder and performing the covenants of this Lease, **TENANT** shall have the right of ingress to and egress from the Premises for the **TENANT**, over the roadway provided by **CITY** serving the Premises. **TENANT**'s access shall be in common with other users and shall be subject to applicable security requirements and to possible episodic interruptions due to security or safety concerns. **CITY**'s roadway shall be used jointly with other tenants on the Airport, and **TENANT** shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as **CITY** deems necessary. **TENANT** shall have the right to bring utilities to the Premises at its own cost and expense and in accord with all applicable laws, rules and regulations for the extension and hookup of such utilities. **TENANT** shall be responsible for paying for all hookup and periodic usage charges for such utilities and **CITY** shall have no responsibility therefor.

ARTICLE 7 - CITY'S RESERVATIONS

7.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES

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

7.1.2 In the event **CITY** requires the use of the Premises for expansion, improvement, or development of the Airport, **CITY** reserves the right, on six (6) months notice, to relocate or replace **TENANT**'s improvements in substantially similar form at another generally comparable location on the Airport. The reasonable costs of such relocation or replacement shall be paid or reimbursed, as appropriate, by **CITY**. Alternatively, **CITY** reserves the right to terminate this Lease. In that event, **CITY** will pay **TENANT** the appraised value of any building constructed on the premises as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from **TENANT**. **CITY** shall have no further obligations financial or otherwise to **TENANT**.

7.2 WAR OR NATIONAL EMERGENCY

During any time of war or national emergency, CITY shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease or agreement is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the lease or agreement with the Government shall be suspended or terminated, and in that event, a just and proportionate part of the rent hereunder shall be abated. CITY shall have no further obligations financial or otherwise to the TENANT.

ARTICLE 8 - INDEMNITY AND INSURANCE

8.1 INDEMNIFICATION

8.1.1 To the fullest extent permitted by law, TENANT agrees to defend, indemnify, and save forever harmless the CITY, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of TENANT's use or occupancy of the Leased Premises; CITY shall give to TENANT prompt and reasonable notice of any such claims or actions, and TENANT shall have the right to investigate, compromise and defend the same; and provided further, that TENANT shall not be liable for any claims, actions, injury, damages or losses to the extent they are occasioned by the negligent or intentional act of CITY, its officers, agents or employees. TENANT as used in this Subsection 8.1.1 and in Section 8.2 shall mean and include the named TENANT, and anyone for whose act TENANT may be legally liable.

8.1.2 TENANT shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against CITY or in which CITY may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. CITY shall have the right to participate in such suits and no action shall be settled without prior consent of the CITY. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the CITY that would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

8.1.3 If TENANT is required to obtain workers compensation coverage under Maine law, TENANT agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against CITY.

8.1.4 The indemnity and hold harmless provision of Section 8.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the CITY. The provisions of this Article 8 and the obligations of TENANT hereunder shall survive the termination or expiration of this Lease.

8.1.5 In no case shall CITY be liable to TENANT or to any third party for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

8.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, TENANT shall not cause nor permit any lien against the Leased Premises, any portion thereof or any City property wherever located, or any improvements thereto, to

arise out of or accrue from any action, omission or use thereof by TENANT. TENANT may in good faith, however, contest the validity of any alleged lien. TENANT shall defend and indemnify and hold the CITY harmless from any cost, expense, attorney's fees or other liability arising out of or resulting from any such lien or liens, and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure that is acceptable to the CITY. So long as TENANT defends CITY in any action concerning any such lien, TENANT shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the CITY. This provision shall survive termination or expiration of this Lease Agreement. CITY may, at its sole discretion, pay any amounts secured by any such lien and in such case, TENANT shall repay all such payments to CITY immediately upon CITY's demand therefor.

8.3 INSURANCE

8.3.1 Without expense to the CITY, and with no lapse in coverage, TENANT shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance required by the Minimum Standards for a category 1X FBO – Aircraft Tie Down and Storage.

8.3.2 TENANT and the CITY understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and CITY reserves the right to amend the minimums as needed throughout the term of this Lease. TENANT agrees that it will increase such minimum limits upon receipt of notice in writing from the CITY.

8.3.4 In the event any construction or renovation on the Premises is approved by the CITY, TENANT shall procure and maintain, or cause to be procured and maintained, comprehensive general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the CITY may reasonably require, covering such construction. Said insurance shall protect TENANT and CITY from any claims or damages arising out of or resulting from such construction or renovations, and shall name the CITY as an additional insured thereon. In addition to the foregoing, TENANT shall cause to be procured and maintained automobile liability in such amounts as the CITY may reasonably require.

8.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Premises shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport Manager. Each liability policy required to be obtained hereunder shall name the CITY as an additional insured thereunder and shall be on an occurrence basis. All policies required hereunder shall be primary to any insurance or self-insurance that CITY may maintain for its own benefit.

8.3.6 Certificates or other evidence of insurance coverage required of TENANT in this Article, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the CITY prior to the execution of this Lease Agreement and annually thereafter. TENANT shall at all times during the term of this Lease Agreement provide CITY with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises. Insurer shall provide no less than thirty (30) days written notice prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Manager. It shall be TENANT's responsibility throughout the term of this Lease to provide or have provided to the Airport Manager renewal insurance certificates with no lapse in coverage prior to such renewal.

8.3.7 If at any time TENANT should fail either to obtain or to maintain in force the insurance required herein, the CITY shall notify TENANT of its intention to purchase such insurance for TENANT's account; and, if TENANT has not delivered evidence of insurance to the Airport Manager prior to the date on which the current insurance expires, the CITY may effect such insurance by taking out policies in companies satisfactory to the CITY. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the CITY shall be payable by TENANT as additional rental immediately upon demand therefor by CITY.

ARTICLE 9 - DESTRUCTION OF PREMISES

9.1 In the event the buildings and improvements on the Premises, or any substantial part thereof, should be damaged or destroyed by an insured casualty, such buildings or improvements shall be repaired or rebuilt by TENANT and paid for with TENANT's insurance proceeds; and, if such proceeds are insufficient for such purposes TENANT shall pay the deficiency, unless otherwise agreed as provided herein. Repair or restoration of the buildings and improvements shall be in accordance with the original Plans and Specifications, together with alterations or modifications made or agreed upon prior to the casualty, unless the Parties otherwise mutually agree to new or modified plans.

9.2 Notwithstanding the foregoing, during the term of this Agreement or any renewal thereof, in the event the buildings and improvements on the Premises, or a substantial part thereof, should be destroyed, then TENANT may terminate this Agreement by written notice to CITY within ninety (90) days of the casualty and all obligations of each party hereunder shall terminate. In the event of such termination, TENANT shall return the Premises to CITY restored to a clean and usable condition, with removal of all personal and real property as provided in Article 12 below. If TENANT does not provide notice of such termination, TENANT shall proceed diligently to rebuild and restore the Premises and the buildings and improvements thereon in accord with the original plans and specifications or such other plans and specifications as may be approved by the Planning Office and, if required, the Planning Board.

ARTICLE 10 - CONDEMNATION

10.1 CITY agrees to give prompt written notice to TENANT of any eminent domain, condemnation, compulsory acquisition or like proceedings by any competent authority which might result in a partial or full taking of the Leased Premises and of which CITY has actual notice. Each party may file and prosecute their respective claims for an award, but all awards and payments on account of a taking shall be held in trust by the recipient to be distributed according to the respective interests of the parties, i.e., payments allocable to the value of the Leased Premises and the residual interest in the Leased Premises shall be paid to CITY and payments allocable to TENANT's leasehold interest and improvements shall be paid to TENANT.

10.2 In the case of a taking (other than for temporary use) of the fee of the entire Leased Premises, or so substantial a part of the Leased Premises that such taking materially impairs TENANT's conduct of its operations at or from the Premises, this Agreement shall terminate as of the effective date of such taking. In the case of a temporary taking (including without limitation a temporary taking as a result of relocation under 7.1.2 above), this Agreement shall be suspended during such time as TENANT is unable to use the Leasehold Premises for the uses provided herein. In the case of a temporary taking which does not permit TENANT to use the Premises as provided herein for a period of ninety (90) days or more, at the conclusion of said ninety (90) day period, TENANT may, in its discretion, give CITY a thirty (30) day notice of its intent to terminate the Lease Agreement. This Lease shall terminate at the end of the thirty (30) day notice period, with no further obligation by either party. TENANT's obligation to pay rent

hereunder shall be suspended during any temporary taking during which TENANT is unable to conduct its operations at or from the Leased Premises; provided, however, to the extent TENANT is able to continue its operations hereunder from the Premises or from an alternative site, the TENANT shall continue to pay the fixed rent based upon the square footage then available to TENANT.

ARTICLE 11 - TERMINATION OF LEASE

11.1 CITY's Right to Terminate. The CITY, in addition to any other rights to which it may be entitled by law, acting by and through its CITY MANAGER, may declare this Lease Agreement terminated in its entirety, subject to and in the manner provided herein, upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Premises:

- (a) To the extent permitted by law, the filing by TENANT of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of TENANT's assets;
- (b) To the extent permitted by law, the entry of an order for relief against the TENANT, by a court of applicable jurisdiction, pursuant to any involuntary bankruptcy petition filed against the TENANT;
- (c) To the extent permitted by law, the taking of jurisdiction by a court of competent jurisdiction of TENANT or its assets, pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) To the extent permitted by law, the appointment of a receiver or trustee of TENANT's assets by a court of competent jurisdiction or a voluntary agreement with TENANT's creditors;
- (e) The voluntary abandonment by TENANT of the Leased Premises (and the failure to pay rent thereon) for a period in excess of sixty (60) days; or
- (f) The material breach by TENANT of any of the covenants or agreements herein contained and not cured as provided below. A material breach shall include, but not be limited to, the failure of the TENANT to comply with the Minimum Standards, TENANT's use of the premises in a manner prohibited under this Lease, or the failure of TENANT to pay any rental, fee, or charge required to be paid by the terms of this Lease Agreement when the same is due and payable.

11.2 TENANT's Right to Terminate. TENANT, in addition to any other right given to it herein or to which it may be entitled by law, may terminate this Agreement in its entirety, subject to and in the manner provided herein, upon or after the happening of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction which materially prevents or restrains the use of the Airport or the Leased Premises for the purposes permitted under this Lease Agreement and such injunction remaining in force for a period of at least ninety (90) days after the date of receipt of written notice of such injunction by CITY;
- (b) Subject to TENANT's obligation to restore or repair the Premises under Article 9 above, the inability of TENANT to use said Leased Premises and Airport facilities due to war, earthquake or other casualty for a longer period than ninety (90) days after the date of receipt of written notice of such inability from TENANT;

- (c) Any action of any governmental authority, board, agency or officer having jurisdiction thereof preventing **TENANT** from conducting the activities permitted hereunder at or on the Leased Premises by a taking, directly or indirectly, in whole or a substantial part, of the Leased Premises for a period of at least ninety (90) days after receipt of written notice of such action by **CITY**, subject to Article 10 above;
- (d) The taking, through the process of eminent domain, of all or a substantial part of the Premises leased by **TENANT**, subject to Article 10 above; or
- (e) The material breach by **CITY** of any of the covenants or agreements herein contained and not cured as provided below.

11.3 **Default by CITY.** In the event of any default by **CITY** of any of its obligations under this Lease Agreement, **TENANT** may declare the **CITY** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to the **CITY MANAGER** addressed and copied as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. No termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **TENANT** to **CITY**, and the City shall not have cured such default during such thirty (30) day period. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **CITY** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable.

11.4 **Default by TENANT.** In the event of any default by **TENANT** of any of its obligations under this Lease Agreement, **CITY** may declare the **TENANT** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to **TENANT** addressed as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. Except as provided otherwise in this Lease Agreement whereby no opportunity to cure is required, no termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **CITY** to **TENANT**, and such default shall not have been cured during such thirty (30) day period by the **TENANT**. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **TENANT** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable. In the event **TENANT** knew or should have known of the default prior to receipt of **CITY** notice, said thirty (30) day period to cure shall be deemed to begin as of the date **TENANT** knew or should have known of said default. Notwithstanding the foregoing, if **TENANT** should fail to pay any sum, including without limitation any rental, tax, assessment or use fee or charge, as required hereunder, **TENANT** shall have ten (10) days from receipt of **CITY** notice of default to cure said default, and if not so cured, termination of this Lease Agreement shall be effective as of the eleventh day following said receipt of notice.

ARTICLE 12 - RIGHTS UPON TERMINATION

12.1 **TENANT** agrees that upon the expiration of the Initial Term of this Lease or sooner termination thereof, the Leased Premises will be promptly delivered to **CITY**. **TENANT** shall remove all buildings, fixtures and personal property located on the Leased Premises within thirty (30) days of the date of expiration or termination, and repair any damage resulting from such removal and restore the Premises, all at **TENANT**'s cost and expense. In lieu of removal, **TENANT** may, at its option, offer to transfer

title, through execution of appropriate documents, to some or all of the buildings and improvements on the Premises to CITY at no cost to CITY and in such case, TENANT shall provide CITY of notice of such offer at least ninety (90) days prior to termination of this Agreement. CITY shall notify TENANT in writing within the ninety (90) day period as whether it accepts or rejects said offer. In the event CITY rejects the offer, TENANT shall be obligated to remove the buildings and improvement from the Premises within thirty (30) days of expiration or termination as provided herein. Upon the termination or expiration of the Initial Term of this Lease Agreement, all rights of TENANT hereunder to possession of the Premises under this Agreement shall immediately terminate.

12.2 If the TENANT elects, and CITY agrees, to enter into a Renewal of this Agreement, at expiration or termination of any Renewal term, at CITY's option, the CITY may take title or require removal of improvements, alterations and additions made by TENANT in the same manner and on the same terms as provided in Section 12.1 at termination or expiration of the Initial Term.

12.3 Unless CITY has agreed in writing to accept title to buildings and improvements under Section 12.1 above, in the event TENANT fails to remove the buildings, fixtures or personal property from the Premises within thirty (30) days of termination or expiration of this Lease, title to said buildings, fixtures and personal property shall vest in CITY on the thirty-first (31st) day after the date of such termination or expiration, and CITY may dispose of such buildings, fixtures and personal property as it sees fit, in CITY discretion, and retain any proceeds from such disposal. In the event CITY incurs a net loss for such disposal, TENANT shall be liable to CITY for reimbursement of such loss.

ARTICLE 13 - NO ASSIGNMENT AND SUBLETTING

13.1 The TENANT shall not assign, rent, sublease, sell, convey, mortgage, encumber or otherwise transfer in any manner all or any part of the Leased Premises or the improvements located thereon or any of the privileges granted to TENANT hereunder, without the prior written consent of the CITY, which approval shall be at the CITY's sole discretion. CITY reserves the right to review the form of all such proposed transfers. TENANT shall notify CITY annually of the identity of all sublessees of any portion of the Premises, or shall provide such information upon CITY's request. CITY further reserves the right to place such reasonable conditions upon any such transfer as it deems to be in the best interest of the CITY.

In the event of any approved transfer, sublease or assignment, TENANT shall continue to be liable to CITY for all rent, fees, taxes, assessments and all other obligations under this Lease for which it is liable hereunder. All approved transferees, subleases or assignees shall be required to conform to all of the terms and conditions of this Lease Agreement, including without limitation, all insurance requirements hereunder.

13.2 Any violation of the terms of this Article by any person at or on the Premises, or conducting any activities from, at or on the Premises, shall be deemed a breach of this Lease Agreement and, at CITY's option, may result in termination of this Lease Agreement pursuant to Article 11.

13.3 Any sale or transfer, whether to one or more persons or entities and whether at one or more different times, of a total of fifty percent (50%) or more of the ownership interest in any corporation, partnership, limited liability company or other entity which is then the legal tenant under this Lease Agreement shall be deemed an assignment of this Lease Agreement within the meaning of this Article 13.

ARTICLE 14 - MISCELLANEOUS PROVISIONS

14.1 NON-INTERFERENCE WITH OPERATION OF AIRPORT

14.1.1 **TENANT**, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard or interfere with or endanger general operations at the Airport. In the event the aforesaid covenant is breached, the **CITY** reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the **TENANT**, and reimbursement for such **CITY** expense shall be paid by **TENANT** immediately upon **CITY**'s demand therefor.

14.1.2 **CITY** hereby reserves for 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 said air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport. In addition, **TENANT** acknowledges that because of the close location of the Premises to the "airfield operations area", that noise, vibration, fumes, debris and other interference with the Premises will be caused by Airport operations. **TENANT** hereby waives any and all rights and remedies against **CITY** arising out of any noise, vibration, fumes, debris and/or interference that is caused by the operation of the Airport.

14.2 QUIET ENJOYMENT

The **CITY** agrees that on payment of the rentals and fees hereunder, and subject to performance and compliance by **TENANT** of the covenants, conditions and agreement on its part to be performed and complied with herein, **TENANT** shall peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities, and of the Leased Premises, to the extent granted herein.

14.3 AGREEMENTS WITH FEDERAL GOVERNMENT

This Lease Agreement is subject and subordinate to the provisions of any agreements that have been or shall be made between the **CITY** and the United States of America relative to the operation or maintenance of the Airport, the execution of which have been or shall be required as a condition to the expenditure of Federal funds for the extension, expansion, improvement, maintenance or development of the Airport. **TENANT** agrees to comply with all applicable laws and regulations and to modify or amend this Agreement as required to comply with such applicable laws and regulations.

14.4 LICENSE FEES AND PERMITS

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

14.5 SECURITY AGREEMENT

TENANT, at its own cost and expense, shall be responsible for ensuring that all building entrances, exits, and any access to the Leased Premises are in compliance with all applicable Airport Security Programs. It shall be **TENANT**'s responsibility, at its own cost and expense, to be in compliance with all existing and future security requirements of the Department of Transportation, Transportation Security Administration, and/or the Airport Security Program, and **TENANT** shall hold the **CITY** harmless and shall pay any fines, penalties, cost or expenses incurred by **CITY** or by **TENANT** and arising out of any

breach of said security requirements by TENANT, its invitees, subtenants, or anyone for whose act TENANT may be liable.

14.6 PARAGRAPH HEADINGS

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

14.7 INTERPRETATIONS

The laws of the State of Maine shall govern the validity, interpretation, performance and enforcement of this Agreement. Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires. Unless the context specifically provides otherwise, "person" wherever used in this Lease shall include, without limitation, an individual, a sole proprietor, a corporation, a partnership or any legal entity authorized by law.

14.8 DISPUTE RESOLUTION

All disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts of York County, State of Maine. TENANT hereby agrees to waive any rights which TENANT may have to a trial by jury. Notwithstanding the foregoing, TENANT and CITY may mutually agree to submit any dispute hereunder to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association.

14.9 NOTICES

Except as otherwise provided in Article 11 for certified mail or hand delivery of notice of default, whenever any notice or payment is required by this Lease Agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, addressed to, or hand-delivered to:

CITY:

City Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

Airport Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

TENANT:

Donald P. Saucier
1 Saucier Lane
Old Orchard Beach, ME 04064

or such place as either party shall designate in writing.

14.10 ENTIRE AGREEMENT

This Lease Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties and all other representations or statements heretofore made, verbal or written, are merged herein, and this Lease Agreement may be amended only in a writing executed by duly authorized representatives of the parties hereto.

14.11 NON-WAIVER

No waiver by either Party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other Party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party. The receipt by CITY of any rent with knowledge of any breach of this Lease Agreement by TENANT or of any default by TENANT in the observance or performance of any of the terms, covenants or conditions of this Lease Agreement shall not be deemed to be a waiver of any provision of this Lease Agreement. If any action by TENANT shall require the consent or approval of CITY, CITY's consent to, or approval of, such action on any one occasion shall not be deemed a consent to, or approval of, said action on any subsequent occasion, or consent to, or approval of, any other action on the same or any subsequent occasion.

14.12 REMEDIES CUMULATIVE

All rights and remedies of the parties herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by either party of any remedy provided herein or allowed by law shall not be to the exclusion of any other remedy.

14.13 TIME OF ESSENCE

Time is and shall be of the essence in respect to the performance of each and every provision of this Lease Agreement.

14.14 FORCE MAJEURE

Neither the CITY nor TENANT shall be deemed in violation of this Lease Agreement if either should be prevented from performing any of the obligations hereunder (other than any obligations to make payments) by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. The party claiming force majeure shall give prompt written notice to the other party of such event or events, and shall resume performance promptly upon the conclusion of the event or events preventing its performance.

14.15 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

14.16 MEMORANDUM OF LEASE

Either party at the request of the other, shall execute, acknowledge and deliver for recording, a memorandum or short form lease prepared by the requesting party; provided, however, that the relations between CITY and TENANT shall be governed solely by the provisions of this Lease Agreement and not by any such memorandum or short form lease which may be executed, delivered and recorded.

14.17 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Lease Agreement shall extend to and bind the legal representatives, heirs, successors, and any permitted assigns of the respective parties hereto. Nothing herein shall be deemed to authorize or permit any assignment or other transfer, in whole or in part, of the interest of TENANT in violation of any other provisions contained in this Lease Agreement.

14.18 ASSIGNMENT TO CITY SUCCESSOR IN INTEREST

The CITY may assign or otherwise convey its interest, rights, duties and/or obligations hereunder to any airport authority or other successor in interest.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above mentioned at Biddeford, Maine.

WITNESS

CITY OF BIDDEFORD, MAINE

A. Curtis Koehler

Janet Lane
By:
Its City Manager

TENANT

A. Curtis Koehler

André J. J. J. J.
By:



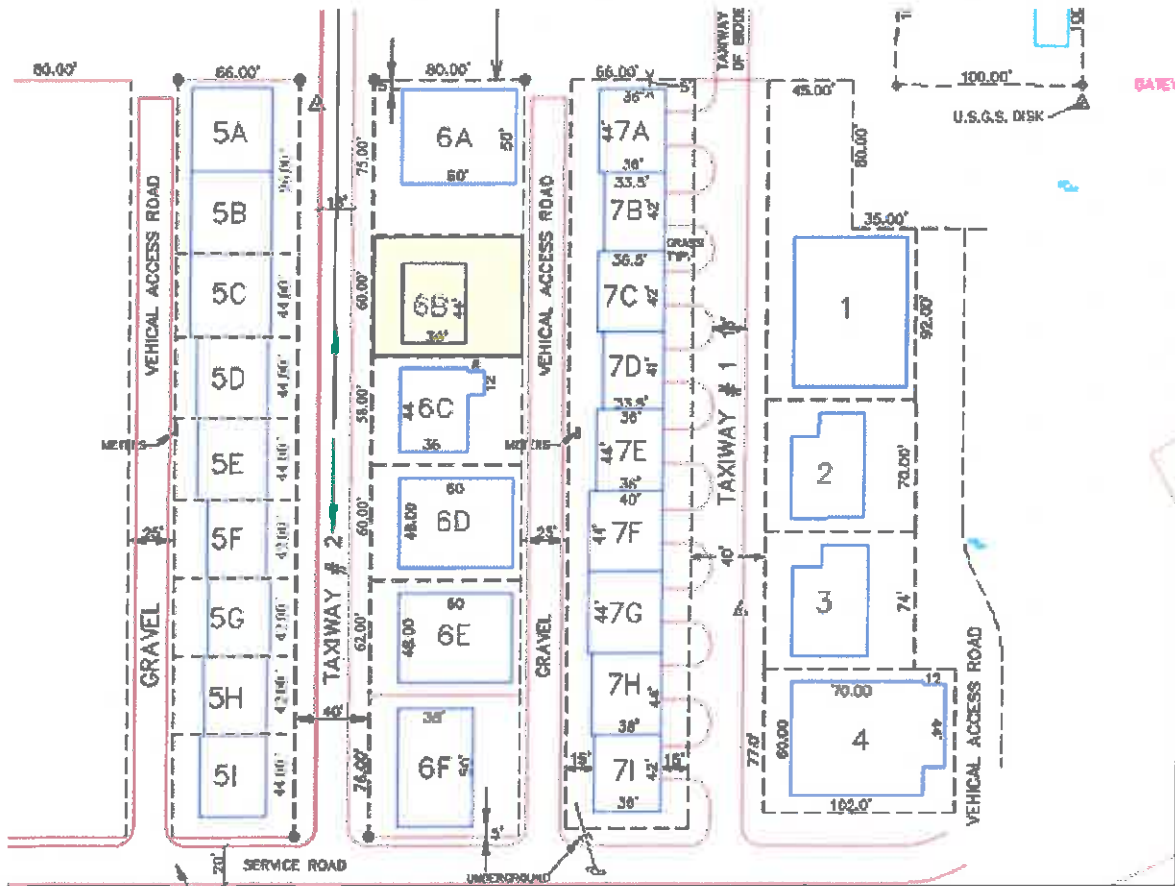
City of Biddeford, Maine

205 Main St. P.O. Box 586 Biddeford, Maine 04005

Exhibit A

Hanger 6B

75' x 80' = 4,800 sq. ft.





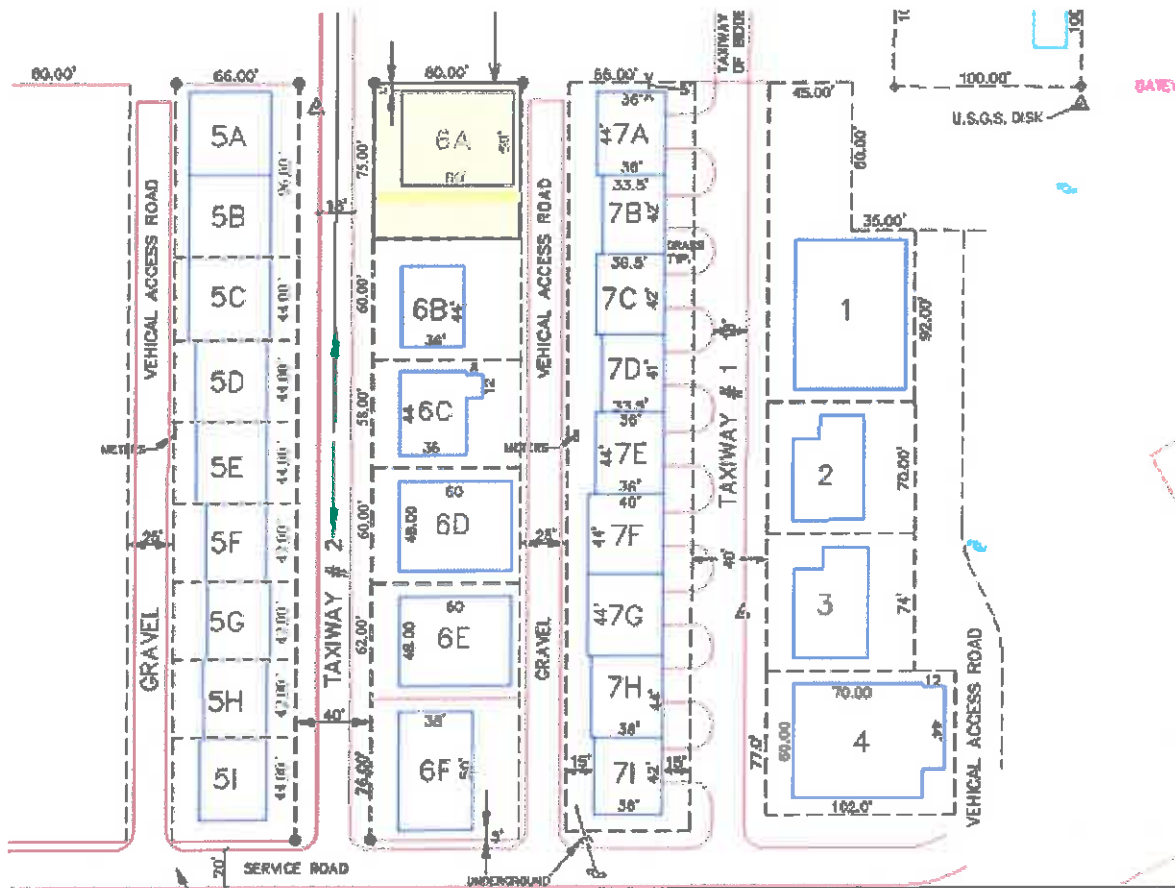
City of Biddeford, Maine

205 Main St. P.O. Box 586 Biddeford, Maine 04005

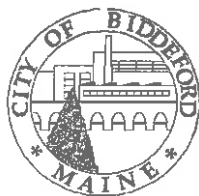
Exhibit A

Hanger 6A

75' x 80' = 6,000 sq. ft.



GE



CITY OF BIDDEFORD

Biddeford Municipal Airport

Ground Lease Agreement

Lease Expires on
November 8, 2025

Adopted: February 3, 2009

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 9th day of November 2015, by and between the **CITY OF BIDDEFORD**, a Maine municipal corporation, (the "**CITY**"), and John Apte, with a mailing address of 110Main St. #304, Saco, Maine 04072, (the "**TENANT**").

WITNESSETH:

WHEREAS, CITY owns, controls and operates for the use and benefit of the public, Biddeford Municipal Airport, located in Biddeford, Maine, (the "**Airport**").

WHEREAS, TENANT wishes to enter into a Ground Lease Agreement with **CITY** in order to construct and/or maintain a hangar for **TENANT's** aircraft related equipment and materials and conduct certain permitted uses at the **Airport**;

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, **CITY** and **TENANT** hereby agree as follows:

ARTICLE 1 - LEASED PREMISES

1.1. DESCRIPTION OF LEASED PREMISES

The term "Leased Premises" or "Premises" as used in this Lease Agreement, shall mean and include real estate located at Biddeford Municipal Airport, Biddeford, York County, State of Maine, consisting of approximately four thousand nine hundred sixty (4,960) square feet, as shown on Exhibit A attached hereto and incorporated herein, and including the rights of ingress thereto and egress therefrom and the right to install, use and maintain utilities, subject to any utility or other easements of record.

1.2 "AS IS" CONDITION.

TENANT takes the Premises in "as is" condition. Other than **CITY** ownership thereof, **CITY** makes no representation or warranty as to the physical condition of the Premises nor as to any other matter concerning the Premises, including but not limited to the presence of any environmental hazards thereon. Without limiting the foregoing, the **CITY** represents that, as of the execution date of this Lease, it has not received notice of any such hazards. All **TENANT** improvements, additions and alterations at or to the Premises will be at **TENANT's** sole cost and expense and **CITY** shall have no responsibility therefor.

ARTICLE 2 - OBJECTIVES AND PURPOSES OF LEASE

2.1 PERMITTED AND PROHIBITED USES OF LEASED PREMISES

2.1.1 Permitted Uses: **TENANT** shall use the Premises solely for the construction and/or maintenance of an aircraft storage hangar ("Hangar") and associated ramp and apron, which may be used for storage of **TENANT's** owned or leased aircraft and aircraft related materials and equipment, provided, however,

that any such uses shall be subject to all applicable Federal, State and Local law including, without limitations, the Biddeford Zoning Ordinance, the Minimum Standards and Procedures for the Lease and/or Use of the Property and Facilities for Aeronautical Activities (the "Minimum Standards") and all regulations of the Biddeford Municipal Airport currently in effect or enacted during the term of this Lease (See Section 5.8.1). Nothing in this section is intended, nor shall it be deemed, to permit TENANT to establish or carry out any commercial activity from the PREMISES (See Section 2.1.4).

2.1.2 TENANT shall have the right to install or improve therein and thereon such fixtures, equipment and facilities as TENANT may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, equipment or facility shall be constructed, improved or installed by TENANT without the prior written consent of the CITY; provided, further, that any such construction shall be subject to all Federal, State and Local Law including, without limitation, the Biddeford Building Codes and the regulations of the Biddeford Municipal Airport on hangar construction. TENANT covenants and agrees that prior to the construction or installation of any such structure, improvement, fixture, equipment, or facility, TENANT will submit detailed plans or other appropriate information showing the location, design and character to the Airport Manager and Biddeford Planning Office. Any such construction shall be subject to the approval of the Biddeford City Council or its designee.

2.1.3 TENANT shall have the right unless prohibited by any Fixed Base Operator Agreement to purchase or otherwise obtain personal property or services of any nature required by or incident to the operation and maintenance of the TENANT's aircraft from any person, partnership, firm, association or corporation it may choose, provided such person, partnership, firm, association or corporation shall have first obtained written approval from the CITY to operate within the airport and shall be in compliance with the Minimum Standards.

2.1.4 Prohibited Uses: TENANT shall not use the Premises for the conduct of any nonaeronautical business, for residential or nonaeronautical commercial use, or for nonaeronautical storage or nonaeronautical activities. TENANT shall obtain the written consent of the CITY prior to undertaking any commercial activities on the Premises

2.1.5 TENANT shall park his or her vehicle only in those areas designated for parking and only when using the Airport, TENANT's hangar or TENANT's aircraft.

2.1.6 All activities hereunder must be conducted pursuant to the Minimum Standards and Rules and Regulations and policies in effect on the date of execution of this Agreement and as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. Prior to undertaking any activities hereunder, TENANT shall obtain, at TENANT's own cost and expense, all approvals and permits required under the Minimum Standards, as well as any other required Federal, State or Local approvals and permits.

2.1.7 TENANT agrees that it shall not provide any Fixed Base Operator (FBO) services as defined by the CITY.

ARTICLE 3 - TERM

3.1 INITIAL TERM; RENT COMMENCEMENT DATE

3.1.1 This Lease shall commence as of the date of execution of this Lease Agreement or July 1, 2015, whichever is later (the "Lease Commencement Date") for a term of ten (10) years.

3.1.2 TENANT shall pay rent to the CITY during the Initial Term as provided in Article 4 below beginning on the Lease Commencement Date.

3.2 RENEWAL TERM

TENANT shall have the option to renew this Lease for an additional ten (10) years so long as TENANT has been and is continuing in full compliance with all of the terms and conditions herein, and subject to renegotiation of the rent as provided in Article 4 below. TENANT shall provide CITY with no less than One Hundred and Eighty (180) days notice of its intent to renew prior to expiration of the initial term of this Lease. CITY shall renew the Lease pursuant to Section 4.3 below and subject to the continuing compliance by TENANT with all the terms and conditions herein. Such renewal shall be in writing signed by both parties.

3.3 HOLDING OVER

3.3.1 In the event TENANT shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without CITY's written renewal thereof, such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy at sufferance which may be terminated at any time by CITY or TENANT by giving thirty (30) days' written notice to the other party. Any such tenancy at sufferance shall otherwise be on all of the terms and conditions of this Lease Agreement.

ARTICLE 4 - RENTALS, FEES AND RECORDS

4.1 FIXED RENT

4.1.1. Fixed annual rent. TENANT agrees to pay CITY, a fixed rent of \$664.64 for the period from the July 1, 2015 through the following June 30. For the first year, payment credit will be given for any amount previously paid for the period from July 1 to December 31, 2015.

4.1.2 Rent increases. Beginning on the first day of July 2016, and annually thereafter during the Initial Term, the fixed rent in Section 4.1.1 will be adjusted, based on the increase in the prior 12 months' Consumer Price Index of the U.S. Department of Labor, All Urban Consumers, all items (1982-84 = 100) for the U.S. City Average (Table 10), March to March, or comparable successor index for the immediately prior twelve months. In no event shall such adjustment result in a reduction of the prior year's fixed annual rent. Rent shall be invoiced by the City Finance Department in June of each year.

4.2 RENEWAL RENT

In the event TENANT wishes to renew this Lease as provided in Section 3.2 above, TENANT shall provide the CITY with a notice of intent to renew the lease no less than 180 days prior to renewal of the Lease. Rent for the Renewal Term shall be equal to the then current general aviation ground rent in effect as of the commencement of the renewal term, with any then current inflation adjustment applicable to general aviation ground leases. Upon request, CITY shall provide TENANT with documentation as to those current rents and adjustments.

4.3 TIME AND PLACE OF PAYMENTS

4.3.1 The foregoing rent shall be payable, on or before August 1 of each year, at the Finance Department, Biddeford City Hall, or such other place as the CITY may direct in writing from time to

time.

4.3.2 TENANT shall make prompt and timely payment, without deduction or setoff, of all rentals, fees, assessments, taxes and other charges due hereunder as the same may from time to time come due.

4.4 DELINQUENT RENTALS

There shall be added to all sums which the TENANT is required to pay hereunder (whether as rental or otherwise) to CITY and which are unpaid after their due date, a late charge of one and one-half percent (1-1/2%) of the unpaid sum for each full calendar month of delinquency computed as simple interest on a monthly basis which corresponds to eighteen (18%) per annum. Any late charge assessed shall be computed from the original due date of the unpaid sum. The rate of the late charge may be changed from time to time pursuant to generally applicable Airport rules and regulations. Any late charge hereunder shall be additional to any interest or other charge imposed by the CITY generally, including without limitation, interest on unpaid real or personal property taxes.

ARTICLE 5 - OBLIGATIONS OF TENANT

5.1 NET LEASE

The use and occupancy of the Leased Premises by TENANT will be without cost or expense to CITY and all rent payable hereunder shall be net to the CITY. It shall be the sole responsibility of TENANT to maintain, repair and operate the entirety of the Leased Premises and any improvements and facilities constructed thereon at TENANT's sole cost and expense, except as otherwise explicitly stated herein.

5.2 CITY'S CONSENT TO IMPROVEMENTS REQUIRED.

5.2.1 If a hangar has not been previously constructed on the Premises, TENANT shall design and construct, at TENANT's own cost and expense, a hangar and associated ramp and apron in accordance with the Minimum Standards. Prior to Planning Board review, the proposed design and materials to be used for such construction shall be subject to the review and approval of the Biddeford Planning Office, which approval shall not be unreasonably withheld or delayed. The Planning Office's review shall include review for compatibility with existing airport design and materials and for compliance with the Airport Master Plan then in effect. TENANT's proposed landscaping plan shall be part of the Planning Office's review, and if required subject to final approval by the Planning Board. TENANT shall pay for and obtain all required Federal, State, County and CITY permits or approvals prior to such construction, including but not limited to any required Planning Board approval, and Federal Aviation Agency (hereinafter the "FAA") approvals, including filing FAA Form 7460, Notice of Proposed Construction or Alteration. In addition to complying with any applicable CITY ordinance, all exterior signage to be placed or erected on the Premises shall be subject to the prior written approval of the Planning Office. In the event any substantive change is made in the proposed design and materials to be used after all other applicable review, such changes shall be submitted to the Planning Office for review and approval, which approval shall not be unreasonably withheld or delayed.

5.2.2 TENANT shall apply for any necessary permits and approvals within 60 days of the execution of this Lease. In the event TENANT is unable to obtain any required Federal, State or Local approvals and permits necessary for construction of its project and to begin construction no later than One (1) year from the date of execution of this Lease, each Party reserves the right to terminate this Lease upon no less than thirty (30) days prior written notice, with no further obligations of either Party hereunder. Upon obtaining

all approvals and permits required for construction of the project, **TENANT** shall promptly commence and diligently complete such construction. All buildings and associated landscaping shall be completed within one (1) year of permit approvals.

5.2.3 Except as provided above, **TENANT** shall not erect any structures, make any improvements, nor do any construction work on the Premises, without the prior written approval of the Planning Office, whose approval shall not be unreasonably withheld or delayed. Alterations, modifications, additions to or replacements of any structure constructed on the Premises are subject to the prior written approval of the Planning Office, which approval shall not be unreasonably withheld or delayed. **TENANT** also shall obtain any necessary Planning Board approval. The requirement for the Planning Office's prior approval shall not apply to any improvements, repairs or replacements which are immediately necessary because of an emergency caused by no fault of **TENANT**, but **TENANT** shall inform the Airport Manager and Planning Office of such emergency work as soon as reasonable practicable.

5.3 MAINTENANCE AND OPERATIONS

5.3.1 All repair, and maintenance of the leased Premises, including, but not limited to, landscaping, paving and snow and ice removal, shall be the responsibility of the **TENANT**. **TENANT** shall maintain the Premises and all of the fixtures, equipment and personal property which may be located in or upon any part thereof in a reasonably neat, clean and sanitary condition. **TENANT** shall not store snow off the Premises without written approval from the Airport Manager. Snow removal shall not block any aircraft movement areas at any time. **CITY** agrees that it shall maintain, repair and remove snow and ice from the common areas of the Airport.

5.3.2 **CITY** shall have the right to take any action it considers necessary to protect general operation of the Airport and the aerial approaches to the Airport against obstruction. **TENANT**, in the use of the roadways, approaches, taxiways and runways of the aircraft landing field and in the use of the adjacent areas for storage of aircraft, or in the use of their buildings shall abide by and conform to any and all reasonable rules and regulations now existing or as may be hereafter promulgated by the **CITY** and will comply with the requirements of any Federal, State or Local act or regulation which relates to the operation of the Airport, including, but not limited to, abiding, at **TENANT**'s sole cost and expense, with any Federal, State or Local security or certification requirements which relate to its operations at the Airport.

5.3.3 **TENANT** shall take good care of the Premises; shall reasonably maintain the Premises and the improvements, buildings and fixtures thereon in good condition at all times; shall make all repairs and replacements inside and outside, ordinary and extraordinary, structural or otherwise. Such repairs and replacements by **TENANT** shall be in quality and class not inferior to the original material and workmanship. **TENANT** shall pay promptly the costs and expenses of such repairs, replacements and maintenance, and maintain and repair all utility service lines located upon the Leased Premises to the extent they are used by **TENANT**, except to the extent such maintenance or repair is the obligation of the utility company providing such utility service.

5.3.4 All exterior repairs, replacements and maintenance shall be subject to the prior written approval of the Planning Office, which shall not be unreasonably withheld or delayed, and shall comply with all applicable Federal, State and Local permit requirements as well as any applicable rules and regulations enacted by the **CITY** relating to the Airport.

5.3.5 **TENANT** shall paint, repair, replace or rebuild all or any part of the Premises, interior or

exterior, structural or non-structural, as provided above, which may be damaged or destroyed (subject to the provisions of Article 9 below). In such case, TENANT shall have the right to apply any available insurance proceeds to such purposes.

5.3.6 TENANT shall provide, at its sole cost and expense, the necessary receptacles and arrangements for adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse that results from use of, or activities on, the Premises. CITY reserves the right to require TENANT to participate in any recycling program which may be imposed by Airport rules or by Local, State or Federal law or regulation. TENANT shall defend, indemnify and hold the CITY harmless from any cost, expense, claim, fine or liability, including without limitation attorney's fees and court costs, arising out of or resulting from TENANT's storage, collection, transportation or disposal of any trash, garbage or other refuse hereunder. This obligation of defense and indemnification shall remain in full force and effect after termination or expiration of this Lease.

5.3.7 TENANT shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse and said receptacles must be stored inside the hangar. Piling of boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Lease Premises, shall not be permitted.

5.3.8 To the extent that TENANT does not undertake or pay for any of its obligations under this Subsection 5.3 or Subsection 9, CITY reserves the right to undertake such obligations or to pay such costs, in its sole discretion, and to charge all costs thereof to TENANT. In the event CITY undertakes any such obligation or pays such cost hereunder, TENANT shall repay the CITY all such amounts immediately upon CITY's demand therefor. Nothing herein shall prevent or prohibit the CITY from declaring a default hereunder and terminating the Lease as provided in Article 11 below.

5.4 CITY RIGHT TO INSPECT AND REPAIR

5.4.1 CITY, through its agents, may come on the Premises and enter the Hangar to inspect for compliance with the requirements of this Lease, Airport rules and regulations, environmental laws, or other applicable legal and regulatory requirements. Such inspection will generally take place during normal business hours and following forty eight (48) hours advance notice to the TENANT, but the CITY reserves the right to enter the Premises unannounced at any time that the Airport Manager or City determines such entry is necessary for public safety or security reasons or if necessary for Federal or State required compliance inspections. In the event of such unannounced entry, CITY shall notify the TENANT that such inspection occurred within a reasonable time thereafter. TENANT shall provide CITY with the ability to access the Premises and the Hangar for such public safety and security purposes.

5.4.2 CITY or its designee, at its discretion, shall be the sole judge of the quality of the exterior repair and maintenance; and TENANT, upon notice by CITY to TENANT shall be required to perform whatever repair and maintenance CITY deems reasonably necessary. If said repair and maintenance is not undertaken by TENANT within thirty (30) days after receipt of written notice, CITY shall have the right to enter upon the Leased Premises and perform the necessary repair and maintenance, the cost of which shall be borne by TENANT as additional rent to be paid to CITY immediately upon demand therefor. Notwithstanding the foregoing, in the case of a threat to public health or safety, CITY may undertake such repairs as it deems reasonably necessary and charge the cost thereto to TENANT as additional rent to be paid to CITY, without regard to any notice requirement herein. No waste shall be committed or damage done to the Premises, the buildings and equipment located thereon, nor to property of CITY.

5.5 UTILITIES

TENANT shall assume and pay for all construction, installation and periodic costs or charges for utility services furnished to TENANT during the term hereof; provided, however, that, consistent with applicable laws, regulations or permit requirements, TENANT shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense; and TENANT shall pay for any and all service charges incurred there from. The TENANT must also meet the requirements of any Airport Storm Water Pollution Prevention Plan and any amendments thereto. TENANT agrees to relocate at its expense any utility service if CITY determines in its sole discretion that said utility service interferes with present or future airport operations or expansions.

5.6 PAYMENT OF TAXES AND OTHER ASSESSMENTS

5.6.1 TENANT agrees to pay promptly when due, and not to permit to become delinquent, levies, taxes, assessments, improvement fees, excises, permit fees, license fees, charges, impositions or burdens of whatsoever kind and nature, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or for any public improvements or utility services (hereinafter "impositions") which, at any time during the term of this Lease Agreement, may be created, levied, assessed, imposed or charged upon or with respect to the Leased Premises or any part thereof, by any Federal, State, County, Municipal or other authority, which imposition would be valid and applicable to TENANT irrespective of this section.

5.6.2 TENANT acknowledges that CITY has the right from time to time to establish and impose reasonable charges and fees for users of the Airport or its facilities, provided that such charges and fees are charged in a uniform and non-discriminatory manner and do not significantly increase the total fixed and percentage rent due hereunder; and provided, further, that CITY shall provide TENANT with no less than thirty (30) days prior written notice prior to imposing any new fee or charge which directly or indirectly affects TENANT or any subtenant of TENANT.

5.7 NONDISCRIMINATION; AFFIRMATIVE ACTION

5.7.1 The TENANT, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with this Lease of the Premises that, to the extent applicable to TENANT's operations hereunder:

(a) no person on the grounds of race, color, sex, disability, religion, national origin or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, disability, religion, national origin, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(c) that the TENANT shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

5.8 OBSERVANCE OF LAWS, STATUTES, ORDINANCES, RULES AND REGULATIONS

5.8.1 During the Term hereof and any renewal term, **TENANT** shall, at its own cost and expense, promptly observe and comply with all existing and future applicable laws, ordinances, rules, regulations, licenses, permits, decisions and decrees of the Federal, State, County and **CITY** Governments (including but not limited to Airport Minimum Standards and Procedures for the Lease and/or Use of Property and Facilities for Aeronautical Activities (Exhibit A), Airport Rules and Regulations (Exhibit B), Airport Hangar Construction and Minimum Specifications (Exhibit C), Airport Storm Water Pollution Prevention Practices (Exhibit D), copies of which **TENANT** acknowledges having received and which are incorporated herein, as well as those of any other government authority having jurisdiction over the Premises or any part thereof, including without limitation all applicable Federal Aviation Administration rules and regulations, whether the same are in force at the commencement of the term of this Agreement or should be enacted in the future.

5.8.2 **TENANT** shall pay all fines, penalties, damages, expenses or costs, including reasonable counsel fees, and shall indemnify and hold the **CITY** harmless therefrom, which may in any manner arise out of or are imposed on **TENANT**, **CITY** or Airport because of the failure of the **TENANT** to comply with the requirements of this Section 5.8. Without limiting any other right of **CITY** hereunder, **TENANT**'s non-compliance with any provision of this Section 5.8 shall be grounds for termination of this Lease Agreement.

5.9 ENVIRONMENTAL STATUTES

5.9.1 **TENANT** covenants and agrees to comply with all applicable environmental laws, including without limitation all laws governing hazardous substances and all requirements related to storm water discharges and permits, and to provide to **CITY**, immediately upon receipt, copies of any correspondence, Notice, Pleading, Citation, Indictment, Complaint, Order, Decree or other document from any source asserting or alleging a circumstance or condition which requires, or may require, a clean-up, removal, remedial action, or other response by or on the part of **TENANT** under environmental laws, or which seek civil, criminal or punitive penalties from **TENANT** for an alleged violation of environmental laws. **TENANT** further agrees to advise the **CITY** in writing as soon as **TENANT** becomes aware of any condition or circumstances that may result in a potential violation of any environmental laws. **TENANT** shall comply with any Storm Water Pollution Prevention Plan and any amendments thereto, and shall grant access to the **CITY** for any inspections required by the plan. **TENANT** agrees, at its expense, and at the request of **CITY** when it has a reasonable belief that there is a problem or when required by another governmental entity, to permit an environmental audit solely for the benefit of **CITY**, to be conducted by **CITY**. This provision shall not relieve **CITY** from conducting its own environmental audits or taking any other steps necessary to comply with environmental laws.

5.9.2 Without limiting the foregoing, **TENANT** shall not dump, flush, or in any way introduce any hazardous materials or hazardous waste or any other toxic materials upon the Leased Premises nor shall it improperly store, or dispose of any hazardous materials or hazardous waste from any such property, except in full compliance with all applicable laws and regulations. For purposes of this paragraph, the term hazardous materials shall mean inflammable, explosives, radioactive materials and hazardous substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, the Hazardous Conservation and Recovery Act, and the Resources Conservation and Recovery Act, or any similar federal, state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The term "hazardous materials" shall also include any other chemical, material or

substance which is or may be regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by any federal, state or other governmental authority or agency or which, even if not so regulated, may or could pose a hazard to human health and safety.

5.9.3 If in the opinion of **CITY**, there exists any uncorrected violation by **TENANT** of an environmental law which requires, or may require, a cleanup, removal or any condition or other remedial action by **TENANT** under any environmental law, regulation, permit, license, judgment or decree, and such cleanup, removal or other remedial action is not completed, or commenced and diligently pursued, within thirty (30) days from the date of written notice from **CITY** to **TENANT**, the same shall, at the option of **CITY**, constitute an event of default hereunder.

5.9.4 For the purposes of this Section 5.9, the term "environmental law or laws" shall mean all Federal, State and Local laws including statutes, regulations, ordinances, codes, rules, permits, licenses, judgments, decrees, or other governmental restrictions and requirements relating to the environment or any hazardous substance, including but not limited to, the State of Maine environmental protection statutes, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Research Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendments and Reauthorization Act of 1986, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any State Department of Environmental Protection or successor agency now or anytime hereafter in effect.

5.9.5 **TENANT** shall defend, indemnify and hold the **CITY** harmless from and against any and all damages, costs and expenses, including without limitation, fines, penalties, reasonable attorney's fees, consequential damages and remedial costs and other liabilities arising from claims based upon the environmental condition of the Premises and the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), resulting from (a) **TENANT's** use of the Premises or operations thereon by or on behalf of **TENANT**; (b) claims arising out of, related to, or in connection with (i) the release by **TENANT** of any hazardous material into, onto or from the Premises; or (ii) any arrangement by **TENANT** for the treatment, recycling, storage or disposal at any facility owned or operated by any person or entity of a hazardous material which is present on the Premises or has been or may be deposited at, disposed on or released onto the Premises; and (c) claims related to demolition, cleanup or other remedial measure with regard to environmental conditions on or around the Premises by **TENANT**; or (d) claims resulting from any act or omission of **TENANT** in violation of any Federal, State or Local environmental laws or regulations with respect to **TENANT's** use of the Leased Premises.

5.9.6 **CITY** shall give to **TENANT** prompt and reasonable notice of any such claim or action, and **TENANT** shall have the right to investigate, compromise, and defend the same.

5.9.7 **TENANT**, as used in this Section 5.9, shall mean and include the named **TENANT**, or anyone for whose act **TENANT** may be legally liable.

5.9.8 The Terms of this Section 5.9 shall expressly survive the expiration or earlier termination of this Lease Agreement, including without limitation the terms of Subsection 5.9.5.

5.10 CONFLICTING REGULATIONS

Where there exists a conflict between any of the regulations or limitations prescribed in this Lease and

any other regulations applicable to the same area, whether the conflict is with respect to the height of structures or trees, and the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

ARTICLE 6 - OBLIGATIONS OF CITY

6.1 OPERATION AS A MUNICIPAL AIRPORT

CITY agrees that at all times during the term of this Lease it will operate and maintain the Airport as a municipal airport. If CITY permanently ceases operations of the Airport during the term of this Lease, CITY will pay TENANT the appraised value of any building constructed on the Premises in accordance with the terms of this Lease as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from TENANT. CITY shall have no further obligations financial or otherwise to TENANT.

6.2 INGRESS AND EGRESS

Upon paying the rental hereunder and performing the covenants of this Lease, TENANT shall have the right of ingress to and egress from the Premises for the TENANT, over the roadway provided by CITY serving the Premises. TENANT's access shall be in common with other users and shall be subject to applicable security requirements and to possible episodic interruptions due to security or safety concerns. CITY's roadway shall be used jointly with other tenants on the Airport, and TENANT shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as CITY deems necessary. TENANT shall have the right to bring utilities to the Premises at its own cost and expense and in accord with all applicable laws, rules and regulations for the extension and hookup of such utilities. TENANT shall be responsible for paying for all hookup and periodic usage charges for such utilities and CITY shall have no responsibility therefor.

ARTICLE 7 - CITY'S RESERVATIONS

7.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES

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

7.1.2 In the event CITY requires the use of the Premises for expansion, improvement, or development of the Airport, CITY reserves the right, on six (6) months notice, to relocate or replace TENANT's improvements in substantially similar form at another generally comparable location on the Airport. The reasonable costs of such relocation or replacement shall be paid or reimbursed, as appropriate, by CITY. Alternatively, CITY reserves the right to terminate this Lease. In that event, CITY will pay TENANT the appraised value of any building constructed on the premises as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from TENANT. CITY shall have no further obligations financial or otherwise to TENANT.

7.2 WAR OR NATIONAL EMERGENCY

During any time of war or national emergency, CITY shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease or agreement is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the lease or agreement with the Government shall be suspended or terminated, and in that event, a just and proportionate part of the rent hereunder shall be abated. CITY shall have no further obligations financial or otherwise to the TENANT.

ARTICLE 8 - INDEMNITY AND INSURANCE

8.1 INDEMNIFICATION

8.1.1 To the fullest extent permitted by law, TENANT agrees to defend, indemnify, and save forever harmless the CITY, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of TENANT's use or occupancy of the Leased Premises; CITY shall give to TENANT prompt and reasonable notice of any such claims or actions, and TENANT shall have the right to investigate, compromise and defend the same; and provided further, that TENANT shall not be liable for any claims, actions, injury, damages or losses to the extent they are occasioned by the negligent or intentional act of CITY, its officers, agents or employees. TENANT as used in this Subsection 8.1.1 and in Section 8.2 shall mean and include the named TENANT, and anyone for whose act TENANT may be legally liable.

8.1.2 TENANT shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against CITY or in which CITY may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. CITY shall have the right to participate in such suits and no action shall be settled without prior consent of the CITY. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the CITY that would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

8.1.3 If TENANT is required to obtain workers compensation coverage under Maine law, TENANT agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against CITY.

8.1.4 The indemnity and hold harmless provision of Section 8.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the CITY. The provisions of this Article 8 and the obligations of TENANT hereunder shall survive the termination or expiration of this Lease.

8.1.5 In no case shall CITY be liable to TENANT or to any third party for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

8.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, TENANT shall not cause nor permit any lien against the Leased Premises, any portion thereof or any City property wherever located, or any improvements thereto, to

arise out of or accrue from any action, omission or use thereof by TENANT. TENANT may in good faith, however, contest the validity of any alleged lien. TENANT shall defend and indemnify and hold the CITY harmless from any cost, expense, attorney's fees or other liability arising out of or resulting from any such lien or liens, and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure that is acceptable to the CITY. So long as TENANT defends CITY in any action concerning any such lien, TENANT shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the CITY. This provision shall survive termination or expiration of this Lease Agreement. CITY may, at its sole discretion, pay any amounts secured by any such lien and in such case, TENANT shall repay all such payments to CITY immediately upon CITY's demand therefor.

8.3 INSURANCE

8.3.1 Without expense to the CITY, and with no lapse in coverage, TENANT shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance required by the Minimum Standards for a category 1X FBO – Aircraft Tie Down and Storage.

8.3.2 TENANT and the CITY understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and CITY reserves the right to amend the minimums as needed throughout the term of this Lease. TENANT agrees that it will increase such minimum limits upon receipt of notice in writing from the CITY.

8.3.4 In the event any construction or renovation on the Premises is approved by the CITY, TENANT shall procure and maintain, or cause to be procured and maintained, comprehensive general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the CITY may reasonably require, covering such construction. Said insurance shall protect TENANT and CITY from any claims or damages arising out of or resulting from such construction or renovations, and shall name the CITY as an additional insured thereon. In addition to the foregoing, TENANT shall cause to be procured and maintained automobile liability in such amounts as the CITY may reasonably require.

8.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Premises shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport Manager. Each liability policy required to be obtained hereunder shall name the CITY as an additional insured thereunder and shall be on an occurrence basis. All policies required hereunder shall be primary to any insurance or self-insurance that CITY may maintain for its own benefit.

8.3.6 Certificates or other evidence of insurance coverage required of TENANT in this Article, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the CITY prior to the execution of this Lease Agreement and annually thereafter. TENANT shall at all times during the term of this Lease Agreement provide CITY with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises. Insurer shall provide no less than thirty (30) days written notice prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Manager. It shall be TENANT's responsibility throughout the term of this Lease to provide or have provided to the Airport Manager renewal insurance certificates with no lapse in coverage prior to such renewal.

8.3.7 If at any time TENANT should fail either to obtain or to maintain in force the insurance required herein, the CITY shall notify TENANT of its intention to purchase such insurance for TENANT's account; and, if TENANT has not delivered evidence of insurance to the Airport Manager prior to the date on which the current insurance expires, the CITY may effect such insurance by taking out policies in companies satisfactory to the CITY. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the CITY shall be payable by TENANT as additional rental immediately upon demand therefor by CITY.

ARTICLE 9 - DESTRUCTION OF PREMISES

9.1 In the event the buildings and improvements on the Premises, or any substantial part thereof, should be damaged or destroyed by an insured casualty, such buildings or improvements shall be repaired or rebuilt by TENANT and paid for with TENANT's insurance proceeds; and, if such proceeds are insufficient for such purposes TENANT shall pay the deficiency, unless otherwise agreed as provided herein. Repair or restoration of the buildings and improvements shall be in accordance with the original Plans and Specifications, together with alterations or modifications made or agreed upon prior to the casualty, unless the Parties otherwise mutually agree to new or modified plans.

9.2 Notwithstanding the foregoing, during the term of this Agreement or any renewal thereof, in the event the buildings and improvements on the Premises, or a substantial part thereof, should be destroyed, then TENANT may terminate this Agreement by written notice to CITY within ninety (90) days of the casualty and all obligations of each party hereunder shall terminate. In the event of such termination, TENANT shall return the Premises to CITY restored to a clean and usable condition, with removal of all personal and real property as provided in Article 12 below. If TENANT does not provide notice of such termination, TENANT shall proceed diligently to rebuild and restore the Premises and the buildings and improvements thereon in accord with the original plans and specifications or such other plans and specifications as may be approved by the Planning Office and, if required, the Planning Board.

ARTICLE 10 - CONDEMNATION

10.1 CITY agrees to give prompt written notice to TENANT of any eminent domain, condemnation, compulsory acquisition or like proceedings by any competent authority which might result in a partial or full taking of the Leased Premises and of which CITY has actual notice. Each party may file and prosecute their respective claims for an award, but all awards and payments on account of a taking shall be held in trust by the recipient to be distributed according to the respective interests of the parties, i.e., payments allocable to the value of the Leased Premises and the residual interest in the Leased Premises shall be paid to CITY and payments allocable to TENANT's leasehold interest and improvements shall be paid to TENANT.

10.2 In the case of a taking (other than for temporary use) of the fee of the entire Leased Premises, or so substantial a part of the Leased Premises that such taking materially impairs TENANT's conduct of its operations at or from the Premises, this Agreement shall terminate as of the effective date of such taking. In the case of a temporary taking (including without limitation a temporary taking as a result of relocation under 7.1.2 above), this Agreement shall be suspended during such time as TENANT is unable to use the Leasehold Premises for the uses provided herein. In the case of a temporary taking which does not permit TENANT to use the Premises as provided herein for a period of ninety (90) days or more, at the conclusion of said ninety (90) day period, TENANT may, in its discretion, give CITY a thirty (30) day notice of its intent to terminate the Lease Agreement. This Lease shall terminate at the end of the thirty (30) day notice period, with no further obligation by either party. TENANT's obligation to pay rent

hereunder shall be suspended during any temporary taking during which TENANT is unable to conduct its operations at or from the Leased Premises; provided, however, to the extent TENANT is able to continue its operations hereunder from the Premises or from an alternative site, the TENANT shall continue to pay the fixed rent based upon the square footage then available to TENANT.

ARTICLE 11 - TERMINATION OF LEASE

11.1 CITY's Right to Terminate. The CITY, in addition to any other rights to which it may be entitled by law, acting by and through its CITY MANAGER, may declare this Lease Agreement terminated in its entirety, subject to and in the manner provided herein, upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Premises:

- (a) To the extent permitted by law, the filing by TENANT of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of TENANT's assets;
- (b) To the extent permitted by law, the entry of an order for relief against the TENANT, by a court of applicable jurisdiction, pursuant to any involuntary bankruptcy petition filed against the TENANT;
- (c) To the extent permitted by law, the taking of jurisdiction by a court of competent jurisdiction of TENANT or its assets, pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) To the extent permitted by law, the appointment of a receiver or trustee of TENANT's assets by a court of competent jurisdiction or a voluntary agreement with TENANT's creditors;
- (e) The voluntary abandonment by TENANT of the Leased Premises (and the failure to pay rent thereon) for a period in excess of sixty (60) days; or
- (f) The material breach by TENANT of any of the covenants or agreements herein contained and not cured as provided below. A material breach shall include, but not be limited to, the failure of the TENANT to comply with the Minimum Standards, TENANT's use of the premises in a manner prohibited under this Lease, or the failure of TENANT to pay any rental, fee, or charge required to be paid by the terms of this Lease Agreement when the same is due and payable.

11.2 TENANT's Right to Terminate. TENANT, in addition to any other right given to it herein or to which it may be entitled by law, may terminate this Agreement in its entirety, subject to and in the manner provided herein, upon or after the happening of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction which materially prevents or restrains the use of the Airport or the Leased Premises for the purposes permitted under this Lease Agreement and such injunction remaining in force for a period of at least ninety (90) days after the date of receipt of written notice of such injunction by CITY;
- (b) Subject to TENANT's obligation to restore or repair the Premises under Article 9 above, the inability of TENANT to use said Leased Premises and Airport facilities due to war, earthquake or other casualty for a longer period than ninety (90) days after the date of receipt of written notice of such inability from TENANT;

- (c) Any action of any governmental authority, board, agency or officer having jurisdiction thereof preventing **TENANT** from conducting the activities permitted hereunder at or on the Leased Premises by a taking, directly or indirectly, in whole or a substantial part, of the Leased Premises for a period of at least ninety (90) days after receipt of written notice of such action by **CITY**, subject to Article 10 above;
- (d) The taking, through the process of eminent domain, of all or a substantial part of the Premises leased by **TENANT**, subject to Article 10 above; or
- (e) The material breach by **CITY** of any of the covenants or agreements herein contained and not cured as provided below.

11.3 Default by CITY. In the event of any default by **CITY** of any of its obligations under this Lease Agreement, **TENANT** may declare the **CITY** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to the **CITY MANAGER** addressed and copied as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. No termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **TENANT** to **CITY**, and the City shall not have cured such default during such thirty (30) day period. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **CITY** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable.

11.4 Default by TENANT. In the event of any default by **TENANT** of any of its obligations under this Lease Agreement, **CITY** may declare the **TENANT** in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to **TENANT** addressed as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. Except as provided otherwise in this Lease Agreement whereby no opportunity to cure is required, no termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by **CITY** to **TENANT**, and such default shall not have been cured during such thirty (30) day period by the **TENANT**. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the **TENANT** commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable. In the event **TENANT** knew or should have known of the default prior to receipt of **CITY** notice, said thirty (30) day period to cure shall be deemed to begin as of the date **TENANT** knew or should have known of said default. Notwithstanding the foregoing, if **TENANT** should fail to pay any sum, including without limitation any rental, tax, assessment or use fee or charge, as required hereunder, **TENANT** shall have ten (10) days from receipt of **CITY** notice of default to cure said default, and if not so cured, termination of this Lease Agreement shall be effective as of the eleventh day following said receipt of notice.

ARTICLE 12 - RIGHTS UPON TERMINATION

12.1 **TENANT** agrees that upon the expiration of the Initial Term of this Lease or sooner termination thereof, the Leased Premises will be promptly delivered to **CITY**. **TENANT** shall remove all buildings, fixtures and personal property located on the Leased Premises within thirty (30) days of the date of expiration or termination, and repair any damage resulting from such removal and restore the Premises, all at **TENANT**'s cost and expense. In lieu of removal, **TENANT** may, at its option, offer to transfer

title, through execution of appropriate documents, to some or all of the buildings and improvements on the Premises to CITY at no cost to CITY and in such case, TENANT shall provide CITY of notice of such offer at least ninety (90) days prior to termination of this Agreement. CITY shall notify TENANT in writing within the ninety (90) day period as whether it accepts or rejects said offer. In the event CITY rejects the offer, TENANT shall be obligated to remove the buildings and improvement from the Premises within thirty (30) days of expiration or termination as provided herein. Upon the termination or expiration of the Initial Term of this Lease Agreement, all rights of TENANT hereunder to possession of the Premises under this Agreement shall immediately terminate.

12.2 If the TENANT elects, and CITY agrees, to enter into a Renewal of this Agreement, at expiration or termination of any Renewal term, at CITY's option, the CITY may take title or require removal of improvements, alterations and additions made by TENANT in the same manner and on the same terms as provided in Section 12.1 at termination or expiration of the Initial Term.

12.3 Unless CITY has agreed in writing to accept title to buildings and improvements under Section 12.1 above, in the event TENANT fails to remove the buildings, fixtures or personal property from the Premises within thirty (30) days of termination or expiration of this Lease, title to said buildings, fixtures and personal property shall vest in CITY on the thirty-first (31st) day after the date of such termination or expiration, and CITY may dispose of such buildings, fixtures and personal property as it sees fit, in CITY discretion, and retain any proceeds from such disposal. In the event CITY incurs a net loss for such disposal, TENANT shall be liable to CITY for reimbursement of such loss.

ARTICLE 13 - NO ASSIGNMENT AND SUBLETTING

13.1 The TENANT shall not assign, rent, sublease, sell, convey, mortgage, encumber or otherwise transfer in any manner all or any part of the Leased Premises or the improvements located thereon or any of the privileges granted to TENANT hereunder, without the prior written consent of the CITY, which approval shall be at the CITY's sole discretion. CITY reserves the right to review the form of all such proposed transfers. TENANT shall notify CITY annually of the identity of all sublessees of any portion of the Premises, or shall provide such information upon CITY's request. CITY further reserves the right to place such reasonable conditions upon any such transfer as it deems to be in the best interest of the CITY.

In the event of any approved transfer, sublease or assignment, TENANT shall continue to be liable to CITY for all rent, fees, taxes, assessments and all other obligations under this Lease for which it is liable hereunder. All approved transferees, subleases or assignees shall be required to conform to all of the terms and conditions of this Lease Agreement, including without limitation, all insurance requirements hereunder.

13.2 Any violation of the terms of this Article by any person at or on the Premises, or conducting any activities from, at or on the Premises, shall be deemed a breach of this Lease Agreement and, at CITY's option, may result in termination of this Lease Agreement pursuant to Article 11.

13.3 Any sale or transfer, whether to one or more persons or entities and whether at one or more different times, of a total of fifty percent (50%) or more of the ownership interest in any corporation, partnership, limited liability company or other entity which is then the legal tenant under this Lease Agreement shall be deemed an assignment of this Lease Agreement within the meaning of this Article 13.

ARTICLE 14 - MISCELLANEOUS PROVISIONS

14.1 NON-INTERFERENCE WITH OPERATION OF AIRPORT

14.1.1 **TENANT**, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard or interfere with or endanger general operations at the Airport. In the event the aforesaid covenant is breached, the **CITY** reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the **TENANT**, and reimbursement for such **CITY** expense shall be paid by **TENANT** immediately upon **CITY**'s demand therefor.

14.1.2 **CITY** hereby reserves for 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 said air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport. In addition, **TENANT** acknowledges that because of the close location of the Premises to the "airfield operations area", that noise, vibration, fumes, debris and other interference with the Premises will be caused by Airport operations. **TENANT** hereby waives any and all rights and remedies against **CITY** arising out of any noise, vibration, fumes, debris and/or interference that is caused by the operation of the Airport.

14.2 QUIET ENJOYMENT

The **CITY** agrees that on payment of the rentals and fees hereunder, and subject to performance and compliance by **TENANT** of the covenants, conditions and agreement on its part to be performed and complied with herein, **TENANT** shall peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities, and of the Leased Premises, to the extent granted herein.

14.3 AGREEMENTS WITH FEDERAL GOVERNMENT

This Lease Agreement is subject and subordinate to the provisions of any agreements that have been or shall be made between the **CITY** and the United States of America relative to the operation or maintenance of the Airport, the execution of which have been or shall be required as a condition to the expenditure of Federal funds for the extension, expansion, improvement, maintenance or development of the Airport. **TENANT** agrees to comply with all applicable laws and regulations and to modify or amend this Agreement as required to comply with such applicable laws and regulations.

14.4 LICENSE FEES AND PERMITS

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

14.5 SECURITY AGREEMENT

TENANT, at its own cost and expense, shall be responsible for ensuring that all building entrances, exits, and any access to the Leased Premises are in compliance with all applicable Airport Security Programs. It shall be **TENANT**'s responsibility, at its own cost and expense, to be in compliance with all existing and future security requirements of the Department of Transportation, Transportation Security Administration, and/or the Airport Security Program, and **TENANT** shall hold the **CITY** harmless and shall pay any fines, penalties, cost or expenses incurred by **CITY** or by **TENANT** and arising out of any

breach of said security requirements by TENANT, its invitees, subtenants, or anyone for whose act TENANT may be liable.

14.6 PARAGRAPH HEADINGS

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

14.7 INTERPRETATIONS

The laws of the State of Maine shall govern the validity, interpretation, performance and enforcement of this Agreement. Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires. Unless the context specifically provides otherwise, "person" wherever used in this Lease shall include, without limitation, an individual, a sole proprietor, a corporation, a partnership or any legal entity authorized by law.

14.8 DISPUTE RESOLUTION

All disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts of York County, State of Maine. TENANT hereby agrees to waive any rights which TENANT may have to a trial by jury. Notwithstanding the foregoing, TENANT and CITY may mutually agree to submit any dispute hereunder to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association.

14.9 NOTICES

Except as otherwise provided in Article 11 for certified mail or hand delivery of notice of default, whenever any notice or payment is required by this Lease Agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, addressed to, or hand-delivered to:

CITY:

City Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

Airport Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

TENANT:

John Apte
110 Main St. #304
Saco, ME 04072

or such place as either party shall designate in writing.

14.10 ENTIRE AGREEMENT

This Lease Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties and all other representations or statements heretofore made, verbal or written, are merged herein, and this Lease Agreement may be amended only in a writing executed by duly authorized representatives of the parties hereto.

14.11 NON-WAIVER

No waiver by either Party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other Party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party. The receipt by CITY of any rent with knowledge of any breach of this Lease Agreement by TENANT or of any default by TENANT in the observance or performance of any of the terms, covenants or conditions of this Lease Agreement shall not be deemed to be a waiver of any provision of this Lease Agreement. If any action by TENANT shall require the consent or approval of CITY, CITY's consent to, or approval of, such action on any one occasion shall not be deemed a consent to, or approval of, said action on any subsequent occasion, or consent to, or approval of, any other action on the same or any subsequent occasion.

14.12 REMEDIES CUMULATIVE

All rights and remedies of the parties herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by either party of any remedy provided herein or allowed by law shall not be to the exclusion of any other remedy.

14.13 TIME OF ESSENCE

Time is and shall be of the essence in respect to the performance of each and every provision of this Lease Agreement.

14.14 FORCE MAJEURE

Neither the CITY nor TENANT shall be deemed in violation of this Lease Agreement if either should be prevented from performing any of the obligations hereunder (other than any obligations to make payments) by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. The party claiming force majeure shall give prompt written notice to the other party of such event or events, and shall resume performance promptly upon the conclusion of the event or events preventing its performance.

14.15 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

14.16 MEMORANDUM OF LEASE

Either party at the request of the other, shall execute, acknowledge and deliver for recording, a memorandum or short form lease prepared by the requesting party; provided, however, that the relations between CITY and TENANT shall be governed solely by the provisions of this Lease Agreement and not by any such memorandum or short form lease which may be executed, delivered and recorded.

14.17 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Lease Agreement shall extend to and bind the legal representatives, heirs, successors, and any permitted assigns of the respective parties hereto. Nothing herein shall be deemed to authorize or permit any assignment or other transfer, in whole or in part, of the interest of TENANT in violation of any other provisions contained in this Lease Agreement.

14.18 ASSIGNMENT TO CITY SUCCESSOR IN INTEREST

The CITY may assign or otherwise convey its interest, rights, duties and/or obligations hereunder to any airport authority or other successor in interest.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above mentioned at Biddeford, Maine.

WITNESS

CITY OF BIDDEFORD, MAINE

A. Curtis Koehler

James Bennett
By: James Bennett
Its City Manager

TENANT

A. Curtis Koehler

John Apte
By: John Apte



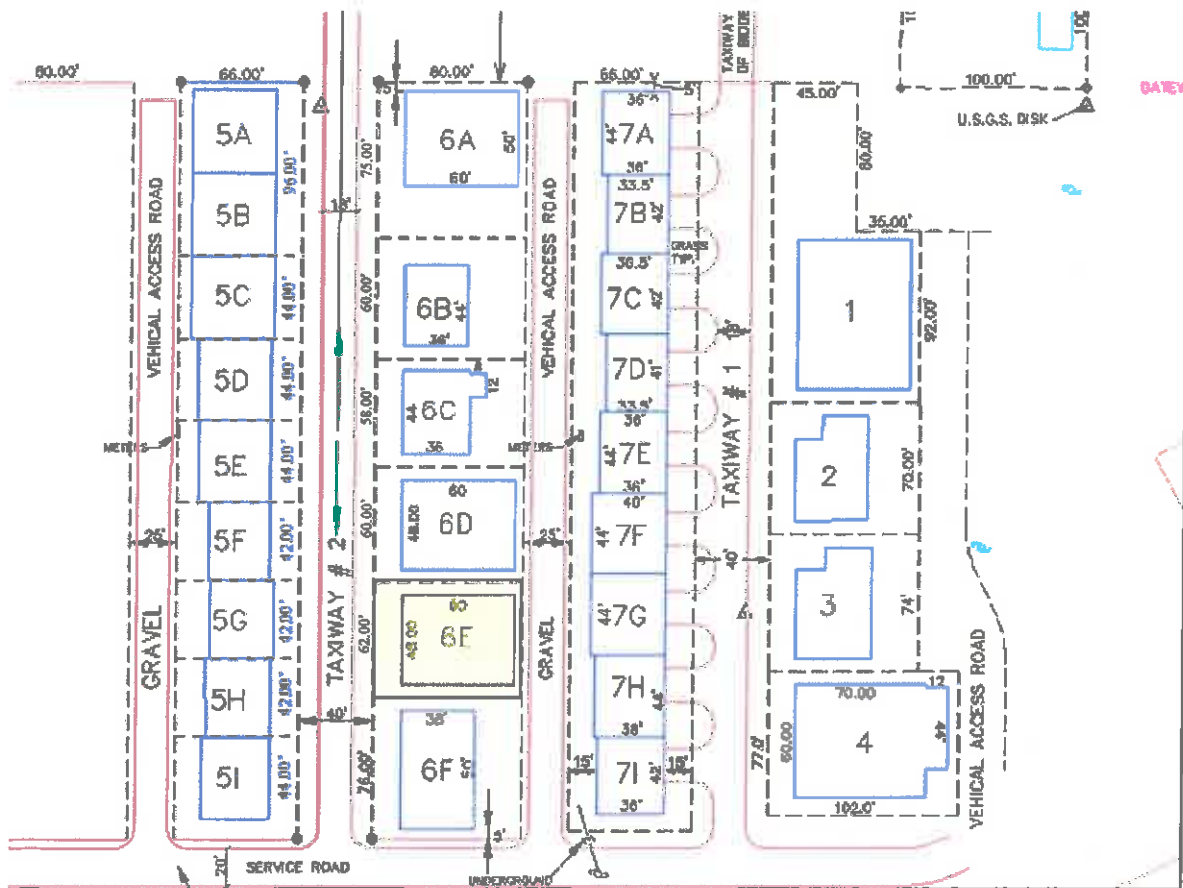
City of Biddeford, Maine

205 Main St. P.O. Box 586 Biddeford, Maine 04005

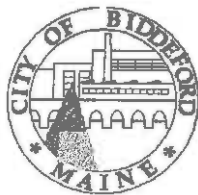
Exhibit A

Hanger 6E

62' x 80' = 4,960 sq. ft.



7I
3/58-79



CITY OF BIDDEFORD

Biddeford Municipal Airport

Ground Lease Agreement

Lease Expires on
August 25, 2025

Adopted: February 3, 2009

GROUND LEASE AGREEMENT

THIS LEASE AGREEMENT made and entered into this 26th day of August 2015, by and between the **CITY OF BIDDEFORD**, a Maine municipal corporation, (the "**CITY**"), and John M. O'Donnell, with a mailing address of 368 Highland St. Weston, Massachusetts 02493, (the "**TENANT**").

WITNESSETH:

WHEREAS, **CITY** owns, controls and operates for the use and benefit of the public, Biddeford Municipal Airport, located in Biddeford, Maine, (the "**Airport**").

WHEREAS, **TENANT** wishes to enter into a Ground Lease Agreement with **CITY** in order to construct and/or maintain a hangar for **TENANT**'s aircraft related equipment and materials and conduct certain permitted uses at the **Airport**;

NOW, THEREFORE, in consideration of the mutual covenants and considerations herein contained, **CITY** and **TENANT** hereby agree as follows:

ARTICLE 1 - LEASED PREMISES

1.1. DESCRIPTION OF LEASED PREMISES

The term "Leased Premises" or "Premises" as used in this Lease Agreement, shall mean and include real estate located at Biddeford Municipal Airport, Biddeford, York County, State of Maine, consisting of approximately 2772 square feet, as shown on Exhibit A attached hereto and incorporated herein, and including the rights of ingress thereto and egress therefrom and the right to install, use and maintain utilities, subject to any utility or other easements of record.

1.2 "AS IS" CONDITION.

TENANT takes the Premises in "as is" condition. Other than **CITY** ownership thereof, **CITY** makes no representation or warranty as to the physical condition of the Premises nor as to any other matter concerning the Premises, including but not limited to the presence of any environmental hazards thereon. Without limiting the foregoing, the **CITY** represents that, as of the execution date of this Lease, it has not received notice of any such hazards. All **TENANT** improvements, additions and alterations at or to the Premises will be at **TENANT**'s sole cost and expense and **CITY** shall have no responsibility therefor.

ARTICLE 2 - OBJECTIVES AND PURPOSES OF LEASE

2.1 PERMITTED AND PROHIBITED USES OF LEASED PREMISES

2.1.1 Permitted Uses: TENANT shall use the Premises solely for the construction and/or maintenance of an aircraft storage hangar ("Hangar") and associated ramp and apron, which may be used for storage of TENANT's owned or leased aircraft and aircraft related materials and equipment, provided, however, that any such uses shall be subject to all applicable Federal, State and Local law including, without limitations, the Biddeford Zoning Ordinance, the Minimum Standards and Procedures for the Lease and/or Use of the Property and Facilities for Aeronautical Activities (the "Minimum Standards") and all regulations of the Biddeford Municipal Airport currently in effect or enacted during the term of this Lease (See Section 5.8.1). Nothing in this section is intended, nor shall it be deemed, to permit TENANT to establish or carry out any commercial activity from the PREMISES (See Section 2.1.4).

2.1.2 TENANT shall have the right to install or improve therein and thereon such fixtures, equipment and facilities as TENANT may deem necessary or desirable; provided, however, that no such structure, improvement, fixture, equipment or facility shall be constructed, improved or installed by TENANT without the prior written consent of the CITY; provided, further, that any such construction shall be subject to all Federal, State and Local Law including, without limitation, the Biddeford Building Codes and the regulations of the Biddeford Municipal Airport on hangar construction. TENANT covenants and agrees that prior to the construction or installation of any such structure, improvement, fixture, equipment, or facility, TENANT will submit detailed plans or other appropriate information showing the location, design and character to the Airport Manager and Biddeford Planning Office. Any such construction shall be subject to the approval of the Biddeford City Council or its designee.

2.1.3 TENANT shall have the right unless prohibited by any Fixed Base Operator Agreement to purchase or otherwise obtain personal property or services of any nature required by or incident to the operation and maintenance of the TENANT's aircraft from any person, partnership, firm, association or corporation it may choose, provided such person, partnership, firm, association or corporation shall have first obtained written approval from the CITY to operate within the airport and shall be in compliance with the Minimum Standards.

2.1.4 Prohibited Uses: TENANT shall not use the Premises for the conduct of any nonaeronautical business, for residential or nonaeronautical commercial use, or for nonaeronautical storage or nonaeronautical activities. TENANT shall obtain the written consent of the CITY prior to undertaking any commercial activities on the Premises

2.1.5 TENANT shall park his or her vehicle only in those areas designated for parking and only when using the Airport, TENANT's hangar or TENANT's aircraft.

2.1.6 All activities hereunder must be conducted pursuant to the Minimum Standards and Rules and Regulations and policies in effect on the date of execution of this Agreement and as may be later amended or revised, and all applicable Federal, State and Local laws and regulations. Prior to undertaking any activities hereunder, TENANT shall obtain, at TENANT's own cost and expense, all approvals and permits required under the Minimum Standards, as well as any other required Federal, State or Local approvals and permits.

2.1.7 TENANT agrees that it shall not provide any Fixed Base Operator (FBO) services as defined by the CITY.

ARTICLE 3 - TERM

3.1 INITIAL TERM; RENT COMMENCEMENT DATE

3.1.1 This Lease shall commence as of the date of execution of this Lease Agreement or July 1, 2014, whichever is later (the "Lease Commencement Date") for a term of ten (10) years.

3.1.2 TENANT shall pay rent to the CITY during the Initial Term as provided in Article 4 below beginning on the Lease Commencement Date.

3.2 RENEWAL TERM

TENANT shall have the option to renew this Lease for an additional ten (10) years so long as TENANT has been and is continuing in full compliance with all of the terms and conditions herein, and subject to renegotiation of the rent as provided in Article 4 below. TENANT shall provide CITY with no less than One Hundred and Eighty (180) days notice of its intent to renew prior to expiration of the initial term of this Lease. CITY shall renew the Lease pursuant to Section 4.3 below and subject to the continuing compliance by TENANT with all the terms and conditions herein. Such renewal shall be in writing signed by both parties.

3.3 HOLDING OVER

3.3.1 In the event TENANT shall continue to occupy the Leased Premises beyond the Lease term or any extension thereof without CITY's written renewal thereof, such holding over shall not constitute a renewal or extension of this Lease, but shall create a tenancy at sufferance which may be terminated at any time by CITY or TENANT by giving thirty (30) days' written notice to the other party. Any such tenancy at sufferance shall otherwise be on all of the terms and conditions of this Lease Agreement.

ARTICLE 4 - RENTALS, FEES AND RECORDS

4.1 FIXED RENT

4.1.1. Fixed annual rent. TENANT agrees to pay CITY, a fixed rent of \$331.66 for the period from the July 1, 2014 through the following June 30. For the first year, payment credit will be given for any amount previously paid for the period from July 1 to December 31, 2014.

4.1.2 Rent increases. Beginning on the first day of July 2015, and annually thereafter during the Initial Term, the fixed rent in Section 4.1.1 will be adjusted, based on the increase in the prior 12 months' Consumer Price Index of the U.S. Department of Labor, All Urban Consumers, all items (1982-84 = 100) for the U.S. City Average (Table 10), March to March, or comparable successor index for the immediately prior twelve months. In no event shall such adjustment result in a reduction of the prior year's fixed annual rent. Rent shall be invoiced by the City Finance Department in June of each year.

4.2 RENEWAL RENT

In the event TENANT wishes to renew this Lease as provided in Section 3.2 above, TENANT shall provide the CITY with a notice of intent to renew the lease no less than 180 days prior to renewal of the Lease. Rent for the Renewal Term shall be equal to the then current general aviation ground rent in effect as of the commencement of the renewal term, with any then current inflation adjustment applicable to general aviation ground leases. Upon request, CITY shall provide TENANT with documentation as to those current rents and adjustments.

4.3 TIME AND PLACE OF PAYMENTS

4.3.1 The foregoing rent shall be payable, on or before August 1 of each year, at the Finance Department, Biddeford City Hall, or such other place as the CITY may direct in writing from time to time.

4.3.2 TENANT shall make prompt and timely payment, without deduction or setoff, of all rentals, fees, assessments, taxes and other charges due hereunder as the same may from time to time come due.

4.4 DELINQUENT RENTALS

There shall be added to all sums which the TENANT is required to pay hereunder (whether as rental or otherwise) to CITY and which are unpaid after their due date, a late charge of one and one-half percent (1-1/2%) of the unpaid sum for each full calendar month of delinquency computed as simple interest on a monthly basis which corresponds to eighteen (18%) per annum. Any late charge assessed shall be computed from the original due date of the unpaid sum. The rate of the late charge may be changed from time to time pursuant to generally applicable Airport rules and regulations. Any late charge hereunder shall be additional to any interest or other charge imposed by the CITY generally, including without limitation, interest on unpaid real or personal property taxes.

ARTICLE 5 - OBLIGATIONS OF TENANT

5.1 NET LEASE

The use and occupancy of the Leased Premises by TENANT will be without cost or expense to CITY and all rent payable hereunder shall be net to the CITY. It shall be the sole responsibility of TENANT to maintain, repair and operate the entirety of the Leased Premises and any improvements and facilities constructed thereon at TENANT's sole cost and expense, except as otherwise explicitly stated herein.

5.2 CITY'S CONSENT TO IMPROVEMENTS REQUIRED.

5.2.1 If a hangar has not been previously constructed on the Premises, TENANT shall design and construct, at TENANT's own cost and expense, a hangar and associated ramp and apron in accordance with the Minimum Standards. Prior to Planning Board review, the proposed design and materials to be used for such construction shall be subject to the review and approval of the Biddeford Planning Office, which approval shall not be unreasonably withheld or delayed. The Planning Office's review shall include review for compatibility with existing airport design and materials and for compliance with the Airport Master Plan then in effect. TENANT's proposed landscaping plan shall be part of the Planning Office's review, and if required subject to final approval by the Planning Board. TENANT shall pay for and obtain all required Federal, State, County and CITY permits or approvals prior to such construction, including but not limited to any required Planning Board approval, and Federal Aviation Agency (hereinafter the "FAA") approvals, including filing FAA Form 7460, Notice of Proposed Construction or Alteration. In addition to complying with any applicable CITY ordinance, all exterior signage to be placed or erected on the Premises shall be subject to the prior written approval of the Planning Office. In the event any substantive change is made in the proposed design and materials to be used after all other applicable review, such changes shall be submitted to the Planning Office for review and approval, which approval shall not be unreasonably withheld or delayed.

5.2.2 TENANT shall apply for any necessary permits and approvals within 60 days of the execution of this Lease. In the event TENANT is unable to obtain any required Federal, State or Local approvals and

permits necessary for construction of its project and to begin construction no later than One (1) year from the date of execution of this Lease, each Party reserves the right to terminate this Lease upon no less than thirty (30) days prior written notice, with no further obligations of either Party hereunder. Upon obtaining all approvals and permits required for construction of the project, TENANT shall promptly commence and diligently complete such construction. All buildings and associated landscaping shall be completed within one (1) year of permit approvals.

5.2.3 Except as provided above, TENANT shall not erect any structures, make any improvements, nor do any construction work on the Premises, without the prior written approval of the Planning Office, whose approval shall not be unreasonably withheld or delayed. Alterations, modifications, additions to or replacements of any structure constructed on the Premises are subject to the prior written approval of the Planning Office, which approval shall not be unreasonably withheld or delayed. TENANT also shall obtain any necessary Planning Board approval. The requirement for the Planning Office's prior approval shall not apply to any improvements, repairs or replacements which are immediately necessary because of an emergency caused by no fault of TENANT, but TENANT shall inform the Airport Manager and Planning Office of such emergency work as soon as reasonable practicable.

5.3 MAINTENANCE AND OPERATIONS

5.3.1 All repair, and maintenance of the leased Premises, including, but not limited to, landscaping, paving and snow and ice removal, shall be the responsibility of the TENANT. TENANT shall maintain the Premises and all of the fixtures, equipment and personal property which may be located in or upon any part thereof in a reasonably neat, clean and sanitary condition. TENANT shall not store snow off the Premises without written approval from the Airport Manager. Snow removal shall not block any aircraft movement areas at any time. CITY agrees that it shall maintain, repair and remove snow and ice from the common areas of the Airport.

5.3.2 CITY shall have the right to take any action it considers necessary to protect general operation of the Airport and the aerial approaches to the Airport against obstruction. TENANT, in the use of the roadways, approaches, taxiways and runways of the aircraft landing field and in the use of the adjacent areas for storage of aircraft, or in the use of their buildings shall abide by and conform to any and all reasonable rules and regulations now existing or as may be hereafter promulgated by the CITY and will comply with the requirements of any Federal, State or Local act or regulation which relates to the operation of the Airport, including, but not limited to, abiding, at TENANT's sole cost and expense, with any Federal, State or Local security or certification requirements which relate to its operations at the Airport.

5.3.3 TENANT shall take good care of the Premises; shall reasonably maintain the Premises and the improvements, buildings and fixtures thereon in good condition at all times; shall make all repairs and replacements inside and outside, ordinary and extraordinary, structural or otherwise. Such repairs and replacements by TENANT shall be in quality and class not inferior to the original material and workmanship. TENANT shall pay promptly the costs and expenses of such repairs, replacements and maintenance, and maintain and repair all utility service lines located upon the Leased Premises to the extent they are used by TENANT, except to the extent such maintenance or repair is the obligation of the utility company providing such utility service.

5.3.4 All exterior repairs, replacements and maintenance shall be subject to the prior written approval of the Planning Office, which shall not be unreasonably withheld or delayed, and shall comply with all applicable Federal, State and Local permit requirements as well as any applicable rules and regulations

enacted by the CITY relating to the Airport.

5.3.5 TENANT shall paint, repair, replace or rebuild all or any part of the Premises, interior or exterior, structural or non-structural, as provided above, which may be damaged or destroyed (subject to the provisions of Article 9 below). In such case, TENANT shall have the right to apply any available insurance proceeds to such purposes.

5.3.6 TENANT shall provide, at its sole cost and expense, the necessary receptacles and arrangements for adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse that results from use of, or activities on, the Premises. CITY reserves the right to require TENANT to participate in any recycling program which may be imposed by Airport rules or by Local, State or Federal law or regulation. TENANT shall defend, indemnify and hold the CITY harmless from any cost, expense, claim, fine or liability, including without limitation attorney's fees and court costs, arising out of or resulting from TENANT's storage, collection, transportation or disposal of any trash, garbage or other refuse hereunder. This obligation of defense and indemnification shall remain in full force and effect after termination or expiration of this Lease.

5.3.7 TENANT shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse and said receptacles must be stored inside the hangar. Piling of boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Lease Premises, shall not be permitted.

5.3.8 To the extent that TENANT does not undertake or pay for any of its obligations under this Subsection 5.3 or Subsection 9, CITY reserves the right to undertake such obligations or to pay such costs, in its sole discretion, and to charge all costs thereof to TENANT. In the event CITY undertakes any such obligation or pays such cost hereunder, TENANT shall repay the CITY all such amounts immediately upon CITY's demand therefor. Nothing herein shall prevent or prohibit the CITY from declaring a default hereunder and terminating the Lease as provided in Article 11 below.

5.4 CITY RIGHT TO INSPECT AND REPAIR

5.4.1 CITY, through its agents, may come on the Premises and enter the Hangar to inspect for compliance with the requirements of this Lease, Airport rules and regulations, environmental laws, or other applicable legal and regulatory requirements. Such inspection will generally take place during normal business hours and following forty eight (48) hours advance notice to the TENANT, but the CITY reserves the right to enter the Premises unannounced at any time that the Airport Manager or City determines such entry is necessary for public safety or security reasons or if necessary for Federal or State required compliance inspections. In the event of such unannounced entry, CITY shall notify the TENANT that such inspection occurred within a reasonable time thereafter. TENANT shall provide CITY with the ability to access the Premises and the Hangar for such public safety and security purposes.

5.4.2 CITY or its designee, at its discretion, shall be the sole judge of the quality of the exterior repair and maintenance; and TENANT, upon notice by CITY to TENANT shall be required to perform whatever repair and maintenance CITY deems reasonably necessary. If said repair and maintenance is not undertaken by TENANT within thirty (30) days after receipt of written notice, CITY shall have the right to enter upon the Leased Premises and perform the necessary repair and maintenance, the cost of which shall be borne by TENANT as additional rent to be paid to CITY immediately upon demand therefor. Notwithstanding the foregoing, in the case of a threat to public health or safety, CITY may undertake such repairs as it deems reasonably necessary and charge the cost thereto to TENANT as additional rent to be paid to CITY, without regard to any notice requirement herein. No waste shall be

committed or damage done to the Premises, the buildings and equipment located thereon, nor to property of CITY.

5.5 UTILITIES

TENANT shall assume and pay for all construction, installation and periodic costs or charges for utility services furnished to TENANT during the term hereof; provided, however, that, consistent with applicable laws, regulations or permit requirements, TENANT shall have the right to connect to any and all storm and sanitary sewers and water and utility outlets at its own cost and expense; and TENANT shall pay for any and all service charges incurred there from. The TENANT must also meet the requirements of any Airport Storm Water Pollution Prevention Plan and any amendments thereto. TENANT agrees to relocate at its expense any utility service if CITY determines in its sole discretion that said utility service interferes with present or future airport operations or expansions.

5.6 PAYMENT OF TAXES AND OTHER ASSESSMENTS

5.6.1 TENANT agrees to pay promptly when due, and not to permit to become delinquent, levies, taxes, assessments, improvement fees, excises, permit fees, license fees, charges, impositions or burdens of whatsoever kind and nature, whether general or special, ordinary or extraordinary, foreseen or unforeseen, or for any public improvements or utility services (hereinafter "impositions") which, at any time during the term of this Lease Agreement, may be created, levied, assessed, imposed or charged upon or with respect to the Leased Premises or any part thereof, by any Federal, State, County, Municipal or other authority, which imposition would be valid and applicable to TENANT irrespective of this section.

5.6.2 TENANT acknowledges that CITY has the right from time to time to establish and impose reasonable charges and fees for users of the Airport or its facilities, provided that such charges and fees are charged in a uniform and non-discriminatory manner and do not significantly increase the total fixed and percentage rent due hereunder; and provided, further, that CITY shall provide TENANT with no less than thirty (30) days prior written notice prior to imposing any new fee or charge which directly or indirectly affects TENANT or any subtenant of TENANT.

5.7 NONDISCRIMINATION; AFFIRMATIVE ACTION

5.7.1 The TENANT, for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with this Lease of the Premises that, to the extent applicable to TENANT's operations hereunder:

(a) no person on the grounds of race, color, sex, disability, religion, national origin or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(b) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, disability, religion, national origin, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(c) that the TENANT shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the

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

5.8 OBSERVANCE OF LAWS, STATUTES, ORDINANCES, RULES AND REGULATIONS

5.8.1 During the Term hereof and any renewal term, TENANT shall, at its own cost and expense, promptly observe and comply with all existing and future applicable laws, ordinances, rules, regulations, licenses, permits, decisions and decrees of the Federal, State, County and CITY Governments (including but not limited to Airport Minimum Standards and Procedures for the Lease and/or Use of Property and Facilities for Aeronautical Activities (Exhibit A), Airport Rules and Regulations (Exhibit B), Airport Hangar Construction and Minimum Specifications (Exhibit C), Airport Storm Water Pollution Prevention Practices (Exhibit D), copies of which TENANT acknowledges having received and which are incorporated herein, as well as those of any other government authority having jurisdiction over the Premises or any part thereof, including without limitation all applicable Federal Aviation Administration rules and regulations, whether the same are in force at the commencement of the term of this Agreement or should be enacted in the future.

5.8.2 TENANT shall pay all fines, penalties, damages, expenses or costs, including reasonable counsel fees, and shall indemnify and hold the CITY harmless therefrom, which may in any manner arise out of or are imposed on TENANT, CITY or Airport because of the failure of the TENANT to comply with the requirements of this Section 5.8. Without limiting any other right of CITY hereunder, TENANT's non-compliance with any provision of this Section 5.8 shall be grounds for termination of this Lease Agreement.

5.9 ENVIRONMENTAL STATUTES

5.9.1 TENANT covenants and agrees to comply with all applicable environmental laws, including without limitation all laws governing hazardous substances and all requirements related to storm water discharges and permits, and to provide to CITY, immediately upon receipt, copies of any correspondence, Notice, Pleading, Citation, Indictment, Complaint, Order, Decree or other document from any source asserting or alleging a circumstance or condition which requires, or may require, a clean-up, removal, remedial action, or other response by or on the part of TENANT under environmental laws, or which seek civil, criminal or punitive penalties from TENANT for an alleged violation of environmental laws. TENANT further agrees to advise the CITY in writing as soon as TENANT becomes aware of any condition or circumstances that may result in a potential violation of any environmental laws. TENANT shall comply with any Storm Water Pollution Prevention Plan and any amendments thereto, and shall grant access to the CITY for any inspections required by the plan. TENANT agrees, at its expense, and at the request of CITY when it has a reasonable belief that there is a problem or when required by another governmental entity, to permit an environmental audit solely for the benefit of CITY, to be conducted by CITY. This provision shall not relieve CITY from conducting its own environmental audits or taking any other steps necessary to comply with environmental laws.

5.9.2 Without limiting the foregoing, TENANT shall not dump, flush, or in any way introduce any hazardous materials or hazardous waste or any other toxic materials upon the Leased Premises nor shall it improperly store, or dispose of any hazardous materials or hazardous waste from any such property, except in full compliance with all applicable laws and regulations. For purposes of this paragraph, the term hazardous materials shall mean inflammable, explosives, radioactive materials and hazardous substances defined as "hazardous substances," "hazardous materials" or "toxic substances" in the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, the

Hazardous Conservation and Recovery Act, and the Resources Conservation and Recovery Act, or any similar federal, state or local law, or in any regulations promulgated pursuant thereto, or in any other applicable law. The term "hazardous materials" shall also include any other chemical, material or substance which is or may be regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by any federal, state or other governmental authority or agency or which, even if not so regulated, may or could pose a hazard to human health and safety.

5.9.3 If in the opinion of CITY, there exists any uncorrected violation by TENANT of an environmental law which requires, or may require, a cleanup, removal or any condition or other remedial action by TENANT under any environmental law, regulation, permit, license, judgment or decree, and such cleanup, removal or other remedial action is not completed, or commenced and diligently pursued, within thirty (30) days from the date of written notice from CITY to TENANT, the same shall, at the option of CITY, constitute an event of default hereunder.

5.9.4 For the purposes of this Section 5.9, the term "environmental law or laws" shall mean all Federal, State and Local laws including statutes, regulations, ordinances, codes, rules, permits, licenses, judgments, decrees, or other governmental restrictions and requirements relating to the environment or any hazardous substance, including but not limited to, the State of Maine environmental protection statutes, the Federal Solid Waste Disposal Act, the Federal Clean Air Act, the Federal Clean Water Act, the Research Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Responsibility, Cleanup and Liability Act of 1980 as amended by the Super Fund Amendments and Reauthorization Act of 1986, regulations of the Environmental Protection Agency, regulations of the Nuclear Regulatory Agency, and regulations of any State Department of Environmental Protection or successor agency now or anytime hereafter in effect.

5.9.5 TENANT shall defend, indemnify and hold the CITY harmless from and against any and all damages, costs and expenses, including without limitation, fines, penalties, reasonable attorney's fees, consequential damages and remedial costs and other liabilities arising from claims based upon the environmental condition of the Premises and the surrounding property (including without limitation all facilities, improvements, structures and equipment thereon and soil and groundwater thereunder), resulting from (a) TENANT's use of the Premises or operations thereon by or on behalf of TENANT; (b) claims arising out of, related to, or in connection with (i) the release by TENANT of any hazardous material into, onto or from the Premises; or (ii) any arrangement by TENANT for the treatment, recycling, storage or disposal at any facility owned or operated by any person or entity of a hazardous material which is present on the Premises or has been or may be deposited at, disposed on or released onto the Premises; and (c) claims related to demolition, cleanup or other remedial measure with regard to environmental conditions on or around the Premises by TENANT; or (d) claims resulting from any act or omission of TENANT in violation of any Federal, State or Local environmental laws or regulations with respect to TENANT's use of the Leased Premises.

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

5.9.7 TENANT, as used in this Section 5.9, shall mean and include the named TENANT, or anyone for whose act TENANT may be legally liable.

5.9.8 The Terms of this Section 5.9 shall expressly survive the expiration or earlier termination of this Lease Agreement, including without limitation the terms of Subsection 5.9.5.

5.10 CONFLICTING REGULATIONS

Where there exists a conflict between any of the regulations or limitations prescribed in this Lease and any other regulations applicable to the same area, whether the conflict is with respect to the height of structures or trees, and the use of land, or any other matter, the more stringent limitation or requirement shall govern and prevail.

ARTICLE 6 - OBLIGATIONS OF CITY

6.1 OPERATION AS A MUNICIPAL AIRPORT

CITY agrees that at all times during the term of this Lease it will operate and maintain the Airport as a municipal airport. If CITY permanently ceases operations of the Airport during the term of this Lease, CITY will pay TENANT the appraised value of any building constructed on the Premises in accordance with the terms of this Lease as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from TENANT. CITY shall have no further obligations financial or otherwise to TENANT.

6.2 INGRESS AND EGRESS

Upon paying the rental hereunder and performing the covenants of this Lease, TENANT shall have the right of ingress to and egress from the Premises for the TENANT, over the roadway provided by CITY serving the Premises. TENANT's access shall be in common with other users and shall be subject to applicable security requirements and to possible episodic interruptions due to security or safety concerns. CITY's roadway shall be used jointly with other tenants on the Airport, and TENANT shall not interfere with the rights and privileges of other persons or firms using said facilities and shall be subject to such weight and type use restrictions as CITY deems necessary. TENANT shall have the right to bring utilities to the Premises at its own cost and expense and in accord with all applicable laws, rules and regulations for the extension and hookup of such utilities. TENANT shall be responsible for paying for all hookup and periodic usage charges for such utilities and CITY shall have no responsibility therefor.

ARTICLE 7 - CITY'S RESERVATIONS

7.1 IMPROVEMENT, RELOCATION OR REMOVAL OF STRUCTURES

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

7.1.2 In the event CITY requires the use of the Premises for expansion, improvement, or development of the Airport, CITY reserves the right, on six (6) months notice, to relocate or replace TENANT's improvements in substantially similar form at another generally comparable location on the Airport. The reasonable costs of such relocation or replacement shall be paid or reimbursed, as appropriate, by CITY. Alternatively, CITY reserves the right to terminate this Lease. In that event, CITY will pay TENANT the appraised value of any building constructed on the premises as determined by the City Tax Assessor. Payment shall be due 90 days following written demand from TENANT. CITY shall have no

further obligations financial or otherwise to TENANT.

7.2 WAR OR NATIONAL EMERGENCY

During any time of war or national emergency, CITY shall have the right to lease the Airport or any part thereof to the United States Government for military use, and if any such lease or agreement is executed, the provisions of this Lease Agreement insofar as they are inconsistent with the lease or agreement with the Government shall be suspended or terminated, and in that event, a just and proportionate part of the rent hereunder shall be abated. CITY shall have no further obligations financial or otherwise to the TENANT.

ARTICLE 8 - INDEMNITY AND INSURANCE

8.1 INDEMNIFICATION

8.1.1 To the fullest extent permitted by law, TENANT agrees to defend, indemnify, and save forever harmless the CITY, its officers, agents and employees, from and against all claims and actions and all reasonable expenses incidental to the investigation and defense thereof, based on or arising out of claims for damages or injuries to any person or property, including wrongful death and loss of use of property, and arising, in whole or in part, out of TENANT's use or occupancy of the Leased Premises; CITY shall give to TENANT prompt and reasonable notice of any such claims or actions, and TENANT shall have the right to investigate, compromise and defend the same; and provided further, that TENANT shall not be liable for any claims, actions, injury, damages or losses to the extent they are occasioned by the negligent or intentional act of CITY, its officers, agents or employees. TENANT as used in this Subsection 8.1.1 and in Section 8.2 shall mean and include the named TENANT, and anyone for whose act TENANT may be legally liable.

8.1.2 TENANT shall, at its own cost and expense defend any and all suits or actions, just or unjust, which may be brought against CITY or in which CITY may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen, and suppliers. CITY shall have the right to participate in such suits and no action shall be settled without prior consent of the CITY. Such obligation of indemnity and defense shall not be construed to negate nor abridge any other right of indemnification or contribution running to the CITY that would otherwise exist. The extent of this indemnity provision shall not be limited by any requirement of insurance contained herein.

8.1.3 If TENANT is required to obtain workers compensation coverage under Maine law, TENANT agrees to procure and maintain throughout the term of this Lease Agreement, an endorsement to its Workers Compensation coverage waiving any and all rights of subrogation against CITY.

8.1.4 The indemnity and hold harmless provision of Section 8.1 includes indemnity against all reasonable expenses, fees, costs and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof with counsel reasonably acceptable to the CITY. The provisions of this Article 8 and the obligations of TENANT hereunder shall survive the termination or expiration of this Lease.

8.1.5 In no case shall CITY be liable to TENANT or to any third party for any incidental, indirect, consequential, special or punitive damages arising out of or relating to this Lease.

8.2 LIEN INDEMNIFICATION

Throughout the term of this Lease, TENANT shall not cause nor permit any lien against the Leased Premises, any portion thereof or any City property wherever located, or any improvements thereto, to arise out of or accrue from any action, omission or use thereof by TENANT. TENANT may in good faith, however, contest the validity of any alleged lien. TENANT shall defend and indemnify and hold the CITY harmless from any cost, expense, attorney's fees or other liability arising out of or resulting from any such lien or liens, and shall promptly discharge such lien or stay or prevent its foreclosure by bond or other appropriate legal procedure that is acceptable to the CITY. So long as TENANT defends CITY in any action concerning any such lien, TENANT shall not be required to post a bond with respect to such lien prior to the commencement of a foreclosure action against the CITY. This provision shall survive termination or expiration of this Lease Agreement. CITY may, at its sole discretion, pay any amounts secured by any such lien and in such case, TENANT shall repay all such payments to CITY immediately upon CITY's demand therefor.

8.3 INSURANCE

8.3.1 Without expense to the CITY, and with no lapse in coverage, TENANT shall obtain and cause to be kept in force at all times during the term of this Agreement, insurance required by the Minimum Standards for a category 1X FBO – Aircraft Tie Down and Storage.

8.3.2 TENANT and the CITY understand and agree that the minimum limits of the insurance herein required may become inadequate during the term of this Agreement and CITY reserves the right to amend the minimums as needed throughout the term of this Lease. TENANT agrees that it will increase such minimum limits upon receipt of notice in writing from the CITY.

8.3.4 In the event any construction or renovation on the Premises is approved by the CITY, TENANT shall procure and maintain, or cause to be procured and maintained, comprehensive general liability insurance covering bodily injury and property damage, including special hazards insurance, in such amount as the CITY may reasonably require, covering such construction. Said insurance shall protect TENANT and CITY from any claims or damages arising out of or resulting from such construction or renovations, and shall name the CITY as an additional insured thereon. In addition to the foregoing, TENANT shall cause to be procured and maintained automobile liability in such amounts as the CITY may reasonably require.

8.3.5 All policies of insurance required herein shall be in a form and issued by a company or companies approved to do insurance business in the State of Maine. Each such policy affecting the Premises shall provide that such policy may not be changed, altered or canceled by the insurer during its term without first giving thirty (30) days' notice in writing to the Airport Manager. Each liability policy required to be obtained hereunder shall name the CITY as an additional insured thereunder and shall be on an occurrence basis. All policies required hereunder shall be primary to any insurance or self-insurance that CITY may maintain for its own benefit.

8.3.6 Certificates or other evidence of insurance coverage required of TENANT in this Article, in amounts no less than those stipulated herein or as may be in effect from time-to-time, shall be delivered to the CITY prior to the execution of this Lease Agreement and annually thereafter. TENANT shall at all times during the term of this Lease Agreement provide CITY with at least thirty (30) days prior written notice of any change or modification in insurance coverage or insurance carrier affecting the Leased Premises. Insurer shall provide no less than thirty (30) days written notice prior to cancellation, reduction in coverage or expiration of each policy required hereunder, said notice to be sent to the Airport Manager. It shall be TENANT's responsibility throughout the term of this Lease to provide or have

provided to the Airport Manager renewal insurance certificates with no lapse in coverage prior to such renewal.

8.3.7 If at any time TENANT should fail either to obtain or to maintain in force the insurance required herein, the CITY shall notify TENANT of its intention to purchase such insurance for TENANT's account; and, if TENANT has not delivered evidence of insurance to the Airport Manager prior to the date on which the current insurance expires, the CITY may effect such insurance by taking out policies in companies satisfactory to the CITY. Such insurance shall be in amounts no greater than those stipulated herein or as may be in effect from time-to-time. The amount of the premiums for such insurance obtained by the CITY shall be payable by TENANT as additional rental immediately upon demand therefor by CITY.

ARTICLE 9 - DESTRUCTION OF PREMISES

9.1 In the event the buildings and improvements on the Premises, or any substantial part thereof, should be damaged or destroyed by an insured casualty, such buildings or improvements shall be repaired or rebuilt by TENANT and paid for with TENANT's insurance proceeds; and, if such proceeds are insufficient for such purposes TENANT shall pay the deficiency, unless otherwise agreed as provided herein. Repair or restoration of the buildings and improvements shall be in accordance with the original Plans and Specifications, together with alterations or modifications made or agreed upon prior to the casualty, unless the Parties otherwise mutually agree to new or modified plans.

9.2 Notwithstanding the foregoing, during the term of this Agreement or any renewal thereof, in the event the buildings and improvements on the Premises, or a substantial part thereof, should be destroyed, then TENANT may terminate this Agreement by written notice to CITY within ninety (90) days of the casualty and all obligations of each party hereunder shall terminate. In the event of such termination, TENANT shall return the Premises to CITY restored to a clean and usable condition, with removal of all personal and real property as provided in Article 12 below. If TENANT does not provide notice of such termination, TENANT shall proceed diligently to rebuild and restore the Premises and the buildings and improvements thereon in accord with the original plans and specifications or such other plans and specifications as may be approved by the Planning Office and, if required, the Planning Board.

ARTICLE 10 - CONDEMNATION

10.1 CITY agrees to give prompt written notice to TENANT of any eminent domain, condemnation, compulsory acquisition or like proceedings by any competent authority which might result in a partial or full taking of the Leased Premises and of which CITY has actual notice. Each party may file and prosecute their respective claims for an award, but all awards and payments on account of a taking shall be held in trust by the recipient to be distributed according to the respective interests of the parties, i.e., payments allocable to the value of the Leased Premises and the residual interest in the Leased Premises shall be paid to CITY and payments allocable to TENANT's leasehold interest and improvements shall be paid to TENANT.

10.2 In the case of a taking (other than for temporary use) of the fee of the entire Leased Premises, or so substantial a part of the Leased Premises that such taking materially impairs TENANT's conduct of its operations at or from the Premises, this Agreement shall terminate as of the effective date of such taking. In the case of a temporary taking (including without limitation a temporary taking as a result of relocation under 7.1.2 above), this Agreement shall be suspended during such time as TENANT is unable to use the Leasehold Premises for the uses provided herein. In the case of a temporary taking which does not permit TENANT to use the Premises as provided herein for a period of ninety (90) days or more, at the

1. The first part of the document discusses the importance of maintaining accurate records of all transactions.

2. It is essential to ensure that all data is entered correctly and that the system is regularly updated.

3. The second part of the document outlines the various methods used to collect and analyze data.

4. These methods include surveys, interviews, and focus groups, each with its own strengths and weaknesses.

5. The final part of the document provides a summary of the findings and offers recommendations for future research.

6. In conclusion, this document highlights the significance of data in decision-making and the need for a systematic approach to data collection and analysis.

conclusion of said ninety (90) day period, TENANT may, in its discretion, give CITY a thirty (30) day notice of its intent to terminate the Lease Agreement. This Lease shall terminate at the end of the thirty (30) day notice period, with no further obligation by either party. TENANT's obligation to pay rent hereunder shall be suspended during any temporary taking during which TENANT is unable to conduct its operations at or from the Leased Premises; provided, however, to the extent TENANT is able to continue its operations hereunder from the Premises or from an alternative site, the TENANT shall continue to pay the fixed rent based upon the square footage then available to TENANT.

ARTICLE 11 - TERMINATION OF LEASE

11.1 CITY's Right to Terminate. The CITY, in addition to any other rights to which it may be entitled by law, acting by and through its CITY MANAGER, may declare this Lease Agreement terminated in its entirety, subject to and in the manner provided herein, upon or after the happening of any one or more of the following events, and may exercise all rights of entry and re-entry upon the Premises:

- (a) To the extent permitted by law, the filing by TENANT of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of TENANT's assets;
- (b) To the extent permitted by law, the entry of an order for relief against the TENANT, by a court of applicable jurisdiction, pursuant to any involuntary bankruptcy petition filed against the TENANT;
- (c) To the extent permitted by law, the taking of jurisdiction by a court of competent jurisdiction of TENANT or its assets, pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) To the extent permitted by law, the appointment of a receiver or trustee of TENANT's assets by a court of competent jurisdiction or a voluntary agreement with TENANT's creditors;
- (e) The voluntary abandonment by TENANT of the Leased Premises (and the failure to pay rent thereon) for a period in excess of sixty (60) days; or
- (f) The material breach by TENANT of any of the covenants or agreements herein contained and not cured as provided below. A material breach shall include, but not be limited to, the failure of the TENANT to comply with the Minimum Standards, TENANT's use of the premises in a manner prohibited under this Lease, or the failure of TENANT to pay any rental, fee, or charge required to be paid by the terms of this Lease Agreement when the same is due and payable.

11.2 TENANT's Right to Terminate. TENANT, in addition to any other right given to it herein or to which it may be entitled by law, may terminate this Agreement in its entirety, subject to and in the manner provided herein, upon or after the happening of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction which materially prevents or restrains the use of the Airport or the Leased Premises for the purposes permitted under this Lease Agreement and such injunction remaining in force for a period of at least ninety (90) days after the date of receipt of written notice of such injunction by CITY;
- (b) Subject to TENANT's obligation to restore or repair the Premises under Article 9 above, the inability of TENANT to use said Leased Premises and Airport facilities due to war,

earthquake or other casualty for a longer period than ninety (90) days after the date of receipt of written notice of such inability from TENANT;

(c) Any action of any governmental authority, board, agency or officer having jurisdiction thereof preventing TENANT from conducting the activities permitted hereunder at or on the Leased Premises by a taking, directly or indirectly, in whole or a substantial part, of the Leased Premises for a period of at least ninety (90) days after receipt of written notice of such action by CITY, subject to Article 10 above;

(d) The taking, through the process of eminent domain, of all or a substantial part of the Premises leased by TENANT, subject to Article 10 above; or

(e) The material breach by CITY of any of the covenants or agreements herein contained and not cured as provided below.

11.3 Default by CITY. In the event of any default by CITY of any of its obligations under this Lease Agreement, TENANT may declare the CITY in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to the CITY MANAGER addressed and copied as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. No termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by TENANT to CITY, and the City shall not have cured such default during such thirty (30) day period. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the CITY commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable.

11.4 Default by TENANT. In the event of any default by TENANT of any of its obligations under this Lease Agreement, CITY may declare the TENANT in default by delivering by hand during regular business hours or sending by certified mail, return receipt requested, of written notice to TENANT addressed as provided in Section 14.9 below, specifying both the date upon which termination will take effect and also the cause for which this Lease Agreement is being terminated. Except as provided otherwise in this Lease Agreement whereby no opportunity to cure is required, no termination shall be effective until not less than thirty (30) days have elapsed after the date of delivery of notice by CITY to TENANT, and such default shall not have been cured during such thirty (30) day period by the TENANT. If such default by its nature cannot be cured within such thirty (30) day period, no termination shall be effective if the TENANT commences to correct such default within said thirty (30) days from the date of delivery of the notice of default, and continues with due diligence to correct the same as promptly as reasonably practicable. In the event TENANT knew or should have known of the default prior to receipt of CITY notice, said thirty (30) day period to cure shall be deemed to begin as of the date TENANT knew or should have known of said default. Notwithstanding the foregoing, if TENANT should fail to pay any sum, including without limitation any rental, tax, assessment or use fee or charge, as required hereunder, TENANT shall have ten (10) days from receipt of CITY notice of default to cure said default, and if not so cured, termination of this Lease Agreement shall be effective as of the eleventh day following said receipt of notice.

ARTICLE 12 - RIGHTS UPON TERMINATION

12.1 TENANT agrees that upon the expiration of the Initial Term of this Lease or sooner termination thereof, the Leased Premises will be promptly delivered to CITY. TENANT shall remove all buildings,

fixtures and personal property located on the Leased Premises within thirty (30) days of the date of expiration or termination, and repair any damage resulting from such removal and restore the Premises, all at TENANT's cost and expense. In lieu of removal, TENANT may, at its option, offer to transfer title, through execution of appropriate documents, to some or all of the buildings and improvements on the Premises to CITY at no cost to CITY and in such case, TENANT shall provide CITY of notice of such offer at least ninety (90) days prior to termination of this Agreement. CITY shall notify TENANT in writing within the ninety (90) day period as whether it accepts or rejects said offer. In the event CITY rejects the offer, TENANT shall be obligated to remove the buildings and improvement from the Premises within thirty (30) days of expiration or termination as provided herein. Upon the termination or expiration of the Initial Term of this Lease Agreement, all rights of TENANT hereunder to possession of the Premises under this Agreement shall immediately terminate.

12.2 If the TENANT elects, and CITY agrees, to enter into a Renewal of this Agreement, at expiration or termination of any Renewal term, at CITY's option, the CITY may take title or require removal of improvements, alterations and additions made by TENANT in the same manner and on the same terms as provided in Section 12.1 at termination or expiration of the Initial Term.

12.3 Unless CITY has agreed in writing to accept title to buildings and improvements under Section 12.1 above, in the event TENANT fails to remove the buildings, fixtures or personal property from the Premises within thirty (30) days of termination or expiration of this Lease, title to said buildings, fixtures and personal property shall vest in CITY on the thirty-first (31st) day after the date of such termination or expiration, and CITY may dispose of such buildings, fixtures and personal property as it sees fit, in CITY discretion, and retain any proceeds from such disposal. In the event CITY incurs a net loss for such disposal, TENANT shall be liable to CITY for reimbursement of such loss.

ARTICLE 13 - NO ASSIGNMENT AND SUBLETTING

13.1 The TENANT shall not assign, rent, sublease, sell, convey, mortgage, encumber or otherwise transfer in any manner all or any part of the Leased Premises or the improvements located thereon or any of the privileges granted to TENANT hereunder, without the prior written consent of the CITY, which approval shall be at the CITY's sole discretion. CITY reserves the right to review the form of all such proposed transfers. TENANT shall notify CITY annually of the identity of all sublessees of any portion of the Premises, or shall provide such information upon CITY's request. CITY further reserves the right to place such reasonable conditions upon any such transfer as it deems to be in the best interest of the CITY.

In the event of any approved transfer, sublease or assignment, TENANT shall continue to be liable to CITY for all rent, fees, taxes, assessments and all other obligations under this Lease for which it is liable hereunder. All approved transferees, subleases or assignees shall be required to conform to all of the terms and conditions of this Lease Agreement, including without limitation, all insurance requirements hereunder.

13.2 Any violation of the terms of this Article by any person at or on the Premises, or conducting any activities from, at or on the Premises, shall be deemed a breach of this Lease Agreement and, at CITY's option, may result in termination of this Lease Agreement pursuant to Article 11.

13.3 Any sale or transfer, whether to one or more persons or entities and whether at one or more different times, of a total of fifty percent (50%) or more of the ownership interest in any corporation, partnership, limited liability company or other entity which is then the legal tenant under this Lease Agreement shall be deemed an assignment of this Lease Agreement within the meaning of this Article 13.

ARTICLE 14 - MISCELLANEOUS PROVISIONS

14.1 NON-INTERFERENCE WITH OPERATION OF AIRPORT

14.1.1 TENANT, by accepting this Lease, expressly agrees for itself, its successors and assigns that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute a hazard or interfere with or endanger general operations at the Airport. In the event the aforesaid covenant is breached, the CITY reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of the TENANT, and reimbursement for such CITY expense shall be paid by TENANT immediately upon CITY's demand therefor.

14.1.2 CITY hereby reserves for 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 said air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of, or flight in the air, using said air space, or landing at, taking off from, or operating at the Airport. In addition, TENANT acknowledges that because of the close location of the Premises to the "airfield operations area", that noise, vibration, fumes, debris and other interference with the Premises will be caused by Airport operations. TENANT hereby waives any and all rights and remedies against CITY arising out of any noise, vibration, fumes, debris and/or interference that is caused by the operation of the Airport.

14.2 QUIET ENJOYMENT

The CITY agrees that on payment of the rentals and fees hereunder, and subject to performance and compliance by TENANT of the covenants, conditions and agreement on its part to be performed and complied with herein, TENANT shall peaceably have and enjoy the rights, uses and privileges of the Airport, its appurtenances and facilities, and of the Leased Premises, to the extent granted herein.

14.3 AGREEMENTS WITH FEDERAL GOVERNMENT

This Lease Agreement is subject and subordinate to the provisions of any agreements that have been or shall be made between the CITY and the United States of America relative to the operation or maintenance of the Airport, the execution of which have been or shall be required as a condition to the expenditure of Federal funds for the extension, expansion, improvement, maintenance or development of the Airport. TENANT agrees to comply with all applicable laws and regulations and to modify or amend this Agreement as required to comply with such applicable laws and regulations.

14.4 LICENSE FEES AND PERMITS

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

14.5 SECURITY AGREEMENT

TENANT, at its own cost and expense, shall be responsible for ensuring that all building entrances, exits, and any access to the Leased Premises are in compliance with all applicable Airport Security Programs. It shall be TENANT's responsibility, at its own cost and expense, to be in compliance with all existing

and future security requirements of the Department of Transportation, Transportation Security Administration, and/or the Airport Security Program, and TENANT shall hold the CITY harmless and shall pay any fines, penalties, cost or expenses incurred by CITY or by TENANT and arising out of any breach of said security requirements by TENANT, its invitees, subtenants, or anyone for whose act TENANT may be liable.

14.6 PARAGRAPH HEADINGS

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

14.7 INTERPRETATIONS

The laws of the State of Maine shall govern the validity, interpretation, performance and enforcement of this Agreement. Words of gender used in this Agreement shall be held and construed to include the other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires. Unless the context specifically provides otherwise, "person" wherever used in this Lease shall include, without limitation, an individual, a sole proprietor, a corporation, a partnership or any legal entity authorized by law.

14.8 DISPUTE RESOLUTION

All disputes hereunder which are not mutually resolved shall be resolved by trial without a jury in the Courts of York County, State of Maine. TENANT hereby agrees to waive any rights which TENANT may have to a trial by jury. Notwithstanding the foregoing, TENANT and CITY may mutually agree to submit any dispute hereunder to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association.

14.9 NOTICES

Except as otherwise provided in Article 11 for certified mail or hand delivery of notice of default, whenever any notice or payment is required by this Lease Agreement to be made, given or transmitted to the parties hereto, such notice or payment shall be enclosed in an envelope with sufficient postage attached to insure delivery and deposited in the United States Mail, addressed to, or hand-delivered to:

CITY:

City Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

Airport Manager
City of Biddeford
P.O. Box 586
Biddeford, ME 04005

TENANT:

John M. O'Donnell
368 Highland St.
Weston, Massachusetts 02493

Or such place as either party shall designate in writing.

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14.10 ENTIRE AGREEMENT

This Lease Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Parties and all other representations or statements heretofore made, verbal or written, are merged herein, and this Lease Agreement may be amended only in a writing executed by duly authorized representatives of the parties hereto.

14.11 NON-WAIVER

No waiver by either Party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other Party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party. The receipt by CITY of any rent with knowledge of any breach of this Lease Agreement by TENANT or of any default by TENANT in the observance or performance of any of the terms, covenants or conditions of this Lease Agreement shall not be deemed to be a waiver of any provision of this Lease Agreement. If any action by TENANT shall require the consent or approval of CITY, CITY's consent to, or approval of, such action on any one occasion shall not be deemed a consent to, or approval of, said action on any subsequent occasion, or consent to, or approval of, any other action on the same or any subsequent occasion.

14.12 REMEDIES CUMULATIVE

All rights and remedies of the parties herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by either party of any remedy provided herein or allowed by law shall not be to the exclusion of any other remedy.

14.13 TIME OF ESSENCE

Time is and shall be of the essence in respect to the performance of each and every provision of this Lease Agreement.

14.14 FORCE MAJEURE

Neither the CITY nor TENANT shall be deemed in violation of this Lease Agreement if either should be prevented from performing any of the obligations hereunder (other than any obligations to make payments) by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control. The party claiming force majeure shall give prompt written notice to the other party of such event or events, and shall resume performance promptly upon the conclusion of the event or events preventing its performance.

14.15 PARTIAL INVALIDITY

If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstance shall at any time or to any extent, be held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this Lease Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable,

shall not be affected thereby, and each term, covenant, condition, and provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

14.16 MEMORANDUM OF LEASE

Either party at the request of the other, shall execute, acknowledge and deliver for recording, a memorandum or short form lease prepared by the requesting party; provided, however, that the relations between CITY and TENANT shall be governed solely by the provisions of this Lease Agreement and not by any such memorandum or short form lease which may be executed, delivered and recorded.

14.17 SUCCESSORS AND ASSIGNS

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Lease Agreement shall extend to and bind the legal representatives, heirs, successors, and any permitted assigns of the respective parties hereto. Nothing herein shall be deemed to authorize or permit any assignment or other transfer, in whole or in part, of the interest of TENANT in violation of any other provisions contained in this Lease Agreement.

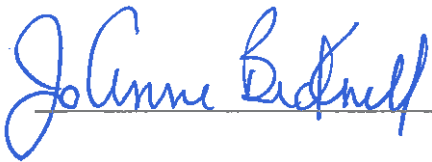
14.18 ASSIGNMENT TO CITY SUCCESSOR IN INTEREST

The CITY may assign or otherwise convey its interest, rights, duties and/or obligations hereunder to any airport authority or other successor in interest.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized representatives as of the date first above mentioned at Biddeford, Maine.

WITNESS

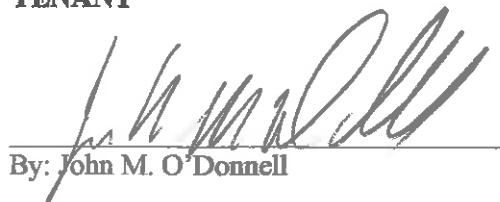
CITY OF BIDDEFORD, MAINE




By: _____
Its City Manager

TENANT




By: John M. O'Donnell





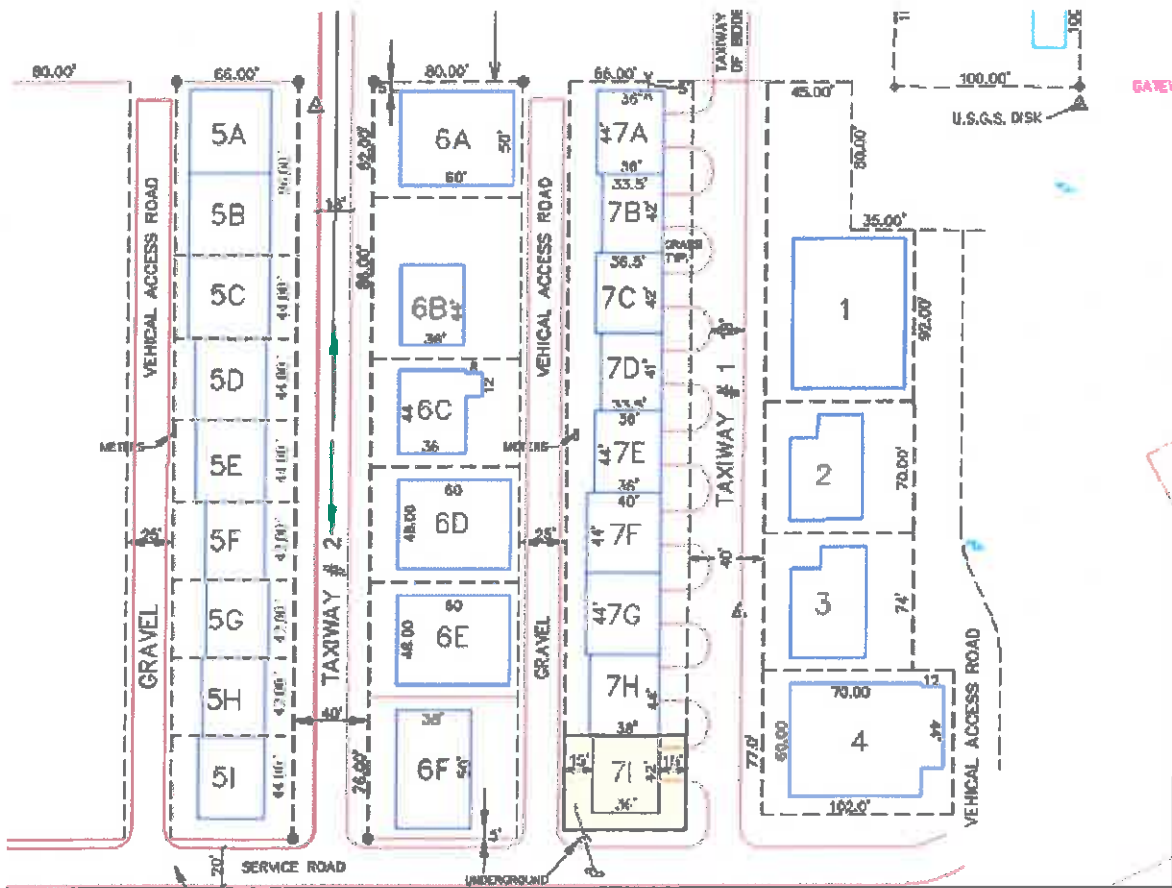
City of Biddeford, Maine

205 Main St. P.O. Box 586 Biddeford, Maine 04005

Exhibit A

Hanger 7I

42' x 66' = 2,772 sq. ft.





Capital Projects / Operations Committee

Meeting Date: August 13, 2025
Meeting Time: 6:00 PM
Agenda Item No: 5.a
Item Description: City Hall Air Conditioning/Heating Update
Submitted By: Brian S. Phinney, COO

Supporting Information/Documentation:

None

Key Terms:

Executive Summary:

This is an informational item regarding City Hall HVAC functionality and maintenance expenses.

Detailed Review:

Over the past several months there have been issues with the heating, ventilation and air conditioning (HVAC) units at Biddeford City Hall. These issues have not impacted code violations or life safety standards but have significantly impacted occupant comfort. In discussions with the HVAC contractor, many of the units are at or far exceed the expected lifespan. Replacement parts are also becoming difficult to find or long lead times for delivery have been noticed.

The current system consists of natural gas-fired heating units mounted inside the building, a combination of ground and roof-mounted air conditioning units, as well as central and zone-separated air distribution duct work. The consensus of the staff of the HVAC contractor is to plan for a complete system upgrade. The cost of the upgrade is expected to be significant but can be phased over a period of time to address replacement of the oldest/most problematic items first.

In the last three years (2025, 2024, 2023) the city has expended \$13,874, \$10,266, and \$9,144, respectively, on HVAC service-related calls.

Funding Source:

N/A - informational item

Staff Recommendation:

No recommendation at this time. FY27 CIP will include plans for HVAC upgrade.



Capital Projects / Operations Committee

Meeting Date: August 13, 2025
Meeting Time: 6:00 PM
Agenda Item No: 5.b
Item Description: Fire Department Vehicle/Apparatus Purchase Discussion
Submitted By: Lawrence D. Best, Fire Chief

Supporting Information/Documentation:

Apparatus CIP Planning 08-05-2025

Key Terms:

Ambulance and Tower Aerial Ladder truck purchase.

Executive Summary:

Discuss the future purchase of a new Ambulance and new Tower Aerial Ladder truck.

Detailed Review:

The Fire Department has been working with two vendors for the future purchase of a new Ambulance and Tower Aerial Ladder truck. These vehicles are part of the City-wide CIP replacement plan. The discussion will be on the purchasing process and the need for approval to sign agreements to purchase vehicles that have a long delivery time from when the agreement is signed, the order is placed and the vehicle arrives. Depending on the vehicle, delivery times can be anywhere from 30 to 48 months after the order has been placed.

This is a discussion item in preparation for the next meeting to brief the Committee and obtain consensus on the process and timing.

Funding Source:

N/A

Staff Recommendation:

Recommend the ability to sign agreements for vehicles/apparatus that have long delivery times.

Unit	Year-New	MFG	Life Expect. Years	Year to Replace	Miles	Engine Hours	Year to Place Order	On-Order	Anticipated Delivery	Fiscal Year Funds	Arrived	Completed
Engine 22	2023	Sutphen	15		7782	929					Sept. 2023	YES
FY23												
Engine 26	2008	E-One	15 to 20	2023-2028	201865	9556	2024	Yes 2024	Spring 2027	FY28		
EMS 12	2015	PL-Dodge	10	2025	125344	8448	2024	Yes 2024	Spring 2026	FY26/FY27		
Car 3	2024	Chevrolet	10				2024	Yes 2024		FY24	July. 2024	YES
FY24												
Service 4	2012	Chevrolet	10	2022	65091	n/a	?		Spring 2025			
FY25												
Marine 202	1963	?	10 to 15		Unkn.	Unkn.	2025	In-Process	Fall/Winter 2025	FY26		
Truck 32	2013	E-One	10 to 15	2023-2028	50400	5350	2025		Spring 2027	FY27		
EMS 10	2017	PL-Dodge	10	2027	126860	8834	2025		Spring/Summer 2028	FY27/FY28		
FY26												
Engine 24	2008	E-One	15 to 20	2023-2028	126341	7420	2026		Spring 2029	FY29		
EMS14	2020	PL-Dodge	10	2030	64600	4720	2027		Spring 2031	FY30		
Brush 20	2008	Chevrolet	15-18	2026	55000	n/a	2027		Spring 2028	FY27		
Car 2	2018	Chevrolet	10	2028			2027		Spring 2028	FY27		
FY 27												
Squad 28	2005	E-One	15 to 20	2020-2025	78173	6766	2028		Spring 2031	FY31		
FY28												
SH34	2003	Kenworth	20									
FY29												
FY30												
FY31												
Ranger 18	2013	Polaris	20	2033			2032		Spring 2033	FY33		
Service 7	2023	Chevrolet	10	2033			2032		Spring 2033	FY33		
Car 1	2023	GMC	10				2032		Spring 2033	FY33		
FY32												

FY33

FY34

FY35