



8601 Aviation Boulevard
Concord, North Carolina 28027

Request for Interest (RFI)

Lease Available Hangar Facility



April 4, 2022

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I. OVERVIEW OF THE OPPORTUNITY

A. Introduction

The City of Concord (City) is requesting Statements of Interest from interested parties to lease an available hangar facility consisting of certain land and improvements (hereinafter referred to as the Subject Property) at Concord-Padgett Regional Airport (Airport) in Concord, North Carolina for the purpose of engaging in commercial or non-commercial aeronautical activities.

B. Description of the Subject Property

The Subject Property is located south of the General Aviation Terminal Building and west of Runway 02/20. The Subject Property consists of corporate hangar space, office, shop, and vehicle parking which is further described below:

Subject Property	
Componet	Size (SF)
Corporate Hangar Space	10,743
Office Space	1,365
Shop Space	754
Vehicle Parking	12,625
Total	25,487

All normal utilities (e.g., water, electrical, sewer, and gas) are available to the Subject Property. Trash and telecommunications utilities are also available. The Subject Property is level at street grade. Landside access is provided to the Subject Property through a security gate via an Airport surface road. The Subject Property has airside access by taxilanes to the parallel taxiway for Runway 02/20.



Initial lease term is not expected to exceed 5 years. The City may agree to mutual options following the initial lease term based on lessee’s business plan and/or capital investment. Please note the minimum initial rent required by the City is \$6,000.00 per month.

The Subject Property is identified in the following figure.

Figure 1 – Subject Property



For reference purposes only

C. Anticipated Use of the Subject Property

The City is seeking an entity to lease the Subject Property to provide general aviation products and services as a specialized aviation service operator (SASO) or to utilize the Subject Property for non-commercial aeronautical activities. The Subject Property may be used for a variety of non-commercial aeronautical activities (e.g., aircraft storage, operation of a corporate flight department, etc.) or commercial aeronautical activities (e.g., aircraft maintenance, avionics and/or instrument maintenance, aircraft rental, flight training, aircraft charter, aircraft management, aircraft sales, etc.).

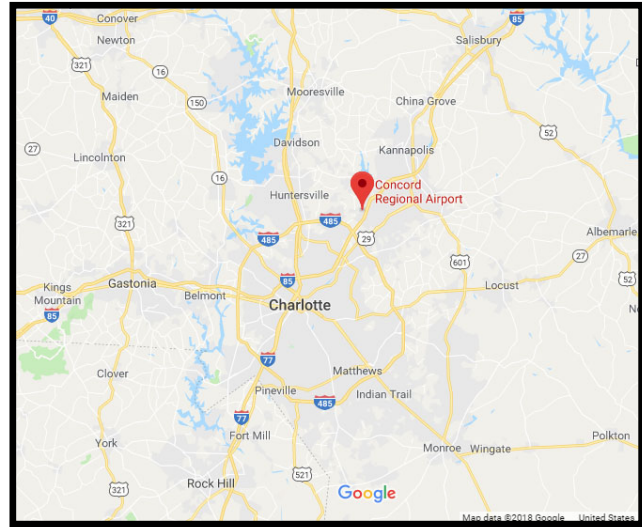
It is significant to note the City has exercised a proprietary exclusive right on commercial fueling services and commercial aircraft storage.

II. BACKGROUND INFORMATION

A. Community Information

1. Geographic Location

The City is located approximately 25 miles northeast of Charlotte, North Carolina and encompasses approximately 60 square miles. The City is part of the Charlotte-Concord-Gastonia Metropolitan Statistical Area (MSA) and is the second largest city in the Charlotte Metropolitan Area. Concord is located south of Kannapolis and north of Harrisburg.



2. Demographics

The population of the City has increased a total of 33.1% or a compounded annual increase of 2.9% from 79,066 in 2010 to 105,240 in 2020 (U.S. Census Bureau).

3. Business and Industry

The largest employment sectors of the City are (1) educational services, health care and social assistance, (2) art, entertainment, and recreation and accommodation and food and (3) professional, scientific, and health care and social assistance. These employment sectors account for approximately 45.1% of the employment in the City.

The City is home to Carolinas Medical Center – Northeast with approximately 4,500 employees. The 2nd largest employer is the City is Cabarrus County Schools with approximately 3,800 employees and the 3rd largest employer in the City is Cabarrus County Government with 950 employees.

4. Economic Factors

In general, the civilian labor force of the City has increased from 39,986 in 2010 to 52,534 in 2019 (U.S. Census Bureau), which represents a total increase of 31.4% or a compounded annual increase of 3.1%.

As identified by the U.S. Bureau of Labor Statistics, the unemployment rate of the Charlotte-Concord-Gastonia, MSA was preliminary estimated at 4.5% (February 2022) as compared with the U.S. national unemployment rate which was approximately 4.0% (February 2020).

B. Airport Information

1. Airport Description

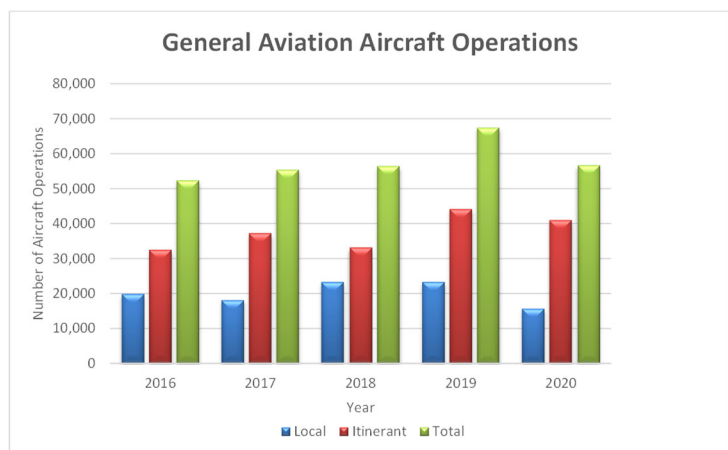
The Airport is owned and operated by the City which is made up of a council-manager form of government. This council is made up of one Mayor (elected city-wide for a four-year term), seven City Council members (elected city-wide for a staggered four-year term), and one City Manager appointed by the City Council. The City Council is responsible for establishing policy and law while the City Manager is expected to implement those policies as well as being in charge of day-to-day operations of the City. The Airport encompasses approximately 750 acres of land and has one runway (Runway 02/20, which is 7,400 feet long and 100 feet wide, is constructed with asphalt and is in good condition).

The Airport has an Air Traffic Control Tower (which operates from 7:00 a.m. until 11:00 p.m.) and is served by one Instrument Landing Systems (ILS) – Runway 20 and multiple non-precision approaches (LOC and RNAV – GPS). The Airport is designated a Primary Commercial Service Nonhub airport in the *FAA National Plan of Integrated Airports System (NPIAS)* and a National airport in the *FAA General Aviation Airports: A National Asset* study.



2. Airport Activity Indicators

Over the previous five years, the Airport has hosted between 52,000 to 68,000 total operations annually consisting of approximately 40% local and 60% itinerant operations. During the same period, the general aviation fuel volumes (consisting of jet fuel and avgas) have averaged approximately 1,000,000 gallons.



General Aviation Based Aircraft							
Year	Single-engine	Multi-engine	Jet	Helicopter	Other	Total	% Change
2016	107	25	30	6	0	168	-11.1%
2017	107	25	30	6	0	168	0.0%
2018	114	15	32	5	0	166	-1.2%
2019	144	15	32	5	0	196	18.1%
2020	139	23	37	6	0	205	23.5%

The number of based aircraft has increased over the previous 5 years. As reported by the FAA Airport Master Record 5010, 205 aircraft are currently based at the

Airport of which, 139 (or approximately 68%) are single-engine aircraft. From 2016 to 2020, the total number of based aircraft has increased approximately 22% (or a compounded annual increase of 5.1%).

3. Commercial Aeronautical Operators

The City, branded with the Air Elite FBO Network, provides fueling (jet and avgas), line services, aircraft parking (hangar and tiedown). Multiple aeronautical commercial operators provide, on a combined basis, helicopter charter, aircraft management, aircraft maintenance, aircraft sales, aircraft rental, and flight training.

4. Demand/Capacity of Airport Hangars

The Airport has a number of City owned hangars (T-hangars, community hangars, and common aircraft hangars) which are currently fully occupied. Additionally, there are many privately owned hangars which are fully occupied. The City maintains a waiting list for hangar availability which currently has approximately 42 interested parties for various hangar sizes and types (excluding City owned T-hangars). A description of the hangar sizes is provided below. The City also occupies approximately 105 tiedown spaces for small and medium aircraft.

Hangar Wait List Information	
Component	Number of People
Corporate Hangar	4
Hangar In Common (Propeller / Jet)	12
Hangar in Common (Piston)	30

5. Airport Capital Improvements

The City has recently completed a significant number of capital improvement projects at the Airport. These projects include the following:

- \$100,000 upgrades to the General Aviation Terminal Building as it relates to the waiting area and pilot's lounge.
- \$6 million infrastructure project to strengthen the runway (to accommodate aircraft with a maximum gross landing weight up to 172,000 lbs.) and install new center line and touchdown zone lighting systems.
- Renewal of a fuel supplier agreement with World Fuel in conjunction with a new 20,000-gallon jet tank to the fuel storage facility. The Airport fuel storage facility has a total capacity of 80,000 gallons of jet and 15,000 gallons of avgas.
- \$3.8 million taxiway strengthening project
- \$3.5 million taxilane and apron strengthening project

It is anticipated the following capital improvement projects will be completed at the Airport:

- Wayfinding project
- Rehabilitation of the general aviation parking lot
- North and south parking lot improvements
- North Apron expansion (90,000 square feet)
- Rehabilitation of hangar taxilanes pavement
- Widening of Runway 2/20

III. RESPONDENT INSTRUCTIONS

A. Preparation of Statement of Interest

Statements of Interest must be complete, accurate, and free from ambiguity or irregularities of any kind. The only required submission is the Statement of Interest Form which is attached to this Request for Interest (RFI). Respondents are encouraged to complete the Statement of Interest Form utilizing the electronic (fill-in-the-blanks) form provided.

The City cannot and does not make any representation or warranty with regard to the information, data, documentation, and material conveyed in this RFI. As such, respondent is responsible for conducting its own independent investigation and analysis and making its own assessment, judgment, and decision regarding this opportunity.

Statements of Interest shall be non-binding on the City and the Respondent.

B. Schedule

The schedule for this RFI process (which is subject to change) follows:

Issue date of RFI	April 4, 2022
Statement of Interest Form submission due date	April 25, 2022

C. Delivery of Statements of Interest

The Statement of Interest must be submitted in a sealed envelope, clearly marked on the outside with the words “**Statement of Interest – Lease Available Hangar Facility at Concord-Padgett Regional Airport**” and must be delivered to the City prior to the Statement of Interest submission due date at 3:00 P.M. Eastern Daylight Time (EDT). Facsimile and email submissions will not be accepted. All Statements of Interest shall bear the name and address of the Respondent and be addressed and delivered to:

Mr. Dirk Vanderleest
Aviation Director
City of Concord
9000 Aviation Boulevard
Concord, North Carolina 28027

Any Statements of Interest received after 3:00 P.M. EDT on the submission due date may not be accepted. Statements of Interest must conform to the requirements stipulated in this RFI. All Statements of Interest and other materials (if applicable) submitted by Respondent in regard to this RFI will become the property of the City and shall not be returned to the Respondent.

The City shall have the right to copy, disclose, publicize, and dispose of the Statements of Interest. The City shall be free to use any ideas, concepts, techniques, or plans provided by the Respondent without obligation for compensation or liability of any kind.

The City is subject to the North Carolina Public Records Law and all materials submitted by Respondent to the City are subject to disclosure. All information provided as part of any Statement of Interest will remain confidential only to the extent permitted by law and expressly agreed by the City in writing. Respondent specifically waives any claims against the City related to the disclosure of the Statement of Interest and any material submitted if made under a public records request.

D. Non-Discrimination

The City shall not discriminate on the grounds of race, color, national origin, religion, sex (including pregnancy and gender identify), genetic information, age (40 and over), disability, or sexual orientation when evaluating the Statements of Interest.

E. Contact with the City and Others

Prior to submission of Statements of Interest, interested parties may contact Dirk Vanderleest at the below information to discuss any questions pertaining to this RFI. Otherwise, interested parties shall not contact the City, other employees, or advisors, or any City elected or public official or staff member regarding this RFI. A written addendum addressing any questions received from interested parties will not be provided during the RFI process.

In the event interested parties desire to tour the Airport and/or Subject Property, please contact Dirk Vanderleest at the below:

Mr. Dirk Vanderleest
Aviation Director
City of Concord
(704) 920-5900
vanderleestd@concordnc.gov

IV. STATEMENT OF INTEREST FORM

A. Legal name: _____

B. Business or trade name (if applicable): _____

C. Type of entity (check one):

- Individual Sole Proprietor Limited Liability Company
 Corporation Partnership Other _____

D. Respondent's primary office and contact information:

Name: _____

Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: (____) ____ - _____ Facsimile: (____) ____ - _____

Email Address: _____

E. Respondent's authorized representative and contact information:

Name: _____

Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: (____) ____ - _____ Facsimile: (____) ____ - _____

Email Address: _____

F. Type of activity to be conducted (check all that apply):

- Non-Commercial Aircraft Storage Corporate Flight Department
 Aircraft Maintenance Avionics/Instrument Maintenance
 Aircraft Rental Flight Training
 Aircraft Charter Aircraft Management
 Aircraft Sales
 Other Commercial or Non-Commercial Aeronautical Activities (please describe):

G. Proposed initial rent (per month):

H. Proposed term and capital investment (if applicable):

I. Projected annual fuel purchases (in gallons) from the City:

J. Additional Comments (if desired):

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A. Sample Lease Agreement

HANGAR LEASE AGREEMENT

Between

CITY OF CONCORD

And

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STATE OF NORTH CAROLINA
COUNTY OF CABARRUS

LEASE AGREEMENT

This Lease Agreement (this "Agreement") is made and entered into effective _____ by and between the City of Concord, a body corporate and politic under the laws of the State of North Carolina ("Lessor") and _____, organized and existing under the laws of the State of North Carolina, with offices in Cabarrus County, North Carolina,

hereinafter referred to as "Lessee." (Collectively referred to as "Party" or "Parties").

WITNESSETH:

WHEREAS, the Lessor owns and operates Concord-Padgett Regional Airport (the "Airport"); and

WHEREAS, the Lessor is willing to lease office space to Lessee for use for flight training office space

NOW THEREFORE, for and in consideration of the mutual premises and covenants herein contained and in further consideration of the payment of rent hereinafter stipulated, and of the terms and conditions herein set forth, Lessor and Lessee agree as follows:

SECTION 1. LEASED PROPERTY:

A. Leased Premises:

1. Hangar– Lessor hereby leases to Lessee the corporate hangar located at _____ Concord NC 28027 containing _____ square feet hangar space, for Lessee's exclusive use.
2. The Hangar Space shall be referred to collectively as the Leased Premises.

B. Title to Leased Premises: Fee simple title to the Leased Premises shall be and remain in Lessor throughout the term of this Agreement.

SECTION 2. USE OF LEASED PROPERTY:

A. Use by Lessee: Lessee shall use the Leased Premises for aviation purposes, which shall include apron, auto parking, and all other directly related ancillary aviation uses.

B. Ingress and Egress: Lessor hereby grants Lessee the right of ingress to and egress from the Leased Premises over taxiways, ramps, airport roadways, including the use of common-use roadways, such right being expressly subject to applicable laws and such rules and regulations as may be reasonably established by the Aviation Director of the Airport with respect to such use.

C. Public Airport Facilities: Lessor hereby grants Lessee the right, in common with others, to use existing and future facilities on the Airport that provide for the landing, taking off and taxiing of aircraft including navigational aids, hazard designation and warning devices, lighting and clear zone areas, subject to applicable fees, if any, as set from time to time by the Lessor.

D. Common Facilities: Lessor hereby grants Lessee the right, in common with others, to use the public portions of the Airport and appurtenances thereto. Lessee shall conduct its operations in a manner so as not to interfere with the reasonable use by others of common facilities.

SECTION 3. RESTRICTIONS ON USE OF LEASED PREMISES:

A. Commercial Activities: Commercial Aeronautical Activities shall not be conducted from the Leased Premises unless a commercial operations agreement has been executed between the Lessor and Lessee and the airport minimum standards have been met.

B. Fuel: Lessee may fuel only its own aircraft, using its own employees and equipment, at such locations on the Airport as determined by Lessor, and Lessee shall not under any circumstances provide fuel to aircraft that are not either owned by it or leased to it on an exclusive basis.

C. Control of Lighting: Lessee agrees to control all future lighting on the Leased Premises to prevent illumination from being a hazard to pilots landing on, or taking off from, or taxiing on the Airport. The determination of hazard shall rest solely upon the judgment of the Aviation Director.

SECTION 4. TERM OF LEASE:

A. Term: The term of this Agreement shall be for a three (3) year period commencing on _____ and terminating on _____ (the "Term"), unless sooner terminated as provided herein.

B. Holding Over: If Lessee remains in possession of the Leased Premises after expiration of the Term hereof with Lessor's acquiescence and without any express agreement of parties, Lessee shall be a tenant at will at 125% of the rental rate in effect at the end of such Term. Lessee shall be bound by the terms and conditions of this Agreement as far as applicable, and there shall be no renewal of this Agreement by operation of law.

C. Termination by Lessee: The Lessee may cancel this Agreement at any time if the Airport ceases to be used for Airport purposes or with a 30 day written notice.

D. Relocation of Leased Premises: If at any time during the term of this Lease the Lessor determines that the Leased Premises, or any portion thereof, is required to permit development of planned improvements to the Airport, upon written notice to Lessee by Lessor, Lessor shall have the right to relocate Lessee to another location on the Airport which, in the judgment of the Lessor, is an appropriate and suitable location for Lessee's use and operations. Such notice shall inform Lessee of the proposed new location and specify the date upon which the proposed relocation is to become effective, which date shall not be earlier than one (1) year from the date of such notice. In the event Lessor determines that there is not a suitable replacement location available then Lessor shall have the right to terminate this Lease upon two (2) years written notice to Lessee. If Lessee determines that the new location is not suitable then Lessee may, within sixty (6) days of the relocation notice from Lessor, terminate this Agreement effective one (1) year from the date of the relocation notice from Lessor.

SECTION 5. LEASE PAYMENTS:

A. Rent: Hangar Space: Lessee agrees to pay Lessor for the Hangar an initial rent of _____ per year, payable in equal monthly installments of _____.

B. Rent Payment Date: Rent is payable in advance on a monthly basis and shall be paid on the first day of each month beginning on the first full month after the Commencement Date. Rent shall be made payable to "City of Concord" and delivered to the Aviation Director's office at 9000 Aviation Boulevard, Concord, North Carolina, 28027, by check or the parties may agree to have the Rent paid electronically or via other acceptable means.

C. Late Payments: Lessee agrees to pay a penalty charge to Lessor in an amount equal to five percent (5%) of each monthly payment not received by Lessor within ten (10) days of the date by which payment is due.

D. Rent Escalation: At the end of each year of this Agreement, the rent for the Hangar space payable at the end of the then current year shall be adjusted by an amount agreed upon as follows: The rent for the Premises shall increase by two and one-half percent (2 and ½ percent) at the end of each year for the term of the agreement. The rent so adjusted shall become the adjusted monthly rent for the following one (1) year period. In no event shall the rent be reduced below the initial monthly rent.

E. Taxes and Fees: Lessor shall pay or cause to be paid, prior to delinquency, all taxes, fees and assessments, including possessory interest taxes, on the Leased Premises or improvements thereon. Lessee shall pay or cause to be paid, all taxes, fees and assessments on any personal property owned by Lessee and situated in the Leased Premises. The failure to pay any tax, license, fee or assessment, the validity of which shall be contested in good faith and with reasonable promptness, shall not be interpreted as a violation of this Section until such contest

shall have been resolved in the taxing authority's favor or abandoned or the time for objection or appeal has expired.

- F. Collection: Interest accrues on all amounts due from and after the payment due date at the rate of 1.0% per month. If the Lessor retains the services of an attorney to collect any amounts due pursuant to this Agreement the Lessee shall be responsible for costs of collection including, but not limited to, the payment of all reasonable attorney fees.

SECTION 6. ALTERATIONS OR FURTHER IMPROVEMENTS:

A. Plans and Specifications: Lessee shall not make any alterations or additions to the Leased Premises, including landscaping, without the prior written approval by the Aviation Director.

1. If any structural or exterior improvement or alteration that requires architectural or engineered plans is approved and permitted, Lessee shall, at least thirty (30) days prior to the beginning of any construction or work, sign and deliver to the Aviation Director two (2) complete sets of plans and specifications for all alterations and improvements. All required permits shall be obtained prior to work starting and evidence thereof delivered to the Aviation Director.

2. If any structural or exterior improvement or alteration that requires architectural or engineered plans is undertaken by Lessee two (2) complete certified sets of as-built plans and specifications for all buildings and improvements on the Leased Premises shall be deposited with the Aviation Director within thirty (30) days of completion.

B. Bonds: Unless otherwise waived, prior to the commencement of any construction work upon the Leased Premises by Lessee, a corporate surety bond, satisfactory to Lessor, with Lessee's contractor or contractors as principal, in the sum equal to not less than 100% of the amount of the contract for the completion of such work guaranteeing the payments of wages for services engaged and of bills contracted for materials supplied and equipment used in the performance of such work, and protecting Lessor from any liability (including attorney's fees), and loss for damage arising therefrom.

SECTION 7. UTILITIES:

A. Payment for Utilities: It is understood and agreed that the Rent does not include payment for any utilities.

B. Waiver of Damage: Unless caused by the gross negligence or willful misconduct of Lessor or its contractors, agents or employees, Lessee hereby waives and releases Lessor from any and all claims for damage arising or resulting from failures or interruptions of utility services including but not limited to electricity, gas, water, plumbing, sewage, telephone, communications,

heat, ventilation, or for the failure or interruption of any public or passenger conveniences for facilities.

SECTION 8. MAINTENANCE AND REFUSE:

A. Maintenance of Leased Premises: Lessor shall, throughout the Term of this Agreement, at its own cost, and without any expense to Lessee, keep and maintain the structural portions of the Leased Premises, including building systems and improvements of every kind which may be a part thereof, and all appurtenances thereto, including sidewalks adjacent thereto, in good, sanitary and safe order, condition and repair. Lessor may enter the Leased Property to determine if maintenance is necessary. Lessor shall also be responsible for exterior lighting, parking areas and sidewalks, landscaping. Lessee shall be responsible for routine janitorial services and shall maintain the Leased Premises and Lessee's fixtures and equipment in a general state of cleanliness and order. Lessee shall also be responsible for the removal and proper disposal of any waste.

SECTION 9. INDEMNIFICATION AND INSURANCE

A. General Indemnification and Hold Harmless: Lessee shall indemnify, defend and hold harmless, on demand, Lessor, its elected or appointed officials, agents, boards, commissions, employees and representatives, for, from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including but not limited to reasonable attorneys' fees, of any character or nature arising out of or resulting from any negligent act or omission of Lessee, its employees and agents in or upon the Airport, the Leased Premises or any part thereof. In any case in which Lessee provides a defense to the Lessor pursuant to this indemnity, the defense will be provided by attorneys acceptable to Lessor, such acceptance not to be unreasonably withheld or delayed. Lessee's obligations under this Section shall survive any expiration or earlier termination of this Agreement. Notwithstanding any other provisions in this Lease, Lessor shall be liable for any special, consequential, incidental or punitive damages.

B. Environmental Compliance and Indemnification: Lessee agrees to the terms and conditions contained in "Compliance with Environmental Laws", attached as exhibit A hereto, including the indemnification provisions.

C. Liability Insurance: Lessee shall maintain in force during the Term of this Agreement comprehensive general public liability and property damage insurance, including products liability/completed operations and personal injury liability insurance, in the minimum sum of \$ 1,000,000 with respect to each accident or occurrence, and in the minimum sum of \$1,000,000 for injury or damage to property. This insurance shall include coverage for contractual liability assumed under the indemnity provisions of this Agreement. Lessor shall be named as an additional insured under such policy or policies of insurance.

Lessee shall maintain aircraft liability insurance covering all aircraft operated by and for Lessee at limits acceptable to Lessor but not less than \$1,000,000 each occurrence.

D. Fire Insurance: Lessee shall obtain and provide during the Term of this Agreement, fire and extended coverage insurance covering the Lessee's property located on the Leased Premises. The Lessee shall pay the premiums for such insurance. Lessor shall obtain and provide during the Term of this Agreement, fire and extended coverage insurance covering the improvements to the Leased Premises. The Lessor shall pay the premiums for such insurance.

E. Worker's Compensation and Employer's Liability Insurance: Lessee shall maintain worker's compensation and employer's liability insurance in the amounts and form required by the laws of the State of North Carolina.

F. Certificates of Coverage: Lessee shall furnish to the Aviation Director within thirty (30) days after execution of this Agreement or prior to the initiation of any construction on the Leased Premises, which ever shall first occur, a certificate or certificates evidencing such insurance coverage as is required pursuant to this Agreement from companies doing business in North Carolina and acceptable to Lessor covering:

1. The required coverage and policy limits.
2. The location and the operations to which the insurance applies.
3. The expiration date of policies.
4. Certificate to contain Lessee's contractual insurance coverage, to include "Waiver of subrogation is granted to the City of Concord for general liability and worker's compensation liability."
5. The name and address of party to whom the certificates should be issued:
City of Concord
Attention Risk Management
PO Box 308
Concord, North Carolina 28026-0308
6. If such coverage is canceled, reduced or materially changed, Lessee shall, within fifteen (15) days after such cancellation, reduction or material change of coverage, file with said Aviation Director a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.
7. Prior to ten (10) days before the expiration of such certificate, Lessee shall deliver to the Aviation Director a certificate renewing or extending the terms for a period of at least one (1) year or a certificate acceptable to Lessor evidencing the required insurance coverage.

G. Blanket Insurance: Nothing in this Section shall prevent the taking out of policies of blanket insurance, which may cover real and/or personal property and improvements in addition to the Leasehold Improvements; provided, however, that in all other respects each such policy

shall comply with the other provisions of this Section 9. In addition, Lessee shall have the right to self-insure for the insurance coverage required to be provided by Lessee under this Lease.

SECTION 10. DAMAGE, DESTRUCTION, OR CONDEMNATION OF LEASED PREMISES:

A. Damage of Leased Premises: Should the Leased Premises be destroyed or damaged so as to become untenable, this Agreement shall terminate effective as of the date of the occurrence of such damage.

B. Condemnation: In the any part of the Leased Premises is condemned or taken by eminent domain, this Agreement shall terminate on the date such cation is taken by such government authority. The proceeds of any award for the taking shall be payable solely to Lessor and Lessee shall have no right to share in any such proceeds.

SECTION 11. RIGHT OF ENTRY / ENCUMBRANCES:

A. Inspection: Lessor or its duly authorized representatives may enter upon the Leased Premises at any and all reasonable times upon reasonable advance notice during the term of this Agreement for the purpose of determining whether or not Lessee is complying with the terms and conditions hereof or for any other purpose incidental to the rights of Lessor.

B. Encumbrances: The Leased Premises shall be accepted by Lessee subject to any and all then existing easements or other encumbrances, which do not unreasonably interfere with Lessee's operations at the Leased Premises. Lessor shall have the right to install, lay, construct, maintain, repair and operate such sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil or gas pipelines, communications facilities, navigational aids, and any other equipment or facilities related to the operation of the Airport, and any other appliances and appurtenances necessary or convenient in connection therewith, over, in, upon, through, across and along the Leased Premises, or any part thereof, and to enter thereon upon reasonable advance notice (except that no notice shall be required in the event of an emergency) at reasonable times for any and all such purposes; provided, however, that no right of the Lessor provided for in this section shall be so exercised as to interfere unreasonably with the Lessee's operations, and no underground utilities shall be installed underneath any vertical improvements on the Leased Premises. Lessor shall, at its sole cost and expense, promptly repair and restore (to original condition) any damage to the Leased Premises (including, without limitation, landscaping) resulting from Lessor's right of entry.

SECTION 12. EVENTS OF DEFAULT BY LESSEE:

The happening of any one or more of the following listed events and the expiration of any notice and cure periods herein provided (which events, upon such expiration, are hereinafter

referred to singularly as “Event of Default” and plurally as “Events of Default”) shall constitute a breach of this Agreement on the part of Lessee:

(a) The filing by, on behalf of, or against Lessee of any petition or pleading to declare Lessee a bankrupt, voluntary or involuntary, under any Bankruptcy Act or law, which is not dismissed within sixty (60) days after the date of filing.

(b) The commencement in any court or tribunal of any proceeding, voluntary or involuntary, to declare Lessee insolvent or unable to pay its debts, which is not dismissed within sixty (60) days after the date of filing.

(c) The failure of Lessee to pay any rent or any other amount payable under this Agreement within ten (10) days after written notice by the Lessor that the same is due and payable.

(d) The appointment by any court or under any law of a receiver, trustee or other custodian of the property, assets or business of Lessee, who is not dismissed within sixty (60) days after the date of appointment.

(e) Except as expressly permitted in this Agreement, the assignment by Lessee of all or any part of its property or assets for the benefit of creditors.

(f) The failure of Lessee to use the Leased Premises over a continuous period in excess of sixty (60) days for reasons that are not otherwise excused under this Agreement. Any personal property belonging to Lessee and left upon the Leased Premises and any or all of Lessee's improvements and facilities thereon after abandonment shall, at the option of the Lessor, be deemed to be abandoned by Lessee and shall, at the sole option of the Lessor, become the property of Lessor.

(g) Except as specifically provided in Section 12(a)-(f), the failure in any material respect of Lessee to perform, fully and promptly, any act required of it under the terms of this Agreement, or otherwise to comply with any term or provision hereof within thirty (30) days after written notice by the Lessor to the Lessee to do so, unless such default cannot be cured within such period and Lessee has in good faith commenced and is prosecuting the cure thereof, in which case the Lessee shall have a reasonable extension of such period in order to cure such default.

SECTION 13. RESULTS OF LESSEE'S DEFAULT / TERMINATION BY LESSOR:

SHOULD AN EVENT OF DEFAULT EXIST HEREUNDER BEYOND ANY APPLICABLE CURE PERIOD, LESSOR, IF IT SHALL SO ELECT, MAY (1) TERMINATE THE TERM OF THIS AGREEMENT, OR (2) RE-ENTER THE LEASED PREMISES WITH OR WITHOUT PROCESS OF LAW AND EXPEL OR REMOVE LESSEE OR ANY OTHER PARTY OCCUPYING THE LEASED PREMISES, THEREBY TERMINATING LESSEE'S RIGHT TO POSSESSION WITHOUT TERMINATING THE TERM OF THIS AGREEMENT. UPON SUCH

TERMINATION OF THE TERM HEREOF, LESSEE SHALL PROMPTLY SURRENDER POSSESSION OF THE LEASED PREMISES. IF LESSOR SHALL ELECT TO TERMINATE LESSEE'S RIGHT TO POSSESSION ONLY, WITHOUT TERMINATING THE TERM OF THIS AGREEMENT, LESSOR MAY (I) RE-ENTER THE LEASED PREMISES AND REMOVE LESSEE, WITHOUT RELEASING LESSEE FROM ITS OBLIGATIONS HEREUNDER, (II) REFURBISH, REDECORATE, ALTER, REPAIR OR OTHERWISE PREPARE THE LEASED PREMISES FOR LEASE TO OTHERS, AND (III) ATTEMPT TO RELET THE LEASED PREMISES, AND IF THE AMOUNT OF RENTAL COLLECTED BY LESSOR UPON SUCH RELETTING IS NOT SUFFICIENT TO PAY MONTHLY THE FULL AMOUNT OF THE RENTAL HEREIN RESERVED (PLUS CHARGES AND EXPENSES PAYABLE BY LESSEE) OVER THE REMAINDER OF THE TERM, TOGETHER WITH ALL COSTS OF REPOSSESSION AND RELETTING (INCLUDING LEASING COMMISSIONS), LESSEE SHALL PAY TO LESSOR THE AMOUNT OF EACH MONTHLY DEFICIENCY UPON DEMAND; AND IF THE RENT SO COLLECTED FROM SUCH RELETTING IS MORE THAN SUFFICIENT TO PAY THE FULL AMOUNT OF RENT AND OTHER LESSEE OBLIGATIONS RESERVED HEREUNDER, TOGETHER WITH THE AFOREMENTIONED COSTS, LESSOR SHALL BE ENTITLED TO THE SURPLUS. LESSOR AGREES TO USE COMMERCIALY REASONABLE EFFORTS TO MITIGATE ITS DAMAGES IN THE EVENT OF A DEFAULT BY LESSEE.

SECTION 14. NON-WAIVER OF DEFAULTS:

No Waiver by either party of default by the other party of any terms, covenants, or conditions hereof to be performed by such other party shall be construed to be a waiver of any subsequent default. No term, covenant, or condition hereof can be waived except by written consent of the non-defaulting party. The acceptance of Rent or the performance of all or any part of this Agreement by the Lessor for or during any period or periods after default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by the Lessee, shall not be deemed a waiver of any right on the part of the Lessor to declare a default or cancel this Agreement for a subsequent breach thereof.

SECTION 15. LESSEE'S ENCUMBRANCES:

A. Liens: Lessee shall keep the Leased Premises and all improvements thereon free from any and all liens including those arising out of any work performed, materials furnished or obligation incurred by Lessee, or its employees, agents, or contractors. Notwithstanding the foregoing, if any Lien is filed against the Leased Premises for work claimed to have been done for, or materials claimed to have been furnished to the Lessee, Lessee shall either cause the same to be discharged of record within thirty (30) days after the date of filing, or, if Lessee, in Lessee's discretion and in good faith, determines that the lien should be contested, shall furnish such security as may be necessary or required to prevent the pendency of such contest, and Lessee shall indemnify and hold Lessor harmless from and against any and all costs, expenses, claims or losses resulting there from by reason thereof. If Lessee shall fail to discharge said Lien, or, in the event the lien cannot be discharged within the time period, if Lessee shall fail to undertake the steps necessary to secure the discharge of such lien, then, Lessor may, but shall not be obligated to

discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien, and Lessee shall, within ten (10) days after written demand by Lessor, reimburse Lessor for all of its costs and expenses arising in connection with the lien, including reasonable attorney fees.

SECTION 16. TERMINATION:

Termination at end of Term: Lessee shall have the right to remove during the Term hereof any and all fixtures which Lessee may have placed or installed upon the Leased Premises. Lessee shall, upon termination of this Agreement in any manner, quit and deliver up the Leased Premises to Lessor peaceably, quietly, and in as good order and condition as the same now are or may be hereafter improved by Lessee or Lessor, with the exception of reasonable use, normal wear and tear, casualty and condemnation.

SECTION 17. LESSOR'S LIEN:

If Lessee is in default under any covenant, term or provision of the Agreement after any applicable cure period, or has abandoned the Leased Premises, in addition to any other rights pursuant to this Agreement, Lessee hereby grants to Lessor a lien upon any improvements, personal property (including aircraft) and trade fixtures of Lessee upon the Leased Premises, which lien Lessor may satisfy by selling said improvements, personal property or trade fixtures at public or private sale without notice to Lessee and from the proceeds of said sale satisfy first any costs of storage, removal and sale, and any other debts due from Lessee to Lessor, and secondly, satisfy the total amount of unpaid rent due hereunder and hold any balance for the account of Lessee. This lien shall inure to Lessor's benefit whenever Lessee is in default hereunder and when Lessor exercises any right, which Lessor may have at law, in equity or under this Agreement.

SECTION 18. QUIET ENJOYMENT:

Lessee, upon payment of the fees and all other payments and charges to be paid by Lessee under the terms of this Agreement and upon observing and keeping the agreements and each of the covenants of this Agreement on the part of Lessee to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Leased Premises during the term of this Agreement free from any interference or interruption by Lessor or anyone claiming through Lessor, subject to any directives from any applicable state or federal regulatory authority.

Lessee shall not commit or suffer to be committed in or upon the Leased Premises any other act or thing which may unreasonably disturb the quiet enjoyment of any other tenant at the Airport or adjoining property to the Airport.

SECTION 19. SALE, ASSIGNMENT, TRANSFER AND SUBLETTING:

Lessee shall not sell, assign, or transfer this Agreement without the prior written consent of the Lessor, which consent may be withheld for any reason at Lessor's sole discretion. Lessee shall not sublease the Leased Premises or any portion thereof, nor shall Lessee sublet any privileges granted with respect to the operation of said Leased Premises or any portion thereof. No assignment or sublease shall serve to release the Lessee from any of its obligations, duties or responsibilities under this Agreement unless the Lessor agrees thereto in writing. No assignee for the benefit of Lessee's creditors, and no trustee, receiver, or referee in bankruptcy shall acquire any rights under this Agreement by virtue of this Section.

Notwithstanding anything to the contrary in this Section 19, Lessee may assign this Agreement or sublease part or all of the Leased Premises without Lessor's consent to any of the following (collectively, a "Lessee Affiliate"): (i) any corporation, limited liability company, or partnership that controls, is controlled by, or is under common control with, Lessee, or (ii) any corporation or limited liability company resulting from the merger or consolidation with Lessee or to any entity that acquires all of Lessee's assets as a going concern of the business that is being conducted on the Premises.

SECTION 20. PUBLIC USE AND FEDERAL GRANTS:

A. Grant Agreements: The parties acknowledge that the Leased Premises and the Airport are subject to the terms of those certain sponsor's assurances made to guarantee the public use of the Airport as incidental to grant agreements between Lessor and the United States of America as amended. This Agreement shall be subordinate to the provisions of any existing or future sponsor assurances.

B. Federal Grants and Public Use: The parties acknowledge that the Airport will be operated as a public airport, subject to the provisions of the Federal Aviation Act so that nothing contained in this Agreement shall be construed to grant or otherwise authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958. Lessor reserves the right to develop or improve, as it sees fit, the Airport, its landing areas and taxiways, regardless of the desires or views of Lessee and without interference or hindrance therefrom. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States of America, including instrumentalities thereof, relative to the operation and maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds in developing the Airport.

C. Modifications to Comply with State or Federal Laws: Should the United States or any instrumentality thereof having authority to do so, or the State of North Carolina, require that any provision of this Agreement that is in violation of any federal or state law or regulation or grant assurance or any provision of an existing grant agreement between the Lessor and the United States or any instrumentality thereof, or the State of North Carolina, be changed or deleted or should any such change or deletion be required in order for the Airport to continue to retain its eligibility to receive federal funds or to participate in federal or state programs or to avoid forfeiture of previous financial assistance, the Lessor may give the Lessee notice that it elects that any such

change or deletion be made. Lessee shall then elect either to consent to any such change or deletion or to terminate this Agreement. Such election shall be made in writing and delivered to the Lessor within thirty (30) days of the date the Lessor gave notice to the Lessee of its election that any such change or deletion be made.

D. Airport Rules and Regulations: The Lessee agrees to abide by all Airport Minimum Standards and rules and regulations concerning operational safety, parking of aircraft and other vehicles, fire prevention and all other pertinent rules and provisions as promulgated by Lessor, the Airport, and the Aviation Director, copies of which rules are available to Lessee in the office of the Aviation Director.

E. FAA Rules and Regulations: Lessee shall at all times conduct its business in a lawful manner and at all times conform to the rules and regulations of the Federal Aviation Administration in so far as applicable to Lessee's possession of the Leased Premises and in the conduct of its business, and shall comply with the applicable Federal Aviation Administration Required Contract Provisions, attached hereto as Exhibit C.

F. Americans with Disability Act: Lessee shall fully comply with all applicable provisions of the Americans With Disabilities Act of 1990, P.L. 101-336, 104 Stat. 327 (ADA), expressly including, but not limited to, all requirements otherwise imposed on the Lessor regarding the Leased Premises and invitees of Lessee, insofar as the Leased Premises is considered a place of public accommodation and invitees or employees are covered by the services, programs and activity provisions of Title II of ADA.

G. Non-Discrimination: Lessee for itself, its successors and assigns, agrees that in its operation and use of the Leased Premises no person shall be excluded from participation in, denied the benefit of, or be otherwise subjected to discrimination in the use of the Airport's facilities because of his or her race, color, sex or national origin and that Lessee shall not, on the grounds of race, color or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by 49 CFR Part 21 of the Department of Transportation Regulations. A breach of this provision shall constitute an Event of Default under the terms of this Agreement.

SECTION 21. SECURITY

A. Employee Identification: Lessee's employees shall obtain and wear an Airport Identification badge at all times and be clearly identified as employees of Lessee.

B. Security Procedures: Lessee shall attend security meetings and briefings as required by the Airport or the Aviation Director and shall comply with the Airport's Tenant Security Procedures. If an increased level of security is required and announced by the Aviation

Director Lessee, its employees, invitees and guests shall comply with the enhanced security procedures.

SECTION 22. SIGNS:

Lessee shall be permitted to design and install, at its expense, exterior façade and door signage as well as interior signage as approved in advance by the Aviation Director. Such signage shall be compatible with existing surrounding signage and be in compliance with the City of Concord sign policy.

SECTION 23. RELATIONSHIP BETWEEN THE PARTIES:

Lessor is neither a joint venture with nor a partner or associate of the Lessee with respect to any matter provided for in this Agreement. Nothing herein contained shall be construed to create any such relationship between the parties or to subject Lessor to any obligation of the Lessee whatsoever.

SECTION 24. TIME OF THE ESSENCE:

Time is expressly to be of the essence in this Agreement.

SECTION 25. GOVERNING LAW AND VENUE:

This Agreement, its execution, interpretation and performance, shall be governed by and construed in accordance with the laws of the State of North Carolina. Any controversy or claim arising out of or in any way related to this Agreement or the relationship established by it, or the alleged breach thereof, whether at common law, in contract, in tort, or under statute, shall be governed by the laws of the State of North Carolina. Venue for any case or controversy in any way arising from or related to this Agreement shall be solely in the Courts of Cabarrus County, North Carolina, except for the enforcement of judgments issued from that court, and cases can neither be filed nor removed to the federal courts.

SECTION 26. NOTICES:

All notices requests, or demands herein provided to be given or made, or which made be given or made by either party to the other, shall be given and made only in writing and shall be deemed to have been duly given (i) on the date delivered when sent via nationally recognized overnight courier (e.g. Federal Express), properly addressed and postage prepaid; or (ii) upon delivery, if delivery is rejected when delivery was attempted of properly addressed certified mail, postage prepaid with return receipt requested. The proper address to which notices, requests, or

demands may be given or made by either party shall be the address set forth below or to such other address or to such other person as any party may designate. Such address may be changed by written notice given to the other party in accordance with this Section.

(A) LESSOR:

The City of Concord
Attn: Aviation Director
Concord-Padgett Regional Airport
9000 Aviation Boulevard
Concord, North Carolina 28027

Copy: City of Concord
City Attorney
P.O. Box 308
Concord, North Carolina 28027

B: LESSEE:

SECTION 27. SUCCESSORS AND ASSIGNS:

Subject to the terms and conditions of Section 19 hereof, the provisions of this Agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto.

SECTION 28. AMENDMENT OF LEASE:

The terms of this Agreement may not be changed, modified, waived, discharged or terminated orally, but only be an instrument or instruments in writing signed by both Lessor and Lessee.

SECTION 29. AUTHORIZATION TO EXECUTE AGREEMENT:

Lessor and Lessee certify that each of the individuals executing this Agreement are duly authorized to do so on behalf of each such party.

SECTION 30. FORCE MAJEURE

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Neither party shall be deemed in default with respect to any of the terms, covenants and conditions of this Agreement, if the party fails to perform and its failure is due in whole or in part to any strike, lockout, labor trouble (whether legal or illegal), civil disorder, inability to procure materials, failure of power, restrictive governmental laws and regulations, riots, insurrections, war, fuel shortages, accidents, casualties, Acts of God, acts caused directly or indirectly by the other party (or the other party's agents, employees or invitees) or any other cause beyond the commercially reasonable control of the nonperforming party; provided, however, that nothing in this Section shall excuse Lessee's failure to pay Rent due to Lessor.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this agreement this ____ day of _____, 2020.

CITY OF CONCORD

By: _____
City Manager

ATTEST BY:

City Clerk

SEAL

APPROVED AS TO FORM

Attorney for the City of Concord

By: _____

Printed Name: _____

Title: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Director

EXHIBIT "A"

COMPLIANCE WITH ENVIRONMENTAL LAWS

Lessee shall, at Lessee's own expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, affecting Lessee's operation on the Leased Premises.

A. Definitions:

1. " Environmental Laws " shall mean those laws promulgated for the protection of human health or the environment, including but not limited to the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C Section 6901 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; the Occupational Safety and Health Act of 1970, as amended, 84 Stat. 1590, 29 U.S.C. Sections 651-678, and the regulations promulgated thereunder and any other laws, regulations and ordinance (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of human health and the environment, including the ambient air, ground water, surface water, and land use, including substrata soils.
2. The term "Regulated Substances" includes:
 - a. Those substances identified or listed as a hazardous substance, pollutant, hazardous material, toxic substance, solid waste, regulated substance, or petroleum in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C Section

1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; and in the regulations promulgated thereto; and Underground Storage Tanks, U.S.C. Sections 6991 to 6991i. Those substances listed in the United States Department of Transportation Table (49 C.F.R. Section 172.101 and amendments thereto) or by the Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto); and,

- b. All substances, materials and wastes that are, or that become, regulated under, or that are classified as hazardous or toxic under any environmental law during the term of this Agreement.
3. The term "release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping.

B. Compliance:

1. Lessee shall not cause or permit any Regulated Substance to be used, generated, manufactured, produced, stored, brought upon, or released on, or under the premises, or transported to or from the Leased Premises, by Lessee, its agents, employees, contractors, invitees for a third party in a manner that would constitute or result in a violation of any Environmental Law or that would give rise to liability of Lessor under an Environmental Law. Lessee shall indemnify, defend and hold harmless, on demand, the City of Concord (the "City"), its successors and assigns, its elected and appointed officials, employees, agents, boards, commissions, representatives, and attorneys, for, from and against any and all liabilities, obligations, damages, charges and expenses, penalties, suits, fines, claims, legal and investigation fees for costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons, the

environment or premises and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, human health or the environment pursuant to any Environmental Law, the common law, or other statute, ordinance, rule, regulation, judgment or order of any governmental agency or judicial entity, which are incurred or assessed as a result, whether in part or in whole, of any use of the Leased Premises by Lessee during the term of this Agreement or any previous lease for uses of the premises by Lessee or its owners or affiliated entities, or its agents, employees, invitees, contractors, visitors or licensees. Lessee's obligations and liabilities under this Article shall continue so long as the City bears any liability or responsibility under the Environmental Laws for any use of the Leased Premises during the term of this Agreement or any previous use of the Leased Premises by Lessee. This indemnification of the City by Lessee includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial actions, removal or restoration work required or conducted by any federal, state or local governmental agency or political subdivision because of Regulated Substances located on the Leased Premises or present in the soil or round water on, under or about the Leased Premises.

2. Without limiting the forgoing, if the presence of any Regulated Substance on, under or about the Leased Premises caused or permitted by Lessee or by any person or entity under Lessee's control results in any contamination of the Leased Premises or any adjacent premises, Lessee shall promptly take all actions at its sole cost and expense as are necessary to mitigate any immediate threat to human health or the environment. Lessee shall then undertake any further action necessary to return the Leased Premises to the condition

existing prior to the introduction of any regulated substance to the Leased Premises; provided that the City's approval of such actions without regard to the potential legal liability of any other person, however, any remedial activities by Lessee shall not be construed as to impair Lessee's rights, if any, to seek contribution or indemnity from another person.

3. Lessee shall, at Lessee's own cost and expense, make all tests, reports, studies and provide all information to any appropriate governmental agency as may be required pursuant to the Environmental Laws pertaining to Lessee's use of the Leased Premises. This obligation includes but is not limited to any requirements for a site characterization, site assessment and/or a cleanup plan that may be necessary due to any actual or potential spills or discharges of regulated substances on, or under the premises, during the term of this Agreement. At no cost or expense to the City, Lessee shall promptly provide all information requested by the City pertaining to the applicability of the Environmental Laws to the Leased Premises, to respond to any governmental investigation, or to respond to any claim of liability by third parties, which is related to environmental contamination. In addition, the City shall have the right to access, within two (2) days of Lessee's receipt of written request, and copy any and all records, test results, studies and/or other documentation, other than trade secrets, regarding environmental conditions relating to the use, storage, or treatment of regulated substances by the Lessee on, under or about the Leased Premises.
4. Lessee shall immediately notify the Aviation Director of any of the following: (a) any correspondence or communication from any governmental agency regarding the application of Environmental Laws to the premises or Lessee's use of the Leased Premises,

(b) any change in Lessee's use of the premises that will change or has the potential to change Lessee's or the City's obligations or liabilities under Environmental Laws, and (c) any assertion of a claim or other occurrence for which Lessee may incur an obligation under this Exhibit A.

5. Lessee shall insert the provisions of this Article in any agreement or contract by which it grants a right or privilege to any person, firm or corporation under this Agreement.
6. Lessee shall at its own expense obtain and comply with any permits or approvals that are required or may become required as a result of any use of the Leased Premises by the Lessee, its agents, employees, contractors, invitees and assigns.
7. Lessee shall obtain and maintain compliance with any applicable financial responsibility requirements of federal and/or state law regarding the ownership or operation of any device used for the treatment or storage of a Regulated Substance and present evidence thereof to the City, as may be applicable.
8. Lessee shall take reasonable precautions to prevent other persons not acting under Lessee's authority from conducting any activity that would result in the release of a Regulated Substance on the Leased Premises. Lessee shall also exercise due care with respect to any Regulated Substance that may come to be located on the Leased Premises as a result of the actions of third parties who are not under Lessee's authority.

C. Lessor's Insurance

Lessor agrees that during the term of this Agreement it shall keep and maintain insurance covering any environmental contamination that may be caused, in whole or in part, by Lessor, in such amounts as are determined to be reasonable in the sole discretion of the Lessor and the Aviation Director.

EXHIBIT B

REQUIRED FAA CONTRACT PROVISIONS

GENERAL CIVIL RIGHTS PROVISIONS

The Lessee and its transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision obligates the lessee or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program.

In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods:

(a) The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or

(b) The period during which the airport sponsor or any transferee retains ownership or possession of the property.

**CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED
UNDER THE ACTIVITY, FACILITY, OR PROGRAM**

A. The Lessee, for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to this lease, in the event of breach of any of the above Nondiscrimination covenants, the City of Concord will have the right to terminate the lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the lease had never been made or issued.

TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the “Lessee”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;

The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);

Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;

The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes

discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).