SHREVEPORT DOWNTOWN [ ] REGIONAL [ ] AIRPORT
LEASE AGREEMENT

THIS AGREEMENT made and entered into this _____ day of _____, 20____ by and between:

> **THE CITY OF SHREVEPORT, LOUISIANA,** a municipal corporation of the state of Louisiana, appearing herein through its duly authorized agency, **THE SHREVEPORT AIRPORT AUTHORITY ("SAA")**, whose mailing address, for purposes of this Act, is 5103 Hollywood Avenue, Suite 300, Shreveport, LA 71109, represented herein by_____, its **Chairman,** hereinafter referred to as **"LESSOR."**
>
> AND
>
> _____, whose mailing address is _____, _____, represented herein by its _____, duly authorized to act, hereinafter referred to as "**LESSEE**."

It is the intent of the SAA to create a ground lease that complies with Federal Aviation Administration ("FAA") regulations and all federal, Louisiana state, and local laws while providing fair and equitable rights for lessees upon public lands. Both parties herein understand that publicly owned lands cannot be encumbered in perpetuity.

1. The Leased Premises

Pursuant to the terms and conditions hereof, LESSOR hereby leases to LESSEE, and LESSEE hereby leases from LESSOR, the property hereinafter referred to as "the Leased Premises," described as:

> A tract of land identified as Lot ___ on a map entitled "Hangar Area Lots, _____, dated _____, prepared by _____, said map being attached hereto and made a part hereof, said Lot ____ being identified thereon, together with any and all buildings and improvements thereon.

The LESSEE covenants it has fully inspected the Leased Premises, is fully aware of the physical condition of the Leased Premises and hereby accepts the Leased Premises (including but not limited to all buildings, improvements, equipment and systems situated thereon), in their present condition, as fully suitable for the purpose for which they are leased.

2. Use of the Leased Premises

LESSEE shall use the Leased Premises primarily for the storage, maintenance, and repair of aircraft owned by or leased to LESSEE which are used regularly for air transportation. In addition, if this Lease is designated in Section 4 as a commercial lease, LESSEE may use the Leased Premises to operate charter/air taxi operations at the Airport and to store, maintain and repair aircraft of third persons.

LESSEE agrees that the primary purpose of the hangar located on the Leased Premises (the "Hangar") will be aeronautical in nature; however, the Hangar may be used to temporarily store other items of personal property when such storage in no way interferes with the storage of aircraft and does not otherwise violate this Lease or the FAA requirements regarding storage of non-aeronautical items in airport facilities designated for aeronautical use. Such storage shall not violate fire regulations cause structural or other damage to Airport improvements, including surface areas, nor detract from the clean and orderly appearance of the Airport.

If this Lease is designated in Section 4 as a non-commercial lease, LESSEE agrees that (i) the aircraft to be stored on the Leased Premises shall not be used in any charter and/or "for hire" service; (ii) the Leased Premises will not be used to display aircraft held by LESSEE or others for sale (except in the case of an isolated sale of an aircraft owned by LESSEE), or for any other purpose common to Fixed Base Operators or Commercial Operators; (iii) LESSEE shall not engage in any type of commercial activity on the Leased Premises; and (iv) LESSEE shall not use the Leased Premises for the storage, maintenance or repair of aircraft owned by other persons.

3. Terms and Options

3.1 Initial Term

This Lease shall have an initial term of ten (10) years commencing on _____, 20_____ (the “Commencement Date”) and expiring on _____, 20_____. This initial term shall be subject to the adjustments in rental rates and fees set forth below.

3.2 Extension Option(s)

Provided LESSEE is not in default of any provision of this Lease at the time it exercises the option(s) granted herein and provided the option(s) are not in conflict with the needs of the airport or with

the LESSOR's planning strategy, as decided by the SAA, LESSOR hereby grants LESSEE extension option(s) as follows, pursuant to ***LA R.S. 2:135.1(B)(2)(a) and (b)***, on the same terms and conditions as set forth herein and subject to the adjustments in rental rates and fees set forth below:

[ ] One (1) ten (10) year extension option, provided LESSEE has added or constructed permanent improvements on or made to the Leased Premises in the amount of not less than twenty thousand dollars ($20,000), during the initial term of this Lease. To exercise this option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term of their intent to extend this Lease and shall provide documentation that such improvements have in fact been made.

[ ] Up to two (2) ten (10) year extension provided LESSEE has added or constructed permanent improvements on or to the Leased Premises valued in excess of (i) sixty thousand dollars ($60,000) if the Leased Premises are located at the Shreveport Downtown Airport or (ii) one hundred thousand dollars ($100,000) if the Leased Premises are located at Shreveport Regional Airport. The LESSEE shall receive one (1) ten (10) year extension for each $60,000, (in the case of Shreveport Downtown Airport or $100,000 (in the case of Shreveport Regional Airport), value of additions or construction of permanent improvements made during the initial term or any extension of this Lease, not to exceed a total of two (2) ten (10) year extensions. To exercise this option LESSEE shall provide written notice to LESSOR 60 days before the expiration of the initial term or any extension period of their intent to extend the Lease and shall provide documentation that such improvements have in fact been made and are valued in excess of the amount required above. Notwithstanding any provision in this Lease to the contrary and specifically, but not limited to, those provision in Sections 6, 7, and 15, all improvements and additions so made shall become the property of LESSOR, without any action or cost to the LESSOR.

In the event that LA R.S. 2:135.1 is hereafter amended, or other Louisiana law is enacted, to retroactively reduce the monetary requirements in LA R.S. 2:135.1(B)(2)(a) and (b) that a lessee must satisfy in order to be entitled to an extension option the LESSOR and LESSEE may mutually agree to amend this Lease to afford LESSEE the benefit of such reduced requirements if such provision are applicable to leases previously entered into.

3.3 Reconduction

Once the initial term of this Lease has expired, if the LESSEE does not exercise any of its subsequent options to extend, or once any extension of this Lease has expired the Lease shall terminate on the expiration date of the term then in effect and LESSEE shall surrender possession of the premises under the provisions of Section 7 of this Lease.

4. Rental Rates and Fees

4.1 Rent

As rental for the Leased Premises, LESSEE agrees to pay LESSOR rent as follows:

[ ] COMMERCIAL LEASE: The sum of _____ AND N0/100 DOLLARS (_____ SF X current approved rate = $_____) per year, subject to adjustment as provided below.

[ ] NON-COMMERCIAL LEASE: The sum of _____ AND N0/100 DOLLARS (_____ SF X current approved rate = $_____) per year, subject to adjustment as provided below.

The foregoing rental rate shall be payable annually, in advance, the first annual payment coming due on the Commencement Date and subsequent payments coming due on the same day of each year thereafter for so long as this Lease remains in effect. All rent and other monetary payments due under this Lease shall be made at 5103 Hollywood Avenue, Suite 300, Shreveport, Louisiana, 71109. Any installment of rent not paid when due shall bear interest at the rate of twelve (12%) percent per annum from the date it becomes due until paid. The rental rates do not include utilities or the installation of utility metering devices, which cost or charges shall be paid by LESSEE.

4.2 Escalation of Rent

During each successive year of the initial term or any extension hereof, beginning one year after the commencement date of this Lease, the annual rental rate shall be adjusted as provided below, provided that the rental rate as adjusted for each term shall not in any event be less than the annual rental rate for the first year hereof. LESSOR shall give LESSEE written notice of such change not less than thirty (30) days before the effective date of the new rental rate provided, however, that such rental

rate shall not be adjusted unless the same adjustments are made for all airport lessees in the same category as LESSEE.

LESSOR may increase the annual rental rate by the greater of (i) two percent (2%) or (ii) the percentage increase in the CPI, as hereinafter defined, based on the ratio that the CPI for the last month of the immediately preceding year of this Lease bears to the CPI for the month last preceding the Commencement Date or the date of the last rate increase effectuated under this Lease, whichever is most recent. "CPI" as used herein shall mean the Consumer Price Index for All Urban Consumers, U.S. Average, All items, issued by the U.S. Bureau of Labor Statistics Section of the monthly Labor Review.

4.3 Self-Fueling Flowage Fee

If the Lease is designated as a non-commercial lease above in this section, LESSEE agrees that it will not allow the fueling of any aircraft from fueling tanks or facilities that may be located on the Leased Premises except aircraft owned by or leased to LESSEE. LESSEE must obtain a permit to self-fuel. In the event LESSEE has obtained from LESSOR a permit for dispensing fuel, LESSEE agrees to pay as additional consideration for this Lease a flowage fee in accordance with the SAA's self-fueling permit and SAA Schedule of Rates and Charges.

LESSOR reserves the right at any time and at its sole option upon thirty (30) days prior written notice to LESSEE to increase or decrease the amount of fuel flowage fees to be paid by LESSEE.

LESSOR reserves the right to audit the records pertaining to any fuel flowage fee owing to LESSOR. In the event that a discrepancy greater than ten (10%) percent of the report amount is determined by audit, LESSEE shall pay, the cost of the audit and any delinquent flowage fees, plus interest. LESSOR shall pay for the cost of the audit if the discrepancy is less than ten (10%) percent of the amount reported.

4.4 Card Access Fee

LESSOR shall pay a fee of $100 for each Airport access card that LESSEE requires to have. Each card so issued to LESSEE shall be valid for the entire term of this Lease without payment of any additional card fee. If the card is lost, destroyed or stolen, LESSOR shall be entitled to a fee of $150 for each replacement card.

4.5 Lease Transaction Fees

LESSEE shall pay, or reimburse LESSOR for, the cost of recording this Lease and any extension, amendment, assignment, sublease, or other transaction in which recording costs are incurred, as well as other all third-party out-of-pocket costs charged to the LESSOR in connection with the execution of this Lease or any such extension, amendment, assignment, sublease, or other transaction.

5. Maintenance

LESSEE acknowledges it has inspected the Leased Premises and agrees to maintain, at its sole cost and expense, the grounds and all equipment and improvements on the Leased Premises~~1~~ and to promptly make any and all repairs or replacements as necessary. LESSEE also agrees to maintain the Leased Premises and its improvements and equipment in good operating order and in a neat, orderly and presentable condition consistent with good business practices. This obligation to repair includes the obligation to make all repairs to the Hangar (including the roof and exterior structures of the Hangar) and aprons now or hereafter constructed on the Leased Premises by the LESSEE.

LESSEE agrees to pay for all utilities consumed on the Leased Premises including interior and exterior utility lines, equipment, fixtures and connections owned or installed by or for LESSEE. LESSEE shall also be responsible for snow removal in or on the Leased Premises.

In the event the United States of America or another agency, governmental or otherwise, not hired, paid or employed by LESSOR to do so, should take over, supervise and operate runways, landing areas, lights, radio control tower, and other aerial navigation aids or facilities which shall have been operated and maintained at the Airport by LESSOR at its own expense, and LESSEE is required to make payment to such agency for the use of the facilities, then the rentals and fees provided herein for LESSEE to pay LESSOR for that particular use or activity shall terminate, it being the intent hereof that LESSEE shall not be required to pay duplicate charges.

~~LESSOR shall not be liable for any damage either to person or property, whether sustained by LESSEE or by other persons, due to the Airport, any improvements thereon or any part thereof or any appurtenances thereof being out of repair, or due to any accident in or about the Airport, or~~

~~due to any act or neglect of any tenant or occupant of the Airport or any other person, or due to lack of snow or water removal at the Airport or any part thereof or in connection with the construction of any improvement by LESSOR or its contractors at the Airport. Without limiting the generality of the foregoing, LESSOR shall not be liable for damage caused by water, steam, snow, ice, sewerage, gas, bursting or leaking of pipes or plumbing or electrical causes, or the negligence of contractors, employees, agents, or licensees of LESSOR, unless the damage is proved to be the result of the gross negligence or willful misconduct of LESSOR.~~

If LESSOR discovers any maintenance deficiency that LESSEE is responsible for as defined in the Lease and/or the Airport Rules and Regulations ~~and/or the Airport Rules and Regulations~~, LESSOR shall notify LESSEE of such deficiency pursuant to the Airport Rules and Regulations Enforcement Policy. LESSEE agrees to resolve at LESSEE's expense any noticed deficiency as outlined in the Airport Rules and Regulations Enforcement Policy. Extensions requested pursuant to the Airport Rules and Regulations Enforcement Policy shall not be unreasonably withheld. LESSEE is aware that failure to resolve deficiencies may subject LESSEE to enforcement actions, including administrative fines and default. ~~In addition to other rights and remedies of LESSOR hereunder, if LESSOR discovers and reports any maintenance deficiency to LESSEE that LESSEE is responsible for as defined in the Lease and requires repair or replacement in order to maintain the Leased Premises, improvements, aircraft ramp, structural integrity or appearance of any structure(s), including without limitation any doors, roof and/or exterior walls, LESSEE will promptly undertake and complete such repairs or replacements at its expense. In the event LESSEE fails to perform its obligations hereunder, LESSOR may, at its sole option, after thirty (30) days notice, undertake and complete any such maintenance, repairs or replacements, but will have no obligation to do so, and the cost thereof will be deemed additional rent and will be paid by LESSEE to LESSOR no later than thirty (30) days after the date of invoice from LESSOR to LESSEE for such costs.~~

LESSEE will provide a complete and proper arrangement for the frequent and adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of the occupancy or use of the Leased Premises.

All maintenance, repairs, additions or other work of any kind or nature performed, constructed or installed by or on behalf of LESSEE in or upon the Leased Premises, will conform in all respects to (a) all applicable federal, state and local statutes, ordinances and building codes, (b) all applicable rules and

regulations promulgated by LESSOR including this section and the ~~SAA~~ Airport Rules and Regulations, and (c) the SAA's Master Plan, design standards, if any, for the Airport, as promulgated by LESSOR from time to time.

6. Improvements upon the Leased Premises

6.1 Construction of Improvements

If there is no hangar on the Leased Premises at the time LESSEE entered into this Lease, LESSEE may construct on the Leased Premises any one aircraft hangar and facility incidental to the storage, maintenance and operation of aircraft, and must maintain, repair and replace any and all such structures and facilities ("Improvements"). Any construction required of or desired by LESSEE shall be done in accordance with design and construction requirements of the LESSOR and all applicable codes and regulations, and plans for such Improvements shall be submitted to the LESSOR for approval prior to the beginning of construction which shall not be unreasonably withheld. LESSOR will act reasonably when considering the request, however, LESSOR may refuse to approve the proposed Improvement in the event that such improvement is in conflict with the needs of the airport or in conflict with the SAA's planning strategy, as determined by the SAA. When LESSOR has approved construction of any structure on the Leased Premises, LESSEE agrees to commence construction within six (6) months from the date of approval and to complete construction within one (1) year of the commencement of construction.

6.2 Liens upon Improvements

In the event of a default, no LENDER may enforce a lien placed on an improvement upon the leased premises without the prior approval of the LESSOR. Notwithstanding the foregoing, in connection with financing provided by a LENDER for the construction, renovation, repair or expansion of Improvements located upon the Leased Premises, LESSOR will, if so requested by either the LENDER or the LESSEE, execute a written agreement, containing commercially reasonable terms, by which LESSOR consents to a leasehold mortgage in favor of the LENDER upon the LESSEE's rights under this Lease and upon the Improvements belonging to LESSEE (unless otherwise provide in this Lease), as well as the enforcement of such mortgage by foreclosure in the event of a default thereunder.

6.3 Improvements at the Termination of the Lease

At the termination of this Lease for any reason, LESSEE may remove such Improvements from the Leased Premises provided that LESSEE is not then in default under this Lease beyond any applicable cure period.

Any such removal must be completed within ninety (90) days after the date of termination of this Lease. LESSEE shall be responsible for any damages resulting from the construction or removal of the Improvements by LESSEE. LESSEE's right to remove the Improvements does not include the right to remove, mutilate or destroy any taxiway, apron, or similar improvements constructed by LESSEE or LESSOR on the Leased Premises or at the Airport.

If LESSEE does not remove the Improvements within ninety (90) days after expiration or termination of this Lease, then LESSEE's right to remove shall cease and LESSOR shall have the option to (i) become the owner of all of the Improvements that were not removed, without the necessity of compensating LESSEE therefore and without any further action on the part of LESSOR or LESSEE, or (ii) by making demand upon LESSEE no later than thirty (30) days after the expiration of such ninety-day period, require LESSEE to remove any or all of the Improvements and to restore the Leased Premises to their condition prior to the construction of the Improvements. LESSOR's failure to make demand upon LESSEE for removal of the Improvements before the expiration of such thirty-day period shall be deemed its election not to require removal. In the event LESSOR makes a timely demand for removal, LESSEE shall, within sixty (60) days after such demand, remove at LESSEE's expense the Improvements that LESSOR has demanded be removed, and LESSEE shall be liable for the rental value of the Leased Premises from the end of the lease until the Improvements are removed.

When a LESSEE who is not in default elects not to remove the Improvements as of right during the initial ninety (90) day period following lease termination and LESSOR becomes the owner of the Improvements that were not removed, LESSEE shall have a one-time right of first refusal to enter into an Aeronautical Lease with LESSOR for the same premises at market rate.

The provisions of this Section regarding forfeiture shall not apply to LESSEE if LESSEE assigns the balance of the lease term to a third party who receives an assignment of the Lease from LESSEE with

the consent of LESSOR under the terms of Section 15 of this Lease. **LESSOR is not required to approve a lease to any transferee of the Improvements nor is LESSOR required to lease the Leased Premises to any unauthorized transferee of the Improvements.** LESSEE acknowledges that LESSEE must comply with all provisions of law and regulation, including but not limited to the Rules and Regulations in connection with the Leased Premises and that LESSOR has no obligation whatsoever to enter into a Lease of the Leased Premises or to approve an assignment to accommodate an unauthorized transfer or assignment of the Improvements by LESSEE.

Notwithstanding the foregoing, if LESSOR terminates this Lease on account of a default by LESSEE that remains uncured after the expiration of any applicable cure period, LESSEE shall not have any right to remove any Improvements. Unless LESSOR exercises its option to require removal of any Improvements by making a demand for removal within thirty (30) days after LESSOR's termination of this Lease, all of the Improvements shall, at any termination of this Lease on account of LESSEE's default, become the property of and owned by LESSOR and shall be deemed to have been forfeited to LESSOR by LESSEE.

7. Surrender of Possession

At the termination of the Lease, the Leased Premises shall be returned to LESSOR in the same condition as when received, less ordinary wear and tear, provided that if LESSEE does not remove any of the Improvements in accordance with Section 6 at the termination of the Lease, LESSEE shall leave the Leased Premises and all of such Improvements in good and broom clean condition.

8. Rights, Reservations, and Obligations of Lessor

LESSOR, its agents and assigns, shall have the right to enter the Leased Premises, by providing at least 72 hours' notice, unless deemed emergent by LESSOR, at any reasonable time throughout the terms of this Lease for any reasonable purpose, including inspection of the general condition and state of repair of the Leased Premises in accordance with the Airport's Rules and Regulations.

No independent contractor relationship is established by this Lease and LESSEE has no authority to act as agent for LESSOR based upon this Lease.

9. Rights, Reservations, and Obligations of Lessee

LESSEE shall have the right in common with others so authorized to have access to and use of the common areas of the Airport and any appurtenant structures and additions thereto which may hereafter be designated by LESSOR from time to time for common use together with facilities, equipment, improvements and services which have been or may hereafter be provided at the Airport for common use subject, however, to compliance by LESSEE with such applicable regulations and practices and payment by LESSEE of such rates, fees, and/or charges as may be specified or levied by LESSOR from time to time.

10. Non-Exclusive Rights

LESSEE shall have the nonexclusive right with others so authorized to use the common areas of the Airport and any appurtenant structures and additions thereto which may hereafter be designated by LESSOR from time to time for common use, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the takeoff, flying and landing of aircraft, subject, however, to compliance by LESSEE with such applicable regulations and practices and payment by LESSEE of such rates, fees, and/or charges as may be specified or levied by LESSOR from time to time. LESSEE agrees that any taxiway, apron, roadway, or other similar improvements constructed by it on the Leased Premises may be used by LESSOR and/or others for taxiing or other incidental and reasonable purpose.

11. Airport Rules and Regulations

LESSEE shall comply with all laws, ordinances, regulations or requirements of any governmental or quasi-governmental authority, including any and all regulations established by the Airport Rules and Regulations for Shreveport Regional Airport adopted August 5, 1985, as amended, or the Airport Rules and Regulations at Shreveport Downtown Airport, adopted February 5, 2004, as amended, (the applicable Rules and Regulations are referred to herein as "the Airport Rules and Regulations") and or the rules and regulations enumerated in this Section, now in existence or hereafter promulgated or modified pertaining to the Leased Premises or to any use or occupancy thereof including but not limited to the following:

A. The LESSEE shall obtain all necessary permits from the City, State, State Fire Marshall, utility companies or any other regulatory body requiring such documentation. **Copies of**

all such permits shall be submitted by the LESSEE to the LESSOR prior to occupying and/or commencing operation in or on the Leased Premises.

B. The LESSEE shall not store aircraft parts or trailers outside of the hangar on the Leased Premises, but the LESSEE may store airworthy aircraft owned by the LESSEE outside of such hangar. Temporary parking of vehicles on the Leased Premises is authorized when the LESSEE is on the Leased Premises or the LESSEE's aircraft is in use.

C. The LESSEE shall not allow non-airworthy aircraft to remain on the Leased Premises for more than ninety (90) days without the written consent of the LESSOR.

D. The LESSEE shall not store aviation gasoline or other gasoline or fuel on the Leased Premises other than that normally kept in the tanks of aircraft, absent a specific permit issued by the SAA to do so.

E. The LESSEE shall not permit its employees or guests to enter onto the aircraft movement areas of the airport without obtaining permission from the Airport Control Tower or without the direct accompaniment of the LESSEE.

F. The LESSEE shall not permit employees or guests to violate airport rules and regulations and/or laws of any governmental authority, including but not limited to the SAA, the City of Shreveport, the FAA or the State of Louisiana. This includes, without limitation, security rules and regulations.

G. LESSEE agrees to follow the terms and conditions of the SHV's or the DTN's (as applicable) Louisiana Pollutant Discharge Elimination System (LPDES) Multi-Section Permit for Storm Water Discharges Associated with Industrial Activities (LAR050000) including the terms and conditions of the airport's Storm Water Pollution Prevention Plan (SWP3), as approved by the SAA.

H. LESSEE agrees to obtain and maintain the appropriate Louisiana Department of Health and Hospitals, Louisiana Department of Environmental Quality (LDEQ), and SAA, as applicable, approvals for any individual sanitary wastewater treatment system installed or on at Leased Premises.

I. LESSEE agrees to obtain and to maintain the appropriate LDEQ, SAA and City of Shreveport approvals for the discharge of any process wastewaters (e.g., aircraft, vehicle, and equipment wash waters; engine degreasing wash waters; hangar floor wash waters; etc.) from their leasehold or areas of operation.

J. LESSEE agrees to follow any Spill Control and Countermeasures plan that the SAA may develop in the future, once notified that such a document has been prepared and a copy has been made available to LESSEE, to address fueling of aircraft, vehicles, and equipment; the storage of fuel; storage and disposal of fuels, oil, or other petroleum products. In the interim, LESSEE agrees to follow the good housekeeping and spill control practices contained in the SWP3. Notwithstanding anything set forth herein to the contrary, LESSEE has and shall have no right granted by this Lease to store or to dispense fuel without a current self-fueling permit issued by LESSOR to LESSEE.

K. Without limitation, LESSEE shall comply with all laws, statutes, ordinances, codes, rules, regulations, orders or decrees, federal, state or local regulating– or relating to the environment, hazardous substances or materials, or petroleum products as such laws are now or at any time hereafter may be in effect relating particularly and specifically to the Leased Premises. In the event the Leased Premises become environmentally contaminated during LESSEE's occupancy of the Leased Premises or otherwise due to its actions, negligence or failure to comply with the provisions hereof, LESSEE shall be

responsible for all costs related to the environmental remediation of the Leased Premises.

Notwithstanding the foregoing, the terms of this Lease and Louisiana law (but not the section of the Rules and Regulations dealing with "Denial, Revocation or Suspension of Lease or Other Privileges" – SHV or "Noncompliance with Rules and Regulations" - DTN) shall govern termination of this Lease for LESSEE's failure to make payments, maintain insurance, or for violation of security and safety regulations.

This Lease shall be subordinate to ~~the LESSOR's federal obligations.~~ federal law, including but not limited to any of LESSOR'S federal obligations under LESSOR'S federal grant assurances.

12. Insurance Obligations

LESSEE shall obtain and maintain during the continuation of the Lease "Owners,' Landlords' and Tenants'" liability insurance written by an insurance company or companies approved by LESSOR and licensed to do business in the state of Louisiana. The insurance shall name **THE CITY OF SHREVEPORT/SHREVEPORT AIRPORT AUTHORITY** as an additional insured and must fully protect LESSOR and its agents and assigns against any and all liability for property damage and personal injury suffered by anyone by reason of the use or occupancy of the Leased Premises. This insurance shall be in limits of not less than $1,000,000.00 Combined Single Limit Liability.

The insurance requirements may be amended by the City of Shreveport's Risk Manager from time to time. LESSOR will notify LESSEE, in writing, of any amendments should they occur. The amendment(s) shall become a part of this Lease.

The certificate(s) of insurance shall be provided to LESSOR as evidence of such insurance throughout the term of this Lease without request by LESSOR at least ten (10) days prior to the inception of each policy period.

13. Taxes

LESSEE shall pay all taxes and assessments against any buildings, structures or other property located on the Leased Premises during the term of this Lease.

14. Default

Should any of the following events occur, LESSEE shall be in default under this Lease, and LESSOR may, at its option and in addition to exercising any other right or remedy provided by

applicable law, declare all remaining rental due under the terms hereof immediately due and payable or may choose to immediately terminate this Lease:

A. LESSEE shall fail to pay any rental payment, fuel flowage payment or other monetary sum when due, and that failure is not cured within ten (10) days after the date of LESSEE's receipt of notice from LESSOR of such failure.

B. LESSEE shall fail to pay any tax, assessment or civil or criminal penalty or fine incurred in connection with or as a result of its occupancy of the Leased Premises and/or conducting any activity on the Leased Premises, and that failure is not cured within ten (10) days after the date of LESSEE's receipt of notice from LESSOR of such failure.

C. LESSEE shall fail to provide insurance as required by this Lease and/or to provide proof of that insurance to LESSOR, and that failure is not cured within ten (10) days after the date of LESSEE's receipt of notice from LESSOR of such failure.

D. LESSEE shall permit any unlawful activity to be conducted on the Leased Premises, or violate any provision of any Federal, State, Parish, or City law, ordinance, rule, or regulation, and any such default is not cured within ten (10) days after the date of LESSEE's receipt of notice from LESSOR of such default.

E. If this is a non-commercial lease, LESSEE shall permit any commercial activity to be conducted on the Leased Premises, and any such default is not cured within ten (10) days after the date of LESSEE's receipt of notice from LESSOR of such default.

~~F. LESSEE shall make any fraudulent or material misstatement or misrepresentation made to LESSOR.~~

~~G.~~F. LESSEE shall otherwise fail to comply with any obligation arising under this Lease and that failure is not cured within ten (10) days after the date of LESSEE's receipt of notice from LESSOR of such failure, unless extended by the Airport Director.

LESSOR may send invoices or statements for rent or other charges. LESSEE acknowledges that LESSOR is not required to do so and that receiving such an invoice or statement is not a condition precedent to the obligation of LESSEE to honor all terms and conditions of this Lease. Sending of such an invoice or statement shall not alter the terms of this Lease in any manner.

15. Assignment of Agreement

15.1 Assignment

LESSEE shall not, ~~without the express written consent of LESSOR which shall not be unreasonably withheld,~~ assign the balance of the lease term or any interests hereunder, or permit the use of the Leased Premises by any party other than LESSEE (or, in the case of use, by its affiliated companies) without the express written consent of LESSOR, which shall not be unreasonably withheld.. Any consent which LESSOR may give for an assignment shall not destroy this provision, and later assignments shall be made likewise only on the prior consent of LESSOR expressed in writing. In the

case of such permitted assignment, the ASSIGNEE shall become directly liable to LESSOR for all obligations of LESSEE hereunder.

Any assignment shall be in writing, and LESSEE shall provide a copy thereof to LESSOR at least ninety (90) days in advance of the proposed inception date. LESSOR shall respond in writing either consenting or refusing to consent to said assignment at least thirty (30) days in advance of the proposed inception date. LESSOR will act reasonably when considering the proposal, however, LESSOR may refuse to approve the proposed assignment in the event that such assignment is in conflict with the needs of the airport or in conflict with the SAA's planning strategy as determined by the SAA. LESSOR's reasonable denial may include, but is not limited to, LESSEE's failure to meet financial obligations, inability or unwillingness to adhere to LESSOR's Rules and Regulations.

15.2 Subletting

LESSEE shall not, without the express written consent of LESSOR, sublet the Leased Premises or any portion thereof, or permit the use of the Leased Premises by any party other than LESSEE (or, in the case of use, by its affiliated companies). Any consent which LESSOR may give for a sublease shall not destroy this provision, and later subleases shall be made likewise only on the prior consent of LESSOR expressed in writing. In the case of such permitted sublease, the SUBLESSEE shall become directly liable to LESSOR for all obligations of LESSEE hereunder, but no sublease by LESSEE shall relieve LESSEE of any liability hereunder. **If this lease is designated as a non-commercial lease in Section 4 above, subleasing is not permitted.**

Any sublease shall be in writing, and LESSEE shall provide a copy thereof to LESSOR at least thirty (30) days in advance of the proposed inception date. LESSOR shall respond in writing either consenting or refusing to consent to said sublease at least fifteen (15) days in advance of the proposed inception date. LESSOR will act reasonably when considering the proposal, however, LESSOR may refuse to approve the proposed sublease in the event that such sublease is in conflict with the needs of the airport or in conflict with the SAA's planning strategy, as decided by the FAA. LESSOR's reasonable denial may include, but is not limited to, failure to meet financial obligations or inability or unwillingness to adhere to LESSOR's Rules and Regulations.

16. Hold Harmless Provision

LESSEE assumes full responsibility to LESSOR and to all third parties for the condition of the Leased Premises and agrees to maintain same in a safe condition, and to defend, indemnify and hold LESSOR harmless from any and all liability and from any injury or damage arising from or connected with the condition of the Leased Premises or LESSEE's activities. LESSOR agrees to indemnify and hold LESSEE harmless from any and all liability from any injury or damage arising from or connected with LESSOR's activities, but LESSOR shall not be liable or responsible for any damage to LESSEE's or others property located on the Leased Premises ~~nor for any loss or damage to any property of LESSEE or others~~ by theft or ~~otherwise~~other acts of third parties.

LESSEE shall indemnify, save, hold harmless, and defend LESSOR, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability, and the cost and expense of whatsoever kind (including, but not limited to, reasonable attorney fees, disbursements, court costs, and expert fees which may arise out of LESSEE's occupancy or use of the Leased Premises) and any fines in any way arising from or based upon the violation of any federal, state, parish or municipal laws, ordinances, rules or regulations, by LESSEE, its agents, employees, or successors and assigns. Notwithstanding the foregoing, LESSEE shall have no indemnity obligation to the extent such claim, action, loss, damage, injury, liability, injury, ~~liability, and~~ cost and expense was caused by LESSOR's negligent or intentional act.

17. Non-Discrimination

Pursuant to the rules and regulations of the FAA or any other regulatory authority having jurisdiction or responsibility, LESSEE assures that it will undertake a non-discrimination program as required by 14 CFR Part 152, Subpart E (or any amendments or modifications thereto), to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E (or any amendments or modifications thereto). LESSEE assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. LESSEE assures that it will require that its covered sub-organizations provide assurances that they will undertake non-

discrimination programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E (or any amendments or modifications thereto), to the same effect.

18. Attorney's Fees and Venue

In the event that LESSOR or LESSEE institutes legal proceedings to enforce any obligation under this Lease, the prevailing party shall be entitled to collect a reasonable attorney's fee and court costs incurred in connection with such proceedings. LESSOR and LESSEE further agree that the only proper venue for litigation arising out of this Lease shall be the First Judicial District Court, Caddo Parish, Louisiana, and, to the extent that they have or can obtain subject matter jurisdiction, the federal courts having jurisdiction over Caddo Parish, Louisiana.

19. Revocability Clause

~~Pursuant to Section 2.03(a) of the Charter of the City of Shreveport, as amended, LESSOR and LESSEE stipulate that this Lease shall be revocable by LESSOR at any time a public use of the Leased Premises shall be found to exist by the Shreveport City Council. LESSOR shall provide notice of such revocation not later than ninety (90) days prior to its effective date. LESSEE shall have no right to claim, nor shall LESSOR have any obligation to pay any reimbursement, relocation costs, set-off, or damages to LESSEE resulting from the revocation of this Lease in accordance with this Section subject to the following exceptions:~~

~~A. If this Section is utilized in relation to Federal Aviation Administration (FAA) funded projects and/or plans and LESSEE's improvements have not been fully amortized over their expected useful life, the FAA may provide compensation for the improvements. If FAA AIP funding is made available, the FAA's process shall be followed to determine the amount of compensation payable to LESSEE and the conditions under which the LESSEE will be compensated shall be in accordance with the FAA. Under no circumstances shall the Shreveport Airport Authority or City of Shreveport be liable for any compensation beyond FAA funding and/or grants provided to LESSOR specifically for compensation to LESSEE for improvements.~~

~~B. If this Section is utilized in relation to projects and/or plans that do not involve FAA funds and/or grants and LESSEE's improvements have not been fully amortized over their expected useful life, LESSOR shall compensate LESSEE in an amount equal to the fair market value of the LESSEE's~~

~~interest in this Lease and LESSEE's Improvements, determined on the basis of the time remaining in the then current term of this Lease and any extension option(s) of this Lease provided LESSEE has made the investments and commitments required under this Lease for said extension option(s).~~

~~LESSEE's failure to include a public purpose revocation clause in any subcontract, purchase order, agreement or any other document or writing related to this Lease shall not subject LESSOR to liability for lost profits or damages which may result from LESSOR's revocation of this Lease in accordance with this Section.~~

This Lease is revocable by the City of Shreveport at any time that a public use of the property shall be found to exist by the City Council of the City of Shreveport. In such event, if LESSEE is in compliance with all terms and conditions set forth in this Lease, LESSOR agrees to compensate LESSEE for LESSEE's interest in the Lease and LESSEE's Improvements pursuant to the guidelines used by and requirements set forth by the City of Shreveport when it expropriates private property for public use.

Nothing herein shall permit LESSOR to take any action that violates and/or is otherwise inconsistent with the United States Constitution (including but not limited to the Fifth Amendment) or the Louisiana Constitution (including but not limited to Article I Section 4).

20. Severability

The provisions of this Lease are and shall be subject to all applicable federal, state or local laws, regulations and interpretations, and, in the event that any of the provisions of this Lease shall be declared to be unenforceable by virtue of such laws, regulations or interpretations, the remaining terms of this Agreement shall survive such declaration and any court of competent jurisdiction is authorized to modify this Lease so that it complies with law.

21. Waiver

~~LESSEE acknowledges that it is entitled to notice to vacate under Article 4701 of the Louisiana Code of Civil Procedure but waives all rights to that notice to vacate.~~

Any failure by LESSEE to exercise any rights or remedies under this Lease shall not be a waiver of any rights or remedies of LESSEE under this Lease nor shall it constitute forbearance nor shall it constitute a modification of the Lease.

~~To the extent the hearing provisions of the Rules and Regulations may be deemed to apply to this Lease, LESSOR and LESSEE waive any such provision.~~

LESSEE hereby irrevocably waives the right to claim that any of its property located in or on the Leased Premises is exempt from execution or attachment or exempt by any law from the payment of debt, and all such property shall be subject to and responsible for the payment of the money agreed to be paid by LESSEE under this Lease and for the discharge of any liability created by this Lease.

22. Additional Conditions

[ ] If the preceding blank is checked, this Lease is subject to the additional conditions and terms appearing in the attached Addendum.

23. Security Interest for Lessor's Lien

LESSEE acknowledges that LESSOR has a security interest in all movable property located on the Leased Premises to secure any unpaid charges under this Lease. ~~LESSEE further agrees that if called upon, it will execute a UCC-1 or UCC-3 or other document, if necessary to preserve the security interest of LESSOR as to third parties or to maintain a security interest in full force and effect.~~ LESSOR herein agrees not to perfect a lien on aircraft owned by the LESSEE until such time that the LESSEE is in default of this agreement beyond the allowable cure period contained herein.

24. Binding Effect

THIS LEASE shall be binding upon LESSOR and LESSEE and their respective successors, heirs and assigns.

25. Choice of Law

THIS LEASE shall be governed by the laws of the State of Louisiana, without regard for its principles of conflicts of law which might refer this matter to the court of another state for resolution.

26. Entire Agreement

This Lease is the entire agreement between the parties superseding any prior, oral or written agreements, with the applicable Rules and Regulations and current Schedule of Rates and Fees incorporated herein by reference. No modification or waiver or amendment of this Lease is valid unless in writing and signed by all parties by authorized representatives.

27. Financial Records

LESSEE shall maintain all financial records pertaining to all matters relating to this Lease in accordance with generally accepted accounting principles and procedures. LESSEE shall retain all of its records and supporting documentation applicable to this Lease with the City of Shreveport or SAA for a period of three (3) years, except as follows:

A. Records that are subject to audit (fuel flowage fees) shall be retained for three (3) years after such findings have been resolved;

B. All such records and supporting documentation shall be made readily available upon request for inspection or audit by representations of the City of Shreveport or the LESSOR. In the event LESSEE ceases to do business, it shall turn over to the City of Shreveport or LESSOR all of its records relating to this Lease to be retained by the City of Shreveport or LESSOR for the required period of time.

LESSEE agrees to permit the City of Shreveport or LESSOR or either's designated representative to inspect and/or audit its records and books relative to this Lease at any time during normal business hours and under reasonable circumstances and to copy therefrom any information the City of Shreveport or LESSOR desires concerning LESSEE's operations hereunder. City of Shreveport or LESSOR shall provide written notice prior to the execution of the provision. If LESSEE or its records and books are not located within Caddo or Bossier Parish, in the event of an audit, LESSEE agrees to deliver the records or have the records delivered to the City of Shreveport or LESSOR's designated representative at an address designated by the City of Shreveport of LESSOR within the City of Shreveport. If the City of Shreveport or LESSOR's designated representative finds that the records delivered by LESSEE are incomplete, LESSEE agrees to pay the City of Shreveport or LESSOR's representative's costs to travel to LESSEE's office to audit or retrieve the complete records.

28. Lease Conversion

If this Lease is designated in Section 4.1 as a non-commercial lease, LESSEE shall be bound by all restrictions, requirements, prohibitions and covenants of this Lease applicable to non-commercial leases. Provided that LESSEE is not in default under this Lease beyond any applicable cure period, LESSEE may at any time during the term of this Lease request conversion of this Lease to a commercial

lease. LESSOR agrees that consent to convert this Lease to a commercial lease shall not be unreasonably withheld, however LESSOR shall be entitled to refuse consent to a conversion of this Lease to a commercial lease if such conversion would interfere in any material way with LESSOR's plans for future expansion, development or operation of the Airport. From and after the effective date of such conversion, the rent provided for under Section 4.1 shall be adjusted to the rental rate then being charged by LESSOR for new commercial leases of comparable space at the Airport, subject to annual adjustment thereafter as provided in Section 4.2. LESSOR may refuse to approve the proposed lease conversion in the event such conversion is in conflict with the needs of the airport or in conflict with the SAA's planning strategy, as decided by the SAA.

This Section 28 shall not apply if this Lease is designated in Section 4 as a commercial lease.

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29. Notice

Any and all notice regarding Lease execution and extension shall be sent by certified mail, return receipt requested, postage prepaid to the addresses listed herein below, with such notices to be transmitted contemporaneously to the appropriate addressee by facsimile transmission. Otherwise, any other notice or demand which, by provision of this Lease, is required or permitted to be given or served to either of the parties shall be deemed to have been sufficiently given and served for all purposes (i) when personally delivered or sent by facsimile or electronic mail, provided confirmation of transmission and receipt is retained by the party sending the facsimile or electronic mail, or (ii) one day after being sent by a nationally recognized overnight express courier (charges prepaid), or (iii) five days following mailing by certified or registered mail, postage prepaid and return receipt requested, in each case addressed (until another address or addresses is given by notice pursuant to this Section) to the parties as follows:

If to LESSOR:
Shreveport Airport Authority
Attn: Director
5103 Hollywood Ave., Suite 300
Shreveport, LA 71109
Fax: (318) 673-5377
Email:

With a copy to:
City Attorney
City of Shreveport
P. O. Box 31109
Shreveport, LA 71130
Fax: (318) 673-5230
Email:

If to LESSEE: _____
_____
_____
_____
_____

Each party must maintain with the other their current mailing information as listed above. Any party may change his or its notice mailing address, facsimile number, and email address by notice sent in accordance with this Section.

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THUS DONE AND SIGNED ON THIS ____ day of _____, 20____.

WITNESSES:

_____

_____

LESSOR
City of Shreveport
Shreveport Airport Authority

_____
Chairman

THUS DONE AND SIGNED ON THIS ____ day of _____, 20____.

WITNESSES:

_____

_____

LESSEE
[Insert Company/Individual Name]

_____
[Insert Signer Name]

_____
Title