

By and Between
NEW BEDFORD
AIRPORT COMMISSION
and

CLAREMONT AVIATION, LLC

LEASE Approved by the New Bedford
Airport Commission on

May 20, 2015

EXHIBITS

EXHIBIT A Description of Leased Premises

EXHIBIT B Hangar Construction Plans

Incorporated into this Agreement by Reference **Current or Most Recent Version**

- 1. FAA Airport Layout Plan**
- 2. FAA Airport Improvement Program (AIP) Grant Assurances**
- 3. New Bedford Regional Airport Rules and Regulations**
- 4. New Bedford Regional Airport Stormwater Pollution Prevention Plan**
- 5. New Bedford Regional Airport Spill Prevention, Control and Countermeasure Plan**
- 6. New Bedford Regional Airport Operating Standards**
- 7. New Bedford Leasing Policy**

LEASE

THIS AGREEMENT OF LEASE, (herein called "Agreement or Lease)

entered into on the day of , 2015 by and between the City of New Bedford, a municipal corporation with a place of business at 133 William Street, New Bedford, Massachusetts acting by and through its Airport Commission (herein after called the "LESSOR" or NBAC), a Massachusetts Municipal Corporation having its office at 1569 Airport Road, New Bedford, Massachusetts, 02746-1369, and CLAREMONT AVIATION, LLC (herein after called "LESSEE"), a Massachusetts corporation with a mailing address of One Lakeshore Center, Bridgewater, Massachusetts 02324 evidences the following:

WHEREAS, LESSEE desires a ground lease upon which is to be constructed an aircraft hangar and other related improvements;

WHEREAS, LESSOR has the authority as a Municipal Corporation organized and existing under the statutes of the Commonwealth of Massachusetts to enter into this Agreement; and

WHEREAS, LESSOR agrees to let to LESSEE the land necessary for the purpose indicated and otherwise perform as herein set forth.

NOW, THEREFORE, for and in consideration of the rents herein required to be paid and of the covenants and agreements herein contained, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1.0 Property Description and Use

1.1 Property Description and Use. LESSOR hereby lets to LESSEE and LESSEE hereby hires and takes from LESSOR that certain tract of land on the Airport

comprising a parcel of land of approximately forty five thousand six hundred (45,600) square feet, or as determined by survey and agreed to by the parties, such parcel being described on Exhibit "A" attached hereto and as depicted on the Airport Layout Plan as "Claremont Hangar", both incorporated herein. The LESSOR grants to LESSEE a lease to use a parcel of land for purpose of operating an aircraft storage hangar together with the right of use and enjoyment of all improvements thereon and to be placed thereon; free and clear of any encumbrances, (other than right of reverter to United States Government) subject to the terms of this Agreement and applicable federal and state laws and regulations and Airport Rules and Regulations incorporated herein.

1.2 LESSEE'S Use. LESSEE shall use and occupy the Leased Premises and LESSEE Facilities only for the primary purpose of an aircraft storage hangar and related aeronautical uses. The LESSEE acknowledges that the use of the Leased Premises and LESSEE'S Facilities are subject to all applicable federal, state and local laws, ordinances and regulations and any operational restrictions placed on the Airport in the use of the runways and/or taxiways, either by agreement of the parties or by a court of competent jurisdiction.

1.3 Materially Restricted Use. If, however, the operations of LESSEE at the Airport shall nevertheless be substantially and materially restricted by any competent governmental authority or judicial action not resulting from the specific actions of LESSEE, LESSEE shall have the right, upon written notice to the LESSOR to terminate this Agreement. Upon such termination, the parties agree to negotiate the disposition of the residual value of the Leased Premises. In the event the parties are unable to agree the provisions of Section 40.1 shall apply.

1.4 24 Hour Operations. LESSOR acknowledges that LESSEE'S operation is a 24 hour a day operation and agrees that during the term of this Agreement the Airport and the Leased Premises shall remain open for LESSEE'S use 24 hours a day except as provided in section 1.2 and Acts of God. The Airport Manager, consistent with FAA and state Regulations, Advisories and Circulars, or in his professional opinion, may, from time to time, close the airport or portions thereof for safety or other aeronautical necessity.

1.5 Quiet Enjoyment. LESSOR agrees that on payment of rentals, fees and charges herein provided and LESSEE'S performance hereunder, LESSEE shall peaceably have and enjoy the Leased Premises, LESSEE Facilities, appurtenances, facilities, licenses and privileges granted herein. LESSEE acknowledges that the New Bedford Regional Airport is a federally controlled transportation facility and that various aeronautical, security and safety regulations apply to the use and occupancy of the Hangar.

2.0 Term, Rental, Place of Payment and Uses

2.1 Primary Term. This Agreement shall have a Primary Term of twenty (20) years (the "Term"), commencing July 1, 2015, (the "Effective Date").

2.2 Renewal Options. The LESSEE, at its option, may renew this agreement for six successive five (5) year periods following the Primary Term, provided however the LESSEE remains in compliance with all airport rules, regulations and policies, is current for the previous ninety (90) day period in its rent, fees, taxes and any other charges for which it is obligated to the City of New Bedford.

2.3 Renewal Notice. The renewals for the six five-year options must be exercised within six (6) months prior to the expiration of the initial twenty (20) year primary term, and after the initial term, within six (6) months prior to the expiration of any renewal term. The renewal notice must be in writing and mailed to the LESSOR or its Airport Manager by "return receipt requested" mail, postage prepaid. Such notice will be addressed to the LESSOR, New Bedford Airport Commission, New Bedford Regional Airport, 1569 Airport Road, New Bedford, Massachusetts 02745-1328, or at such other address as may be designated by the parties pursuant to Section 31.0. LESSEE may not exercise more than one renewal option during any term.

2.4 Rental Rate for Primary Term - Years One (1) Through Twenty (20). The annual rent ("Rent") for the first twenty (20) years of the Primary Term of the agreement shall be charged at the rate of \$.21 per square foot (\$9576.00 per year or \$798.00 per month). Total rent for year one of the lease is \$9576.00 or \$798.00 per month.

2.5 Rental Rate for All Six (6) Five (5) Year Renewal Option Terms—Years Twenty One (21) Through Year Fifty (50). The annual rent for each five (5) year renewal option to be determined at the time of LESSEE'S exercise of each five (5) year renewal option shall be charged at the rate of comparable aeronautical hangar rental rates established by the Airport Commission at the time the renewal notice is submitted. Such rates shall represent comparable negotiated fees charged by the LESSOR for similar (aeronautical hangar) uses at the Airport for similar aeronautical facilities with land improvements at New Bedford Regional Airport recognizing the LESSEE'S right to recover its capital investment over the term of fifty (50) years pursuant to its initial lease term of twenty years plus six (6) five (5) year renewal options.

2.6 Rental Payment Dates. LESSEE'S obligation to pay Rent shall commence on the Effective Date and is due in advance of each month. The rent may be paid in advance on the anniversary of the effective date for the full amount of the annual each year of the Lease at the LESSEE'S sole option. In addition to the remedies provided in Section 15.0 et seq. LESSOR shall have the right to charge interest on any payment which is more than thirty days overdue, as provided in the LESSOR Leasing Policy, said interest not to exceed 18% per annum. Imposition of interest charges by LESSOR in the event of late payments of rent by the LESSEE shall not constitute a waiver of LESSOR'S rights pursuant to Article 15 of this Agreement.

2.7 Place of Rental Payment. All payments required of the LESSEE by the Agreement shall be made to LESSOR at the address first mentioned above, or to such other office or address as may be substituted therefor, through prompt notice to LESSEE.

3.0 Improvements to LESSEE Facilities

3.1 Construction of Hangar Project.

3.1.01 Construction of Hangar. LESSEE, at its sole cost and expense, shall construct a one hundred and twenty (120) foot by one hundred (100) foot hangar substantially in accordance with the Hangar Construction Plans attached hereto and incorporated herein as Exhibit B.

3.1.02 Construction of Paved Ramp. In order to allow continued aircraft access to property currently leased to Nor East Aviation by the LESSOR, the LESSEE shall construct an additional paved ramp space of approximately three thousand five hundred (3,500) square feet as shown on the proposed hangar development concept plan incorporated herein by reference.

3.1.03 Commencement of Construction. LESSEE shall commence construction of the Project promptly after the execution of this Ground Lease and shall diligently and continuously pursue such construction to substantial and final completion. LESSEE shall obtain a building permit and all other permits, licenses and approvals required for construction of the Project.

3.1.04 Construction Quality. All construction of the Project shall be carried out in a good and workmanlike manner, and all building materials must be new and of first class quality.

3.1.05 Payment of Bills for Construction. LESSEE is responsible for all construction expenses for the Project, including all labor, materials, insurance, bonds, fees for architects and engineers, contractors and subcontractors and all other costs and expenses incident to any construction cost or operation cost during the period of construction. At Substantial Completion, the Project must not have any liens and proof must be available that all contractors, subcontractors and materials and all related fees and expenses have been paid and satisfied.

3.1.06 All Liens and Rights are Subordinate to LESSOR. LESSEE'S rights, as well as the rights of all other Persons, including, but not limited to, any mortgagee, architect, independent contractor, assignee, sublessee, sub-contractor, prime or general contractor, mechanic, laborer, materialman or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to LESSOR'S title, interest and estate in the Property. LESSEE shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise ("Lien"), which might or does constitute a lien, encumbrance or charge upon the Premises, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights or interest of LESSOR in the Premises or any part thereof, or the income therefrom. Nothing in this Lease shall be deemed or construed in any way as constituting

the consent or request of LESSOR, express or implied, by inference or otherwise, to the filing of any Lien against the Premises by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or the Project or any part thereof.

3.1.07 Permits, Laws and Ordinances. LESSEE shall and cause all Contractors and subcontractors to comply in all material respects with all building codes, ordinances, rules, regulations, orders, directives and statutes of all governmental authorities which may now or hereafter, from time to time, be established and which are or shall be applicable to LESSEE as they relate to the Project.

3.1.08 Title to the Improvements. The title to all Improvements hereafter constructed, installed or renovated at the Premises by the LESSEE in connection with the Project shall be vested in LESSEE until the Termination of this Ground Lease, at which time all title to and ownership of said Improvements shall automatically and immediately vest (without the necessity of any further action being taken by LESSEE or LESSOR or any instrument being executed and delivered by LESSEE to LESSOR) in LESSOR, subject to Section 3.4 below. Lessor acknowledges and agrees that during the Term hereof, LESSEE shall be deemed the owner of the Improvements for all tax purposes and shall be entitled to any and all depreciation, amortization and tax credits for Federal and state tax purposes relating to the Improvements.

3.1.09 Construction Certification. Upon completion of the construction of all of the work, LESSEE shall certify to LESSOR that such construction has been completed substantially in accordance with the approved plans and specifications and in compliance with all applicable laws, ordinances and other governmental rules, regulations and orders including the Americans with Disabilities Act of 1990 (herein the "LESSEE Certification") and Federal Air Regulations Part 77.

3.2 Each Succeeding Improvements and Construction Approval. LESSEE shall not, during the Term and each five (5) year renewal periods, without submitting the appropriate plans to the LESSOR for review and receiving the prior written approval of the LESSOR, which approval shall not be unreasonably withheld or delayed, erect any additional structures, make any other improvements, or do any other construction work on the Leased Premises or alter, modify, or make material additions or improvements to or replacements of, any structure now existing or built at any time during the term hereof. This paragraph shall not apply to interior maintenance, furniture or other items of personal property, removable without material damage to the structures or buildings comprising the LESSEE Facilities or to fixtures required during the course of operation.

3.3 Structure Repair and Notice. If the structure is damaged, it shall be immediately repaired by LESSEE. Notwithstanding the foregoing, LESSEE shall have the right, without prior approval of, but with written notice to, the LESSOR to replace or repair floor and wall coverings and to make nonstructural additions to the Leased

Premises and LESSEE Facilities.

3.4 LESSEES Property. Except as proscribed in Paragraph 21, All LESSEE Facilities and improvements constructed on, installed upon, or affixed to the Leased Premises by LESSEE as permitted by this Agreement shall remain the property of LESSEE, as same or any part thereof may be completed. It is expressly understood and agreed that trade fixtures, conveyor systems, furnishings, and personal property including aircraft shall at all times remain the property of LESSEE. Notwithstanding anything to the contrary, all buildings will revert to the LESSOR at the expiration of this agreement.

3.5 Common Areas. The LESSEE shall also have, and is hereby granted, the right and duty to maintain, repair, and replace parking areas, aircraft ramp, roadways, driveways, gates, utility and service lines and facilities, lawns, plants and other landscaping . Existing pavement shall be maintained in accordance with the most current Airport Pavement Management Plan and FAA Advisory Circular.

4.0 Utilities

4.1 Utility Access. The LESSOR shall allow and permit to be provided, at the sole expense to LESSEE, to the boundary line of the Leased Premises, all utility systems ("Utilities") that are available on the Airport, such as water, sewer, septic, electricity, gas, and telephone. It is the understanding of the parties that LESSEE shall be responsible for all Leased Premises improvements including drainage.

4.2 Utility Connections. All connections with Utilities shall be made by LESSEE at its sole cost and expense, provided that such connections shall not give rise to any charge by the LESSOR in excess of reasonable and customary charges. All Utility connections shall be made by LESSEE in such reasonable manner as is approved by the LESSOR. LESSEE shall be solely responsible for the costs of the usage of all Utilities on the Leased Premises, provided that any usage charges imposed by the LESSOR shall be the most favorable rates imposed at the time by the LESSOR and in no event shall they be greater than any other tenant at the Airport. LESSEE shall notify the LESSOR in writing, immediately upon the LESSEE's hook-up to any of the LESSOR'S systems.

5.0 Additional Improvements, Utilities Extension Costs

5.1 Utility - Additional Construction, Relocation, and Extension.
If the LESSOR is hereafter requested by LESSEE in writing to construct, relocate or extend any Utilities, streets or improvements not addressed in this Agreement that benefit the LESSEE, then LESSEE agrees to pay, at its sole expense, the costs of such construction, relocation or extension. This Section shall not obligate the LESSOR to approve such improvements not deemed reasonable, cost effective, or which are deemed by the LESSOR contrary to planned Airport development.

6.0 Ingress and Egress

6.1 Airport Ingress and Egress. LESSEE, any SUBLESSEE, tenants, and accompanied guests and accompanied invitees not otherwise prohibited by the LESSOR, shall have the right of ingress and egress between the Leased Premises and public rights-of-way outside the Airport by means of any existing access streets and roadways, the same to be used in common with others having rights of passage within the Airport, provided that LESSOR may from time to time substitute other access therefor. The use of such streets, roadways and easements shall be subject to the general field rules and regulations of LESSOR uniformly applicable to LESSEE and all other users at the Airport, subject to Airport security policies. Contractors, suppliers of materials and furnishers of services, employees and business invitees, and all other persons must be accompanied by the LESSEE or one of its tenants at all times. All individuals not in possession of a valid airport identity badge worn and in plain view must be accompanied by a "badged" person at all times.

7.0 Governmental and Other Requirements

7.1 Compliance - Governmental Agencies. LESSEE covenants and agrees to observe and obey all present and future valid laws, ordinances, and rules and regulations of the Federal Government, Commonwealth of Massachusetts, County of Bristol, City of New Bedford, and departments and agencies thereof. LESSEE agrees to comply with all applicable grant assurances and all general field rules and regulations of the Airport Commission which may from time to time, during the term and five year renewal periods of this Lease, be promulgated and enforced by LESSOR or other competent authority; provided the same are consistent with safety and do not conflict with the rules of any local, state, or federal agency having jurisdiction thereover, and are not inconsistent with the procedures prescribed or approved, from time to time, by the Federal Aviation Administration. This LEASE shall be subordinate to any agreement between the LESSOR and the Federal Aviation Administration including Airport Improvement Program (AIP) grant assurances. The LESSEE agrees to amend the LEASE to comport to any such FAA requirements.

7.2 Business Licensing and Permits. LESSEE and its tenants and owners shall not operate a commercial business of any kind on the premises.

8.0 Prohibited Acts

8.1 Vending. Sale of products and services.

8.2 Nuisances. LESSEE shall not create, commit or maintain any factual or legal nuisance on the Leased Premises and shall not do or permit to be done anything which may result in the creation, commission or maintenance of a nuisance on the Leased Premises.

8.3 Sale of Fuel. - Aviation fuel sales and delivery are limited to a resident Fixed

Base Operator. LESSEE is prohibited from engaging in the sale of fuel.

8.4 Outside washing of aircraft or vehicles.

8.5 Storage of hazardous waste.

8.6 Draining of aircraft fluids not in conformance with the Airport Spill Prevention control and Countermeasures Plan (SPCC) or its Stormwater Pollution Prevention Plan (SWPPP).

8.7 Storage of an aircraft or machinery that is leaking except in conformance with the Airport Spill Prevention control and Countermeasures Plan (SPCC) or the Airport Stormwater Pollution Prevention Plan (SWPPP).

9.0 Facility Maintenance and Repairs

9.1 State of Repair. LESSEE shall at all times keep the Leased Premises, LESSEE facilities, equipment, and improvements, in a clean and orderly and safe condition and appearance.

9.2 Maintenance and Repair. LESSEE shall in a reasonable and prudent manner maintain, repair, replace and paint all or any part of the LESSEE Facilities and improvements on the Leased Premises, including without limitation, the walls, partitions, floors, ceilings, columns, windows, doors, glass of every kind, fixtures, sidewalks, drives, parking areas and pavements, landscaping, systems for the furnishing of a fire alarm, fire protection sprinkler, sewage, drainage and telephone service, heating and cooling systems, all plumbing and plumbing lines, electrical and gas systems, pipes, mains, wires, conduits and other equipment connected with or appurtenant to all such systems, any of which may be damaged or destroyed by use, the elements, wear, weather, deterioration or the acts or omissions of the LESSEE, its sub-LESSEE, employees, agents, representatives, contractors, customers, guests or invitees. LESSEE agrees to dispose of all refuse on LESSEE Facilities in accordance with applicable laws, ordinances, general field rules and regulations. LESSEE agrees to maintain storage solely of aviation related items and aviation related equipment only on LESSEE Facilities. LESSEE is responsible for, and shall perform at its own cost, all such Leased Premises repairs, maintenance and replacements on presently existing or to be installed equipment, fixtures, and structures.

9.3 Hangar Painting. The LESSOR may require at its sole discretion to have the LESSEE at LESSEE'S cost paint the hangar with a good quality paint, of a color compatible with other hangars at the airport, once in the first ten year period (Years 1 through 10) and once in each successive ten year period (Years 11 through 50) or as may be needed as determined by the Airport Commission.

10.0 Hazard Insurance

10.1 Hazard Insurance Policy. LESSEE shall, during the initial term and each five (5) year renewal periods of this Agreement, obtain a hazard insurance policy which insures to the extent of not less than the full replacement cost thereof, all buildings, structures, fixtures and equipment on the Leased Premises against fire and other hazards of extended coverage policies, including, without limitation, all risks against loss by windstorm, flood, hurricane, tornado, earthquake, hail, explosion, riot, civil commotion, aircraft, vehicles and smoke. Such policy shall be in such amounts and with carriers satisfactory to LESSOR and authorized to conduct business in the Commonwealth of Massachusetts.

10.2 Extended Coverage - LESSOR. The aforesaid policy of fire and extended coverage insurance and any renewal hereof shall insure LESSOR and LESSEE as their interests may appear.

10.3 Replacement of Damaged or Destroyed Buildings. In the event the improvements constructed by LESSEE are damaged or destroyed by fire or other casualty to the extent that the reasonable cost to repair or restore same is sixty percent (60%) or more of the replacement cost thereof, LESSEE shall have the right, at its election, to repair and replace such improvements to substantially the same condition they were in prior to such damage or destruction, or to terminate this Lease. In the event LESSEE elects to terminate this Lease under this Section 10.3, LESSEE agrees to demolish, at LESSOR'S election, improvements and return the Leased Premises in substantially the same condition as existed prior to the original construction. As used herein, the term "replacement cost" shall not include the cost of the construction of the foundation, footings, site preparations (unless such portions of the improvements were actually damaged), and other costs which would not be incurred in reconstructing the damaged improvements. LESSEE shall give LESSOR notice of its election hereunder within sixty (60) days next following the adjustment by the insurer of such loss by damage or destruction.

10.4 LESSOR Obligation to Repairs. In the event of damage or destruction to any of the improvements upon the Leased Premises, LESSOR shall have no obligation to repair or rebuild the improvements or any fixtures, equipment or other personal property owned or installed by LESSEE pursuant to this Agreement.

11.0 Indemnity, Liability Insurance.

11.1 LESSOR agrees that in the event it or its contractor shall engage in or perform any construction work on the Leased Premises during the term of this Agreement, the LESSOR to the extent of its statutory liability, shall assume responsibility for the acts of its officers, agents and employees, arising out of the gross negligence of the LESSOR in connection with such construction. However, nothing in this Agreement shall be construed for the benefit of third parties. Nothing contained herein shall, in whole or in part, waive LESSOR's limitation of liability for injuries or damage in tort

under the laws and court decisions of the Commonwealth of Massachusetts.

11.2 Indemnification of LESSOR. LESSEE covenants and agrees to indemnify and hold harmless, defend and insure the LESSOR, its officers, agents, and employees from and against any and all claims, causes of action, damages, losses, demands, liabilities, fines or expenses whatsoever (including reasonable attorneys' fees and costs of litigation) which may be brought, alleged or imposed, against the LESSOR, its commissioners, officers, agents, and/or employees relating to or concerning any damage to or loss of property including the Leased Premises or the Airport, or personal injury to or death of any person arising out of or incident to the construction of improvements upon, leasing of, or the use of, or occupancy of the Leased Premises by LESSEE, except that caused by the gross negligence or willful misconduct of the LESSOR/NBAC.

11.3 Liens - Contracts. LESSEE agrees that it shall not enter into any contracts of a type which would permit a lien or liens to become attached to the fee and/or remainder interest in the Leased Premises.

11.4 Liens - LESSOR Indemnification. LESSEE shall not allow any lien to become attached to the property. LESSEE shall indemnify, defend and hold LESSOR harmless from and against any claims, liabilities, damages, penalties, fines or costs (including reasonable attorney's fees) which LESSOR may be subjected to as a result of or arising from any claim by a third party that a lien or liens have become attached to the fee and/or remainder interest in the Leased Premises due to LESSEE'S operations at or use of the Leased Premises.

11.5 Required Insurance Policies. In addition to the covenant of indemnity, LESSEE further covenants and agrees to obtain and keep in force during the Term of this Agreement a policy or policies of insurance as follows:

a. The LESSEE shall, with respect to the Leased Premises, or part thereof so occupied, cause the LESSEE, its respective directors, officers, agents and employees, and the LESSEE to be insured as follows, if applicable:

1. In the event LESSEE has any employees, Worker's Compensation and Employer's Liability Insurance in the form and in the amount prescribed by law for such coverage. LESSEE shall not option out of such coverage during such period of construction without prior written approval by the LESSOR.
2. General Liability Insurance policies with minimum limits of \$1,000,000.00 combined single limits per occurrence for personal or bodily injuries, including death, and for property damage.
3. Aircraft Liability Insurance for any based aircraft.
4. Comprehensive Automobile and Truck Liability Insurance covering

any vehicle brought onto the premises including owned, hired and non-owned vehicles with minimum limits of \$1,000,000 (one million dollars) combined single limit per occurrence for personal or bodily injury (including death) and for injury to or destruction of property.

5. All Risk Coverage equal to full replacement cost of LESSEE'S Facilities and improvements.

b. Special Conditions - Concerning insurance to be furnished by LESSEE, it is a condition precedent to acceptability thereof that:

1. Any policy submitted shall not be subject to limitations, conditions or restrictions inconsistent with the intent of the insurance requirements to be fulfilled by LESSEE.
2. All policies shall be written through an insurance company of recognized responsibility, duly authorized by the Commonwealth of Massachusetts to transact that class of insurance in the Commonwealth of Massachusetts.
3. No special payment shall be made by the LESSOR for any insurance that the LESSEE may be required to carry.
4. The LESSOR shall be named as an additional insured on the following policies: Comprehensive General Liability; All Risk Coverage; LESSEE hereby agrees to indemnify and hold the LESSOR harmless from any and all such claims.
5. The insurance companies issuing the policy or policies shall have no recourse against the LESSOR for payment of any premiums or for assessments under any form of policy.
6. Any of such insurance policies may be written in combination with any of the other, where legally permitted, but none of the specified limits may be lowered thereby.

11.6 Certificate of Insurance. LESSEE shall furnish the LESSOR with a certificate of such policy or policies of insurance, validly executed by or on behalf of the insurance company, certifying that such insurance is in full force and effect, and specifically insuring the liability assumed by LESSEE with a requirement of thirty (30) days prior notice to the LESSOR of any material change or cancellation thereof. Insurers shall have no right of recovery or subrogation against the LESSOR, it being the intent of the parties that insurance policies so affected shall protect both parties and be primary coverage for any and all losses covered by the above-described insurance. A lapse in insurance coverage will at the sole discretion of the LESSOR be deemed sufficient cause

for the termination of the lease for cause upon written notice to LESSEE provided, however, that LESSEE shall have seven (7) days within which to cure unless there has been an uninsured loss within the period after the lapse.

11.7 Insurance Requirements - LESSOR Rules and Regulations. The types and amounts of insurance coverages required under this Article 11.0 may be changed from time to time pursuant to ordinance, rules, or regulations duly adopted by LESSOR provided the coverage required by such ordinance, rule or regulation are uniformly and fairly applied to all other tenants conducting similar operations at the Airport.

11.8 LESSOR Liability. LESSOR assumes no responsibility for any property placed in or on the Leased Premises or any part thereof, and LESSOR is hereby expressly released and discharged from any and all liability for any loss, injury or damage to persons or property that may be sustained by reason of the occupancy of said Leased Premises under this Agreement, except that caused by the gross negligence or willful misconduct of the LESSOR/NBRAC. The indemnification Section of 11.2 shall apply to any claims asserting such liability against the LESSOR.

12.0 This section intentionally deleted

13.0 Assignment and Subletting

13.1 Assignment and Sub-letting - Approval. LESSEE shall not voluntarily or involuntarily assign or sublet any of its interest in this Agreement or in the Leased Premises, LESSEE Facilities or improvements, without obtaining the prior written approval and consent of LESSOR, which approval and consent shall not be unreasonably withheld or delayed, and any such attempted assignment or subletting without such consent shall be null and void and of no effect. LESSOR may withhold consent if the proposed sub-LESSEE is or the assignee's proposed use of the Leased property is not aviation related. LESSOR may withhold consent unless the proposed sub-LESSEE or assignee complies with all the provisions of this Section 13.0 and all other terms of this Agreement.

13.2 Assignment and Subletting Notice Subject to the provisions of Section 13.1, if LESSEE desires at any time to assign this Agreement or to sublet any of the Leased Premises, it shall first notify LESSOR of its desire to do so and shall submit in writing to LESSOR at least forty five (45) days prior thereto (1) the name of the proposed subtenant or assignee; (2) the nature of the proposed subtenant's or assignee's business to be carried on in the Leased Premises; (3) the terms and provisions of the proposed sublease or assignment; (4) financial records, credit and other information if necessary and requested to demonstrate to the reasonable satisfaction of LESSOR the financial responsibility and operational capabilities of said assignee or sub-LESSEE and (5) if the proposed assignee or sub-LESSEE is a corporation, evidence that said corporation is qualified to do business in the Commonwealth of Massachusetts and is organized and existing under the laws of one of the states of the United States.

13.3 Assignment Requirements. Any assignee or sub-LESSEE of LESSEE shall be subject to all provisions of this Agreement. The LESSOR'S rights and options set forth in this Agreement including those contained in this Section, shall prevail over any inconsistent language in any assignment or sublease by LESSEE or by subsequent subtenant or assignee. As a condition to the LESSOR'S consent to and the effectiveness of any assignment, the assignee shall be required to execute, acknowledge, and deliver to LESSOR an agreement in form and substance satisfactory to LESSOR whereby the assignee assumes all obligations of LESSEE under this Agreement. Any sublease must provide (1) that it will be subject and subordinate to all of the terms and conditions of this Agreement, (2) that the use of the Leased Premises, and LESSEE Facilities, and improvements thereunder shall be restricted exclusively to uses allowable under this Agreement, (3) that the term thereof shall not extend beyond a date which is one day prior to the expiration date of the then current term of this Agreement and any extension hereof (not to exceed the date provided in paragraphs 2.1 and 2.2 of this Agreement), (4) that the sub-LESSEE will not be permitted to further sublet all or any part of the Leased Premises, LESSEE Facilities, or improvements without LESSOR'S prior written consent, and (5) in the event of cancellation or termination of this Agreement for any reason whatsoever or of the surrender of this Agreement whether voluntary, involuntary, or by operation of law, prior to the expiration date of such sublease, including any extension or renewal granted thereunder, that at LESSOR'S option, the subtenant shall make full and complete attornment to LESSOR for the balance of the term of the sublease, which attornment shall be evidenced by an agreement in form and substance satisfactory to LESSOR which the subtenant shall execute and deliver at any time within ten (10) days after request by LESSOR, its successors and assigns. The subtenant who may be required to so attorn to the LESSOR shall waive the provisions of the law now or hereinafter in effect which may give the subtenant any right of election to terminate its sublease or to surrender possession of the Leased Premises in the event any proceeding is brought by LESSOR to terminate this Lease. The voluntary or other surrender of this Agreement by LESSEE or a mutual cancellation hereof shall not work as a merger, and shall at the option of LESSOR, terminate all or any existing leases or sub-tenancies or shall operate as an assignment to LESSOR of such subleases or sub-tenancies, as the LESSOR solely elects.

13.4 LESSEE shall not assign, pledge, or encumber, all or any part of the rights and privileges granted hereunder without the prior written consent of LESSOR.

13.5 LESSEE - Primary Obliger. No permitted assignment or subletting of LESSEE'S interest in this Agreement shall relieve LESSEE of its obligation to pay rents and to perform all of the other obligations to be performed by LESSEE hereunder. LESSEE (as primary obligor) and any assignees or sub-LESSEE shall continue to remain jointly and severally liable for all LESSEES obligations hereunder.

13.6 Change of Corporate Officers and/or Major Stockholders. If LESSEE desires at any time to change Corporate Officers and/or Major Stockholders, it shall first notify LESSOR of its desire to do so in writing and shall submit in writing to LESSOR at least forty five (45) days prior thereto (1) the name or names of the Corporate Officers

and/or Major Stockholders (2) financial records, credit and other information if necessary and requested to demonstrate to the reasonable satisfaction of LESSOR the financial responsibility and operational capabilities of said corporate officers and/or major stockholders in order to obtain prior written approval and consent of the LESSOR, which approval and consent shall not be unreasonably withheld or delayed and any such attempted changes without such written approval and consent shall be null and void and of no effect.

14.0 Rights of Entry Reserved

14.1 Right of Entry. LESSOR, its officers, agents and employees, shall have the right, during business hours, to enter upon the Leased Premises and LESSEE Facilities for the purpose of inspecting same, or the doing of any act or thing which LESSOR and LESSEE, may be obligated, or have the right, to do under this Agreement, provided LESSOR has first given prior written notice to LESSEE and LESSEE having had reasonable time to perform following notice prior to such inspection, LESSOR shall give reasonable notice to LESSEE and shall identify the LESSOR'S representative and their purpose. LESSEE shall have the right to have an agent or employee accompany the LESSOR'S representative. The LESSOR reserves the right to enter the property and building of the LESSEE without notice at anytime during an emergency.

14.2 Maintenance of Utilities and Easements. Without limiting the generality of the foregoing, LESSOR shall have the right, for its own benefit, for the benefit of LESSEE, or for the benefit of others using or leasing property at the Airport, to maintain the existing and future utilities systems and other systems and portions thereof in the Leased Premises in the event LESSEE fails to maintain said utility systems in a manner consistent with other office/aircraft storage hangars located on the Airport. These shall include systems for the supply of heat, water, gas, fuel and electricity and for the furnishing of fire alarm, fire protection, sprinkler, sewage, drainage, telephone and telegraph service, including all lines, pipes, mains, wires, conduits, and equipment connected with or appurtenant to such systems, and the LESSOR may enter the Leased Premises to make such repairs, replacements or alterations as may, in the opinion of the LESSOR, be deemed necessary or advisable in the event LESSEE fails to so maintain said utility system; provided, however, that such systems, and such ingress and egress by LESSOR shall not unreasonably interfere with LESSEES Facilities nor with clearances therefor. The LESSEE shall bear the entire cost of any such maintenance in accordance with Section 9.2 of this agreement.

15.0 Default: Termination by LESSOR

15.1 Termination for Default. LESSOR, subject to the provisions of paragraph 15.2, may declare this Agreement to be in default (herein a "Default") upon the occurrence of any one or more of the following events:

- a. Any lien filed against the Leased Premises other than any mortgage which is approved and assented to by the LESSOR (except a lien for taxes, assessments

or other governmental charges so long as such taxes, assessments or charges are not delinquent or are being contested in accordance with the provisions of Section 40.1 hereof) and not released or otherwise removed or bonded within sixty (60) days after written notice, from any source, to the LESSEE of the filing thereof, or

- b. LESSEE shall fail to pay rental due within thirty (30) days of the due date;
- c. LESSEE shall fail to perform any covenant or agreement herein required to be performed by LESSEE;
- d. (i) The making by LESSEE of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against LESSEE of a petition to have LESSEE adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against LESSEE, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of LESSEE'S assets located at the Premises or of LESSEE'S interest in this Lease, where possession is not restored to LESSEE within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of LESSEE'S assets located at the Leased Premises or of LESSEE'S interest in this Agreement, where such seizure is not discharged within thirty (30) days;
- e. The abandonment of the Leased Premises by LESSEE for a period of more than thirty (30) days by the LESSEE, except in the event of force majeure, Acts of God or other events beyond the control of LESSEE, or damage or destruction as described in Section 10, or due to condemnation as described in Section 22;
- f. Any default under this section or dispute by either party will be subject to the provisions of Section 40.1.

15.2 Default - Written Notice. In the event LESSOR has declared this Agreement to be in default pursuant to the provisions hereinabove described, LESSOR shall promptly provide LESSEE with a written notice describing the Default or event of Default and the LESSOR'S intention to terminate this Agreement within thirty (30) days, or as otherwise prescribed herein, of receipt of said notice if such is not cured as hereinafter described.

15.3 Default - Right to Cure. Provided LESSEE has not received a written notice of default in accordance with the terms of article 15.2 of this lease within the last six (6) months, LESSEE shall have the right to cure or cause the cure of such Default within thirty (30) days after receiving such notice; unless otherwise provided, herein, provided, however, that if the Default is such that it cannot be cured within such thirty (30) day period, but LESSEE commences and diligently pursues curative action with respect

thereto, the period of time during which LESSEE may cure such Default shall be in the amount of time which is reasonably necessary to cure such Default. Notwithstanding anything herein contained, the provisions hereof shall not be deemed to waive or limit LESSOR'S remedies at law or equity. LESSOR shall likewise have available the remedy of specific performance of this Agreement.

15.4 Default - Right of Re-entry. LESSOR may enforce the performance of this Agreement in any method provided at law or equity, and this Agreement may be terminated at LESSOR'S discretion if such default has not been cured as hereinabove described; thereupon, this Agreement shall cease and come to an end as if it were the day originally fixed herein for the expiration of the term or any extension hereof. LESSOR, its agents and attorneys, shall have the right, without further notice or demand, to re-enter and remove all persons and property therefrom without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of rent or breach of covenant.

16.0 Default: Termination by LESSEE

16.1 Termination for Default. LESSEE may terminate this Agreement upon default by LESSOR in the performance of any covenant or agreement herein required to be performed by LESSOR, if such default is not cured within sixty (60) days following written notice thereof from LESSEE to LESSOR; provided, however, if such condition of default is not reasonably susceptible of cure within such sixty (60) day period, LESSEE may not terminate this Agreement by reason of such condition of default if LESSOR commences and diligently pursues curative action with respect to such condition of default within such sixty (60) day period. Notwithstanding anything herein contained, the provisions hereof shall not be deemed to waive or limit LESSEE'S remedies at law or equity. LESSEE shall likewise have available the remedy of specific performance of this Agreement. The LESSOR reserves any and all defenses it may have.

16.2 Default - Arbitration. Any default under this section or dispute by either party will be subject to the provisions of Section 40.1.

17.0 Obstruction Lights

17.1 Required Obstruction Lighting. At its expense, LESSEE shall furnish such obstruction lights as required by the FAA on the Leased Premises of the type and design approved by the FAA, and shall install and LESSEE shall maintain said lights in the locations designated by LESSOR/FAA. LESSEE shall furnish and install all bulbs and shall furnish the electricity necessary for the operation of the lights.

17.2 Obstruction Lights - Operation and Maintenance. The lights shall be operated in accordance with the directions of LESSOR or the FAA. LESSOR hereby directs that all obstruction lights shall, until further notice, be operated daily for a period commencing thirty (30) minutes before sunset and ending thirty (30) minutes after sunrise (as sunset and sunrise may vary from day to day throughout the year) and for such



CITY OF NEW BEDFORD

CITY COUNCIL

September 10, 2015

Ordered, that the Chairman of the Airport Commission and the Mayor are hereby authorized on behalf of the City to execute a Lease between the City of New Bedford and Claremont Aviation LLC for Lessee's construction of a hangar at the New Bedford Regional Airport. The leased property is 45,600 square feet. A copy of the Lease is attached hereto and made a part hereof.