

Airport Land Lease
by and between
City of Lake City, Florida
and
Air Methods, LLC

This **LAND LEASE** ("Lease") is entered into as of the ____ day of June 2025, ("Effective Date") and is by and between the **City of Lake City, Florida**, hereafter **LESSOR**, and **Air Methods, LLC**, a Delaware limited liability company, hereafter **LESSEE**.

RECITALS

WHEREAS, by instruments of transfer ("the Instruments of Transfer") dated August 29, 1949, and July 7, 1948, said instruments being recorded in Deed Book 59, Page 109, and Deed Book 60, Page 29, Public Records of Columbia County, Florida, LESSOR acquired from the United States of America certain property, real and personal, therein described, which is now known as the Lake City Gateway Airport identified by FAA Location Identifier "LCQ" (the "Airport"); and

WHEREAS, to induce, encourage, and promote commercial development within Columbia County and create employment and services for its citizens, LESSOR has developed and adopted a policy to achieve the greatest possible utilization of the lands at the Airport by leasing portions of the Airport to private parties to establish and locate commercial activities upon the Airport and conduct businesses thereon which are not incompatible with the operation of the Airport for general aviation purposes; and

WHEREAS, LESSEE is engaged in providing emergency air ambulance services in various cities and states, and desires to lease land at the Airport to develop a facility to house its operations and make use of the Airport for its transportation needs; and

WHEREAS, LESSOR is desirous of leasing to LESSEE and LESSEE is desirous of leasing from LESSOR, upon the terms and conditions herein contained, certain real property to be used by LESSEE for operating a 24/7 air ambulance service accompanied by overnight crew sleeping quarters and aircraft parking (such real property being further defined herein as the "Premises"); and

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth, and for other good and valuable consideration the receipt and sufficiency of which are acknowledged by the parties, LESSOR and LESSEE agree as follows:

ARTICLE 1. INCORPORATION OF RECITALS

The foregoing recitals are incorporated herein as material terms of this Agreement as if fully set forth herein.

ARTICLE 2. PREMISES

2.01. **Premises.** LESSEE hereby agrees to lease from LESSOR real property consisting of the helipad, and unimproved ground within the area designed on Exhibit "A", which is attached hereto and made a part hereof.

- 2.02. **As Is Condition.** LESSOR delivers said Premises in "AS IS" condition and implies no further warranties or representations with regard to such as hereinafter described in Leasehold Improvements Section of this document.
- 2.03. **Parking/Common Area.** LESSOR grants to LESSEE a license to use the parking area adjacent to the northern boundary of the Premises in common with other tenants at the Airport.

ARTICLE 3. USES

The Premises shall be used solely by LESSEE for operating a 24/7 air ambulance service limited to two (2) aircraft, accompanied by aircraft parking and overnight crew sleeping quarters for up to four (4) personnel. No other uses of the Premises are permitted unless agreed to in writing by the LESSOR and LESSEE.

ARTICLE 4. TERM

- 4.01. **Term.** This Agreement shall commence on June __, 2025, continue for a term of **five (5)** years, and terminate on June __, 2025.
- 4.02. **Option to Renew.** LESSEE shall have the right to extend for **one (1)** additional **five (5)** year period (the "Option Period"). LESSEE shall provide written notice to LESSOR no later than **one hundred twenty (120)** days prior to the expiration of the Lease, of the intent to exercise the option to extend. Option to Renew will be subject to a Fair Market Rent Adjustment pursuant to Section 5.04 of this document.
- 4.03. **Holdover.** If LESSEE holds over and continues on possession of the Premises after expiration of this Lease or any extension of that term, other than as provided above, LESSEE will be deemed to be occupying the Premises at sufferance from month-to-month tenancy, without limitation of any of the LESSOR's rights or remedies, subject to all of the terms and conditions of this Agreement. The Premises rental shall be based on the same formula as the last month of the Term of the Lease prior to the holdover but shall **double such amount unless otherwise specified in writing by LESSOR.**
- 4.04. **Conditional Termination.** In the event LESSEE, despite its best efforts, is unable to obtain required permitting to site a modular office building on the Premises with the first twelve (12) months of this Lease, Tenant may terminate this Lease with the effective date of such termination occurring no less than ninety (90) days following the provision of written notice of such termination to LESSOR.

ARTICLE 5. RENT, FEES, AND CHARGES

- 5.01. **Rent, Fees, and Charges.** Effective on the Commencement Date herein, LESSEE shall pay the LESSOR in equal monthly installments, in advance, or before the first (1st) day of each and every month without demand, deduction, holdback or setoff, plus applicable sales taxes. The following rents, rates, and charges due herein for the Premises shall be as follows:

During the first (1st) Lease Year of the Term of this agreement, LESSEE shall pay LESSOR \$2,000.00 per month or \$24,000.00 annually, plus any and all taxes, fees, and assessments imposed by governing authorities and due thereon.

- 5.02. **Rental Adjustment.** Commencing on the **first month of the second (2nd) Lease Year**, and every Lease Year thereafter, the building and land lease rent listed under this Article shall be increased by **three (3) percent** over the rent charged for the then-ending Lease Year ("Adjusted Rent"). The sum so calculated shall constitute the new fixed monthly rent for then-beginning Lease Year. The rates following the adjustment shall remain in effect until the next adjustment. For clarification purposes, the adjustments will occur on the first day of each Lease Year.
- 5.03. **Fair Market Rent Adjustment.** Notwithstanding the above and subject to LESSEE exercising its option to renew pursuant to Section 4.02, rent shall be adjusted to the then fair market rent based upon the appraised value as determined by an appraisal made by a qualified M.A.I. appraiser, selected and appointed by the LESSOR ("Appraisal"). Upon receipt of the Appraisal, LESSOR shall submit to LESSEE a written statement of the then current fair market rental values for the Premises as established by the Appraisal. LESSOR may conduct and, if conducted, shall finalize the appraisal within the first six (6) months of the fourth (4th) Lease Year. Should the Appraisal indicate a rent value for the Premises greater than the then current amount, the rent for the sixth (6th) Lease Year (first year of the Option Period) shall be set at the rent value indicated in the Appraisal, provided LESSOR provides to LESSEE written notice of such increased amount at least 150 days prior to the expiration of the first Lease Term. Beginning in the first month of the seventh (7th) Lease Year (second year of the Option Period), the rent shall be adjusted pursuant to this Section 5.03. In no event shall the rent be decreased as a result of the appraisal.
- 5.04. **Failure to Pay Rentals, Fees or Charges.** In the event LESSEE fails to make timely payment of any rent, fees, charges, and payments due and payable in accordance with the terms of this Lease within **ten (10) days** after same shall become due and payable, **interest at the maximum rate allowed by law shall accrue against the delinquent payment from the date due until the date payment is received by LESSOR.** Notwithstanding the foregoing, LESSOR shall not be prevented from terminating this Lease for default in the payment of fees, charges, and payments due to LESSOR pursuant to this Lease, or from enforcing any other right or remedy contained herein or provided by law.
- 5.05. **Service Charge for Worthless Checks** In the event LESSEE delivers a worthless check or draft to LESSOR in payment of any obligation arising under this Lease, LESSEE shall incur a service charge of **Twenty-five Dollars (\$25.00) or five (5) percent of the face amount of such check, whichever is greater.**
- 5.06. **Fees and Charges.** In the event LESSEE engages in any activity or provides any service at the Airport for which other companies operating at the Airport pay a fee to LESSOR, LESSEE shall pay LESSOR fees equivalent to those paid by such other companies for engaging in such activities or providing such services.

5.07. **Revenue Reports and Payments.** LESSEE shall pay all rents, fees, charges and billings required by this Lease to the following address:

City of Lake City
Attn: Finance and Accounting Department
205 North Marion Avenue
Lake City, Florida 32055

5.08. **Triple Net Lease.** This Lease shall be deemed to be "triple net" without cost or expense to LESSOR including, but not limited to, cost and expenses relating to taxes, insurance, and maintenance, including structural, (regardless of whether buildings and improvements are then owned by LESSEE or LESSOR) and the operation of the Premises.

5.09. **Rent a Separate Covenant.** LESSEE shall not for any reason withhold or reduce LESSEE's required payments of rent and other charges provided in this Lease, it being expressly understood and agreed by the parties that the payment of rent and additional rent is a covenant by LESSEE that is independent of the other covenants of the parties hereunder.

ARTICLE 6. TAXES, PERMITS, LICENSES

In addition to those obligations set forth in Article 8, LESSEE shall bear, at its own expense, all costs of operating its equipment and business including any and all ad valorem, sales, use or other taxes levied, assessed or charged upon or with respect to the leasehold estate, the Premises or improvements or property LESSEE places thereon and any assessed against the operation of the business and any ad valorem, sales, use or similar taxes levied or assessed on any payments made by LESSEE hereunder, regardless of whether said items are billed to LESSOR or the LESSEE. LESSEE shall bear all cost of obtaining any permits, licenses, or other authorizations required by LESSOR or law in connection with the operation of its business at the Airport, and copies of all such permits, certificates and licenses shall be forwarded to LESSOR. LESSEE reserves the right to contest any such taxes and withhold payment of such taxes, so long as the nonpayment of such taxes does not result in a lien against the leased Premises or a direct liability on the part of LESSOR.

ARTICLE 7. OBLIGATIONS OF LESSEE

7.01. **LESSEE shall:**

- (a) Conduct its operation hereunder in a safe, orderly and proper manner, considering the nature of such operation as an medical air transport at a functioning airport, so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Airport or around the Premises.
- (b) Control, within reason, the conduct of its employees, invitees, and of those doing business with it and, upon objection from LESSOR concerning the conduct, shall promptly take all reasonable steps necessary to remove the cause of objection.

- (c) Remove from the Premises or otherwise dispose of in a lawful manner all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or out of its operations. Any such debris or waste which is temporarily stored in the open, shall be kept in suitable garbage and waste receptacles equipped with tight-fitting covers and designed to safely and properly contain whatever material may be placed therein. LESSEE shall use extreme care when effecting removal of all such waste.
- (d) Not commit any nuisance, waste, or damage to the Premises or other areas of the Airport and shall not do or permit to be done anything which may result in the creation or commission or maintenance of such nuisance, waste or damage to the Premises.
- (e) Not create nor permit to be caused or created upon the Airport or the Premises any obnoxious odor, smoke or noxious gases or vapors except those as are customarily associated with the operation of aircraft which aircraft are maintained and operated using best industry practices for same.
- (f) Not do or permit to be done anything which may interfere with effectiveness or accessibility of any utility or other system, including, the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located on the Premises.
- (g) Not overload any floor or paved area on the Premises and shall repair any floor, including supporting members, and any paved area damaged by overloading.
- (h) Not do or permit to be done any act or thing upon the Premises:
 - (i) Which will invalidate or conflict with any fire insurance policies covering the Premises or any part thereof or other contiguous property; or
 - (j) Which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Lease.
- (k) Not keep or store flammable liquids within any covered and enclosed portion of the Premises in violation of applicable law or in excess of LESSEE's working requirements. Any such liquids having a flash point of less than 110°F shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
- (l) Pay all applicable sales taxes, ad valorem taxes and any other taxes or assessments with respect to or against the Premises or the leasehold estate, whether billed to the LESSOR or the LESSEE. LESSEE reserves the right to contest any such taxes and withhold payment of such taxes, so long as the nonpayment of such taxes does not result in a lien against the leased Premises or a direct liability on the part of LESSOR.
- (m) Be responsible for all cost and expenses relating to taxes, insurance and maintenance (regardless of whether buildings and improvements are then owned by LESSEE or LESSOR) and the operation of the Premises as this Lease is deemed to be "triple net."

ARTICLE 8. MAINTENANCE AND REPAIR

8.01. **LESSEE's Responsibilities.** LESSEE shall throughout the term of this Lease assume the entire responsibility and shall relieve LESSOR from all responsibility for all repair and maintenance whatsoever with respect to the Premises, whether such repair or maintenance be ordinary or extraordinary, or otherwise, and without limiting the generality hereof, shall:

- (a) Keep at all times in a clean and orderly condition and appearance the Premises and all LESSEE's fixtures, equipment and personal property which are located in any part of the Premises which is open to or visible by the general public.
- (b) Repair and maintain all building systems situated on the Premises such that they are code compliant, including but not limited to HVAC, electrical, fire suppression system, plumbing, compressed air, landscaping, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls and structural support systems.
- (c) Provide and maintain fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinance, resolution or regulation of any governmental authority having jurisdiction over the Premises.
- (d) Keep all areas of the Premises, including the apron areas, in state of good repair to include repair of any damage to the pavement or other surface of the Premises or any building improvements caused by weathering and/or aging, LESSEE's operations, or by any oil, gasoline, grease lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- (e) Take reasonable anti-erosion measures, including but not limited to, the planting and replanting of grasses with respect to all portions of the Premises not paved or built upon.
- (f) Be responsible for the maintenance and repair of all utility service lines except common utilities, if any, including but not limited to, service lines for the supply of water, gas service lines, electrical power and telephone conduits and line, sanitary sewers and storm sewers which are now or which may be subsequently located upon the Premises and used by LESSEE or any subtenants.

8.02. **LESSOR's Rights.** LESSOR shall not be liable for, or required to make, any repairs or perform any maintenance upon the Premises. If LESSEE fails to perform LESSEE's maintenance responsibilities, LESSOR shall have the right, but not the obligation, to perform such maintenance responsibilities, provided LESSOR has first, in any situation not involving an emergency, by written notice to LESSEE, afforded LESSEE a period of thirty (30) days within which to commence corrective action to correct the failure, which may include a corrective action plan. The corrective action plan shall begin corrective action within thirty (30) days, unless in case of emergency, or in the case of written approval by the LESSOR of a later start date. **All costs incurred by LESSOR in performing LESSEE's maintenance responsibility, plus a twenty-five percent (25%) administrative charge, shall be paid by LESSEE within thirty (30) days of receipt of billing therefore.**

ARTICLE 9. LEASEHOLD IMPROVEMENTS

- 9.01. **Improvements.** Except as set forth below, LESSEE shall make no alterations or improvements to the Premises without the prior written consent of the LESSOR. Subject to the remaining provisions of this Lease, upon presentation to LESSOR by LESSEE of a site plan and related technical drawings prepared by a competent engineer retained and compensated by LESSEE, which documents depict helipad improvements, lighting enhancements, site work, modular building location/installation for crew sleeping quarters, and associated vehicular parking areas and sidewalks (the "Contemplated Lessee Improvements"), which depictions are compliant with all applicable laws, ordinances, regulations, and codes of governmental entities having jurisdiction over the Premises, and which Contemplated Lessee Improvements do not otherwise interfere with the reasonable use of the Airport by LESSOR and other tenants of LESSOR at the airport, LESSOR shall approve such Contemplated Lessee Improvements, which approval shall not be unreasonably withheld.
- 9.02. **Conditions When Consent to Improve Given.** If LESSEE requests permission to make improvements or alterations, and permission is granted, LESSEE shall comply with all federal, state and local requirements as well as any restrictions or conditions imposed by LESSOR with respect to the improvements. By way of example and not limitation, such restrictions or conditions by LESSOR may require that LESSEE: (i) obtain all required permits and licenses necessary to comply with applicable zoning laws, building codes, and other laws or regulations of any appropriate governing body; (ii) require that all contractors and subcontractors who are to perform work qualify and be approved by LESSOR; and/or (iii) post with LESSOR a performance and payment bond in an amount equal to the estimated cost of alterations or improvements. In addition to compliance with any restrictions or conditions, LESSEE agrees to pay all costs and expenses necessary to design and construct LESSOR-approved alterations or improvements, and to maintain at its expense the Leased Premises and any improvements, equipment, or displays within the Leased Premises in a good state of repair and preservation.
- 9.03. **Certification of Improvement Costs.** The cost of all future leasehold improvements, fixtures, and equipment installed by LESSEE shall be borne by LESSEE, unless the LESSOR agrees in writing after the date of this Lease to pay any such costs. Upon completion of any leasehold improvements, LESSEE shall furnish LESSOR with a certified statement of all approved improvement costs and that said costs have been satisfactorily paid in full.

ARTICLE 10. ASSIGNMENT

LESSEE shall not sublease or assign, directly or indirectly, this Lease, either in whole or in part, without prior written consent of LESSOR which consent shall not be unreasonably withheld. No request for, or consent to, such assignment shall be considered unless LESSEE shall have paid all rentals, fees, and charges which have accrued in favor of LESSOR and LESSEE shall have otherwise met all other legal obligations to be performed, kept, and observed by it under the terms and conditions of this Lease or as this Lease may be subsequently amended or modified. LESSOR reserves the right to investigate the financial capacity of the proposed assignee prior to making its decision, and LESSEE shall remain liable for all obligations under this Lease which obligations arose prior to such assignment or sublease, provided the contemplated

assignee assumes all unfulfilled obligations of LESSEE, whether known or unknown, as a condition and material term of such assignment.

ARTICLE 11. CONSTRUCTION LIEN

LESSOR's interest in the Premises shall not be subjected to any construction, mechanics, materialman's, tax, laborer's or any other lien, whether LESSOR has given its written approval for the improvements or otherwise, and LESSEE shall save and hold harmless LESSOR and its interest in the Premises from any such lien or purported lien. Within fifteen (15) days of filing of any lien, LESSEE shall cause same to be satisfied or shall post bond for the lien.

ARTICLE 12. MORTGAGE RIGHTS OF LESSEE

LESSEE shall not mortgage, pledge, or hypothecate its property and leasehold interest without the prior written consent of the LESSOR, which consent shall not be unreasonably withheld. As a condition precedent to obtaining the consent of the LESSOR, LESSEE and its lender shall provide to LESSOR written evidence that the priority rights of LESSOR under this Lease will not be adversely affected by such action. In addition, any leasehold mortgage, leasehold deed of trust or other security financing arrangement shall specifically acknowledge that such financing shall never be construed to pledge, mortgage, encumber, hypothecate, alienate or otherwise grant or convey all or any part of the fee simple title to the real property underlying the leasehold estate herein given, or leasehold improvements which are the property of the LESSOR, as the same is publicly-owned property not subject to encumbrance or involuntary sale or divestiture.

ARTICLE 13. UTILITIES

Subject to LESSOR's approval, which approval shall not be unreasonably withheld, LESSEE shall make all provisions it deems necessary for connection to necessary utilities and shall pay the full cost and expense for installation and use of all said utilities. All such utilities shall be segregated by a separately metered account in LESSEE's name and LESSOR shall not be responsible for payment of any utility service used by LESSEE.

ARTICLE 14. SIGNS

- 14.01. **Written Approval.** Except with prior written approval of LESSOR, which approval shall not be unreasonably withheld or delayed, LESSEE shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible from outside the Premises.
- 14.02. **Removal.** Upon the expiration or termination of the Lease, LESSEE shall remove, obliterate or paint out, as LESSOR may direct, at its sole discretion, any and all signs and advertising on the Premises and, in connection therewith, shall restore the portion of the Premises affected by such signs or advertising to the same conditions as existed prior to the placement of such signs or advertising. In the event of failure on the part of LESSEE to remove, obliterate or paint out each and every sign or

advertising and to so restore the Premises, LESSOR may perform the necessary work and LESSEE shall pay these costs to LESSOR.

ARTICLE 15. INGRESS AND EGRESS

15.01. **Use of Public Way.** LESSEE its contractors, suppliers of material and furnishers of services, shall have the right of ingress and egress to the Premises via appropriate public way to be used in common with others having rights of passage within the Premises, provided that LESSOR may, from time to time, substitute other means of ingress and egress so long as an alternate adequate means of ingress and egress is available.

15.02. **Road Closures.** LESSOR may at any time temporarily or permanently close any such roadway, and any other area at the Premises presently or hereafter used as such, so long as a means of ingress and egress is made available to LESSEE. LESSEE hereby releases and discharges LESSOR, its successors and assigns, of and from any and all claims, demands or causes of action which LESSEE may now or at any time hereafter have against any of the foregoing arising or alleged to arise out of the closing of any street, roadway, or other areas used as such, whether within or outside the Premises, provided that LESSOR makes available to LESSEE an alternate means of ingress and egress.

ARTICLE 16. DEFAULT AND TERMINATION RIGHTS OF LESSOR

16.01. **Events of LESSEE Default.** The occurrence of any of the following events shall constitute a default of this Lease:

- (a) LESSEE's failure to (i) pay the rent, or any other sums payable hereunder for a period of ten (10) days after written notice by LESSOR of the date due, or (ii) maintain the insurance required by Article 17, Insurance as required by this Lease;
- (b) LESSEE's failure to observe, keep or perform any of the other terms, covenants, agreements or conditions of this Lease or in the Airport Rules and Regulations for a period of thirty (30) days after written notice by LESSOR; provided, however, such failure shall not constitute an event of default if such failure is not susceptible of being cured within thirty (30) days and Lessee diligently pursues such cure to completion; or
- (c) The bankruptcy of LESSEE;
- (d) LESSEE making an assignment for the benefit for creditors;
- (e) A receiver or trustee being appointed for LESSEE or a substantial portion of LESSEE's assets;
- (f) LESSEE's voluntary petitioning for relief under, or otherwise seeking the benefit of, any bankruptcy, reorganization, arrangement or insolvency law;
- (g) LESSEE's vacating or abandoning the Premises;
- (h) LESSEE's interest under this Lease being sold under execution or other legal process;

- (i) LESSEE's interest under this Lease being modified or altered by any unauthorized assignment or subletting or by operation of law;
- (j) Any of the goods or chattels of LESSEE used in, or incident to, the operation of LESSEE's business in the Premises being seized, sequestered, or impounded by virtue of, or under LESSOR of, any legal proceeding;
- (k) LESSEE's failure to comply with its environmental obligations, any laws, programs or audits promulgated by LESSOR or applicable regulatory agencies which may be revised from time to time.

16.02. **Remedies.** In the event of any of the foregoing events of default, LESSOR, at its election, may exercise any one or more of the following options or remedies, the exercise of any of which shall not be deemed to preclude the exercise of any others herein listed or otherwise provided by statute or general law at the same time or in subsequent times or actions:

- (a) Terminate LESSEE's right to possession under the Lease and re-enter and retake possession of the Premises and relet or attempt to relet the Premises on behalf of LESSEE at such rent and under such terms and conditions as LESSOR may deem best under the circumstances for the purpose of reducing LESSEE's liability. LESSOR shall not be deemed to have thereby accepted a surrender of the Premises, and LESSEE shall remain liable for all rent, or other sums due under this Lease and for all damages suffered by LESSOR because of LESSEE's breach of any of the covenants of the Lease.
- (b) Declare this Lease to be terminated, ended and null and void, and re-enter upon and take possession of the Premises whereupon all right, title and interest of LESSEE in the Premises shall end.
- (c) Accelerate and declare the entire remaining unpaid rent for the balance of this Lease and any other sums due and payable forthwith and may, at once, take legal action to recover and collect the same.

16.03. **Habitual Default.** Notwithstanding the foregoing, in the event that the LESSEE has frequently, regularly, or repetitively defaulted in the performance of or breached any of the terms, covenants, and conditions required herein to be kept and performed by the LESSEE, and regardless of whether the LESSEE has cured each individual condition of breach or default, the LESSEE may be determined by the LESSOR to be an "habitual violator." At the time that such determination is made, the LESSOR shall issue to the LESSEE a written notice advising of such determination and citing the circumstances therefore. Such notice shall also advise LESSEE that there shall be no further notice or grace periods to correct any subsequent breaches or defaults and that any subsequent breaches or defaults of whatever nature, taken with all previous breaches and defaults, shall be considered cumulative, and collectively shall constitute a condition of non-curable default and grounds for immediate termination of this Agreement. In the event of any such subsequent breach or default, the LESSOR may terminate this Agreement upon the giving of written notice of termination to the LESSEE, such termination to be effective upon delivery of the notice to the LESSEE.

- 16.04. **Additional Provisions.** No re-entry or retaking possession of the Premises by LESSOR shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention be given to LESSEE, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent or other monies due to LESSOR hereunder or of any damages accruing to LESSOR by reason of the violations of any of the terms, provision and covenants herein contained. LESSOR's acceptance of rent or other monies following any non-monetary event of default hereunder shall not be construed as LESSOR's waiver of such event of default. No forbearance by LESSOR of action upon any violation or breach of any of the terms, provisions and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions and covenants herein contained. Forbearance by LESSOR to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any other violation or default. Legal actions to recover for loss or damage that LESSOR may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expense of repossessions or reletting and any repairs or remodeling undertaken by LESSOR following repossession.
- 16.05. **Events of LESSOR Default.** In the event that LESSOR defaults under the terms of this Lease, LESSEE shall give LESSOR written notice specifying the nature of the default and LESSOR shall have thirty (30) days after receipt of such notice to cure said default. Any default by LESSOR which shall continue uncured shall give LESSEE the right to terminate the Lease immediately, in addition to all available rights or remedies in law or in equity.
- 16.06. **Waiver of Jury Trial.** LESSOR and LESSEE shall, and they hereby do, waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of LESSOR and LESSEE, LESSEE's use or occupancy of the Premises and/or building, and/or claim or injury or damage. In the event LESSOR commences any proceeding to enforce this Lease or LESSOR/LESSEE relationship between the parties or for nonpayment of rent (of any nature whatsoever) or additional monies due LESSOR from LESSEE under this Lease, LESSEE will not interpose any counterclaim of whatever nature or description in any such proceedings. In the event LESSEE must, because of applicable court rules, interpose any counterclaim or other claim against LESSOR in such proceedings, LESSOR and LESSEE covenant and agree that, in addition to any other lawful remedy of LESSOR, upon motion of LESSOR, such counterclaim or other claim asserted by LESSEE shall be severed out of the proceedings instituted by LESSOR and the proceedings instituted by LESSOR may proceed to final judgment in a Court of competent jurisdiction in Columbia County, Florida separately and apart from and without consolidation with or reference to the status of each counterclaim or any other claim asserted by LESSEE.
- 16.07. **Time of the Essence.** Time is of the essence of this Lease; and in case LESSEE shall fail to perform the covenants or conditions on its part to be performed at the time fixed for the performance of such respective covenants or conditions by the provisions of this Lease, LESSOR may declare LESSEE to be in default of such Lease.

ARTICLE 17. INSURANCE

17.01. **Insurance Required.** LESSEE shall provide, pay for, and maintain the types of insurance described herein. All insurance shall be from responsible companies approved by LESSOR and authorized to do business in the State of Florida. All liability insurance policies of LESSEE required herein shall provide a severability of interest provision. The insurance coverages and limits required shall be evidenced by properly executed certificates of insurance. Each certificate shall be an original, signed by the authorized representative of the insurance company shown on the certificate with proof that he/she is an authorized representative thereof attached. The required policies of insurance shall be performable in the state of Florida and shall be construed in accordance with the laws of the State of Florida

17.02. **LESSEE Notifications and Certificates of Insurance.** All certificates shall provide that thirty (30) days' prior written notice, by registered or certified mail, return receipt requested, shall be given LESSOR of any cancellation or intent not to renew. If at any time LESSOR requests a written statement from the insurance company as to any impairments to the aggregate Limit, LESSEE shall promptly delivered such statement to LESSOR. LESSEE shall make up any impairment when known to it.

- (a) The acceptance of delivery by LESSOR of any certificate of insurance evidencing LESSEE's insurance coverages and limits does not constitute approval or agreement by LESSOR that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements herein.
- (b) The certificates of insurance, or other evidence, must be filed with and approved by LESSOR prior to any activity being performed on the Premises by LESSEE. LESSEE shall, before commencement of any work on the Premises, furnish LESSOR evidence that the contractor(s) is covered to the reasonable satisfaction of LESSOR.
- (c) All of the required insurance coverages shall be issued as required by law and shall be endorsed, where necessary, to comply with the minimum requirements contained herein. Submissions required by this Article shall be given to:

City of Lake City, Florida
Attn: Airport Director
205 North Marion Avenue
Lake City, Florida 32055

- (d) Renewal Certificates of Insurance shall be provided to LESSOR annually.
- (e) No less than thirty (30) days prior to the effective date of such a reduction in coverage, LESSEE shall notify LESSOR in writing of any reductions in insurance limits of coverage required of LESSEE herein.

17.03. **Adequacy of Coverage.**

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- (a) The insurance coverages and limits required of LESSEE are designed to meet the minimum requirements of LESSOR. They are not designed as a recommended insurance program for LESSEE. LESSEE alone shall be responsible for the sufficiency of its own insurance program.
- (b) The limits of the insurance herein required may become inadequate based on LESSEE's activities and industry practices, and LESSEE agrees that it will increase such limits within thirty (30) days after receipt of notice in writing from LESSOR.
- 17.04. **Claims-Made Policies.** If any liability insurance required herein is to be issued or renewed on a "claims made" form as opposed to the "occurrence" form, the retroactive date for coverage shall be no later than the commencement date of the Lease and shall provide that in the event of cancellation or non-renewal, the discovery period for insurance claims (Tail Coverage) shall be unlimited.
- 17.05. **Failure to Provide Insurance – Termination.** LESSOR may terminate or suspend this Lease at any time should LESSEE fail to provide or maintain: the insurance coverages required in this Lease, evidenced by documentation acceptable to LESSOR.
- 17.06. **Minimum Required Coverage.** The amounts and types of insurance shall conform to the following minimum requirements with the use of Insurance Service Office (ISO) policies, forms, and endorsements or broader where applicable. Notwithstanding the foregoing, the wording of all policies, forms, and endorsements must be acceptable to LESSOR.
- (a) **Workers' Compensation and Employers' Liability.** Insurance in accordance with the State of Florida Statutory Requirements.
- (b) **Aviation Commercial General Liability.** 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 amount of \$1,000,000.00 with respect to each person, and in the minimum sum of \$1,000,000.00 with respect to each accident or occurrence, and in the minimum sum of \$1,000,000.00 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.
- (c) **Aircraft Liability.** LESSEE shall maintain aircraft liability insurance covering all aircraft operated by and for LESSEE at limits acceptable to LESSOR but not less than \$1,000,000.00 each occurrence.
- (d) **Business Automobile Liability.** In the event LESSEE operates any owned, non-owned, leased or hired vehicles, insurance shall be maintained by LESSEE as to the ownership, maintenance and use of all owned, non-owned, leased or hired vehicles which are tagged and used commercially on LESSOR's premises with limits of not less than:
- | | |
|-------------------------|--|
| Bodily Injury Liability | \$1,000,000 limit each person/ \$1,000,000 limit each accident |
|-------------------------|--|

Property Damage Liability **\$1,000,000** limit each accident

OR

Bodily Injury and **\$1,000,000** Combined Single Limit each occurrence
Property Damage
Liability

- (e) **Umbrella Liability or Excess Liability.** Insurance, shall not be less than **\$1,000,000** each occurrence and aggregate. The limits of primary liability insurance for the General Liability and Employers' Liability insurance coverages required in this section shall be not less than **\$500,000** Combined Single Limit each occurrence and aggregate where applicable for Bodily Injury, Personal Injury, and Property Damage liability.

17.07. **Additional Insured** LESSEE agrees to endorse LESSOR as an Additional Insured with a CG2026 Additional Insured – Designated Person or Organization endorsement, or similar endorsement, to the Commercial General Liability and Business Automobile Liability. The Additional Insured shall read **"City of Lake City, Florida."**

17.08. **Right to Revise or Reject** LESSOR reserves the right, but not the obligation, to review and revise any insurance requirement, not limited to limits, coverages and endorsements based on insurance market conditions affecting the availability or affordability of coverage; or changes in the scope of work / specifications affecting the applicability of coverage. Additionally, the LESSOR reserves the right, but not the obligation, to review and reject any insurance policies failing to meet the criteria stated herein or any insurer providing coverage due of its poor financial condition or failure to operating legally.

ARTICLE 18. INDEMNIFICATION AND LIMITATION OF LIABILITY

LESSEE agrees to protect, defend, reimburse, indemnify and hold LESSOR, its agents, employees and elected officers and each of them (collectively, "LESSOR Indemnitees"), free and harmless at all times from and against any and all claims, liability, expenses, losses, costs, fines and damages (including, without limitation, reasonable attorney fees and costs incurred prior to trial, at trial, on any appeal, and in any bankruptcy proceeding) and causes of action of every kind and character, known or unknown, against or any LESSOR Indemnitee by reason of any damage to property or the environment, including any contamination of Airport property such as the soil or storm water by fuel, gas, chemicals or other substances deemed by the EPA to be environmental contaminants at the time this Lease is executed or as may be redefined by the appropriate regulatory agencies in the future or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third or other party whomsoever, or any governmental agency, arising out of or incident to or in connection with LESSEE's performance under this Lease, LESSEE's negligent use or occupancy of the Premises, LESSEE's negligent acts, omissions or operations hereunder or the performance, nonperformance or purported performance of LESSEE or any breach of the terms of this Lease. LESSEE recognizes the broad nature of this indemnification and hold harmless clause, and acknowledges that LESSOR would not execute this Lease without this indemnity. This clause shall survive the expiration or termination of this Lease.

Compliance with the insurance requirements as attached hereto shall not relieve LESSEE of its liability or obligation to indemnify LESSOR as set forth in this Article.

To the extent permitted by applicable law, LESSOR agrees to indemnify and save LESSEE harmless from and against any and all claims, liabilities, losses, damages, costs, or expenses (including reasonable attorneys' fees) that LESSEE may sustain: (a) to the extent caused by or arising out of the negligence or willful misconduct of LESSOR, its employees, agents or contractors, or (b) to the extent caused by or arising out of any breach or default by LESSOR in the performance of its obligations under this Lease beyond applicable periods of notice and cure.

In no event shall either party, its employees, agents, or contractors be liable under this Lease to the other party for any consequential, incidental, indirect, exemplary, special or punitive damages, including any damages for business interruption, loss of use, revenue or profit, whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damages were foreseeable and whether or not either party was advised of the possibility of such damages.

ARTICLE 19. COMPLIANCE WITH LAWS, REGULATIONS, ORDINANCES, RULES

The parties shall at all times comply with applicable federal, state and local laws and regulations, and airport rules and regulations as they shall exist from time to time, and other mandates whether existing or as promulgated from time to time by the federal, state or local government, or, in the case of LESSEE, promulgated by LESSOR including but not limited to permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other operational matters related to the operation of the Airport. This shall include, but not be limited, to LESSEE precluding its employees, agents, customers or invitees from entering upon any restricted area of the Airport as noted in procedures, rules or regulations of the federal, state or local governments or the LESSOR.

ARTICLE 20. ENVIRONMENTAL REGULATIONS

20.01. **Environmental Representations.** Notwithstanding any other provisions of this Lease, and in addition to any and all other Lease requirements, and any other covenants and warranties of LESSEE, LESSEE hereby expressly warrants, guarantees, and represents to LESSOR, upon which LESSOR expressly relies that:

- (a) LESSEE is knowledgeable of any and all federal, state, regional and local governmental laws, ordinances, regulations, orders and rules, without limitation which govern or which in any way apply to the direct or indirect results and impacts to the environmental and natural resources due to, or in any way resulting from, the conduct by LESSEE of its operations pursuant to or upon the Premises. LESSEE agrees to keep informed of future changes in environmental laws, regulations and ordinances;
- (b) LESSEE agrees to comply with all applicable federal, state, regional and local laws, regulations and ordinances protecting the environmental and natural resources and all rules and regulations promulgated or adapted as some may from time to time be amended and accepts full responsibility and liability for such compliance;

- (c) LESSEE shall, prior to commencement of any such operations pursuant to this Lease, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter hereof;
- (d) LESSEE, its employees, agents, contractors, and all persons working for, or on behalf of LESSEE, have been fully and properly trained in the handling and storage of all such hazardous waste materials and other pollutants and contaminants; and such training complies with any and all applicable federal, state and local laws, ordinances, regulations, rulings, orders and standards which are now or are hereinafter promulgated;
- (e) Except in the case of de minimis quantities of such materials for routine fuel testing and aircraft maintenance purposes, LESSEE agrees that it will neither handle nor store any toxic waste materials on the Premises.
- (f) LESSEE shall provide LESSOR satisfactory documentary evidence of all such requisite legal permits and notifications as hereinabove required.
- (g) LESSEE agrees to cooperate with any investigation, audit or inquiry by LESSOR or any governmental agency regarding possible violation of any environmental law or regulation.

20.02. **Generator of Hazardous/Medical Waste.** If LESSEE is deemed to be a generator of hazardous and/or medical waste, as defined by state, federal, or local law, LESSEE shall obtain any and all applicable permits or licenses from such agencies as is required by federal, state, or local laws, regulations, and codes, and shall otherwise comply with all federal, state, regional and local requirements imposed upon a generator of such waste including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law.

20.03. **Inventory List.** LESSEE shall maintain an accurate inventory list (including quantities) of all such hazardous, and other contaminated or polluted materials, whether stored, disposed of or recycled, available at all times for inspection at any time on the Premises by LESSOR officials and also by fire department officials or regulatory personnel having jurisdiction over the Premises, for implementation of proper storage, handling and disposal procedures.

20.04. **Notification and Copies.** Notification of all hazardous waste activities by LESSEE shall be provided on a timely basis to LESSOR or such other agencies as required by law. LESSEE agrees a twenty-four (24)-hour emergency coordinator and phone number shall be furnished to LESSOR and to such appropriate governmental entities, in case of any spill, leak or other emergency situation involving hazardous, toxic, flammable or other pollutants or contaminated materials. Designation of this emergency coordination may be required by existing federal, state, regional or local regulations.

LESSEE agrees to provide LESSOR copies of all permit application materials, permits, monitoring reports, environmental response plan, and regulated materials storage and disposal plans, within ten (10) days prior to their required submittal to regulatory agencies having jurisdiction over such matters.

20.05. Violations.

- (a) If LESSOR receives a notice from any governmental entity asserting a violation by LESSEE of LESSEE's covenants and agreements contained herein, or if LESSOR otherwise has reasonable grounds upon which to believe that such a violation has occurred, LESSOR shall notify LESSEE, and LESSOR shall have the right, but not the obligation, to contract, at LESSEE's sole cost and expense, for the services of persons ("Site Reviewers") to enter the Premises and perform environmental site assessments for the purpose of determining whether there exists any environmental condition that could result in any liability, cost or expense to LESSOR. The Site Reviewers shall perform such tests on the Premises as may be necessary, in the opinion of the Site Reviewers, to conduct a prudent environmental site assessment. LESSEE shall supply such information as is requested by the Site Reviewers.
- (b) If LESSEE receives a Notice of Violation or similar enforcement action or notice of noncompliance, LESSEE shall provide a copy of same to LESSOR within seventy-two (72) hours of receipt by LESSEE or LESSEE's agent. Violation of any part of the provisions of this Article or disposition by LESSEE of any sanitary waste, pollutants, contaminants, hazardous waste, toxic waste, industrial cooling water, sewage or any other materials in violation of the provisions of this Article shall be deemed to be a default under this Lease if not cured within thirty (30) days of receipt of notice from LESSOR shall be grounds for termination of this Lease, and shall also provide LESSOR grounds for taking whatever other action it may have in addition to termination based upon default as provided for under this Lease. Notwithstanding the foregoing, such failure shall not constitute an event of default if such failure is not susceptible of being cured within thirty (30) days and LESSEE diligently pursues such cure to completion.

ARTICLE 21. ENVIRONMENTAL INSPECTION

Within the last sixty (60) days of the Lease or after Lease termination, LESSOR shall have the right to have an environmental inspection performed to determine the status of any hazardous substances or hazardous waste as defined by the Comprehensive and Environmental Response, Compensation and Liability Act of 1980 (CERCLA), 42 U.S.C. section 9601(14) pollutants or contaminants as defined in CERCLA, 42 U.S.C. section 9604 (A)(2) or hazardous waste as defined in the Resource Conservation and Recovery Act (RCRA) 42 U.S.C. section 6903(5) or other similar applicable federal or state laws and regulations, including, but not limited to asbestos, PCB's, urea formaldehyde, and radon gas existing on the Premises or whether any said substances have been generated, released, stored or deposited over, or presently exist beneath or on the Premises from any source.

LESSEE hereby expressly agrees to indemnify and hold LESSOR harmless from and against any and all liability for fines and physical damage to property or injury or deaths to persons, including reasonable expense and attorney's fees, arising from or resulting out of, or in any way caused by, LESSEE's failure to comply with any and all applicable federal, state, and local laws, ordinances, regulations, rulings, orders and standards, now or hereafter promulgated for the purpose of protecting the environment. LESSEE understands that this indemnification is in addition to and is a supplement of LESSEE's indemnification set

forth in other provisions of this Lease and LESSEE is in full understanding to the extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration and that LESSOR would not execute this Lease without this Indemnity. This provision of the lease shall survive termination of the Lease.

With regard to any contamination caused by LESSEE or arising by reason of LESSEE's use or occupancy of the Premises, LESSEE shall promptly take such action as is necessary to clean up and remediate the Premises at its own expense in accordance with applicable federal, state, and local law. The remediation must continue until the applicable governmental authorities have determined that no further action is necessary.

The firm(s) conducting the site inspection or the site cleanup work must be qualified and approved by LESSOR, and the methodology used by such firm shall be consistent with the then current engineering practices and methods required by the State of Florida or the United States government and be acceptable to LESSOR.

LESSEE understands and agrees it is strictly liable for any environmental violation or harm, or any contamination to the soil or the water table under the Premises caused by LESSEE or occurring by reason of LESSEE's use or occupancy of the Premises. Said liability shall extend beyond the term of the Lease until the Premises are retested and determined to be free of contamination.

ARTICLE 22. STORAGE TANKS

LESSEE agrees it will not have any underground or above ground storage tanks on the Premises unless specifically authorized in writing by LESSOR. If any tank is authorized by LESSOR, LESSEE covenants and agrees that it will comply with all Federal, State and local laws and regulations concerning the installation, operation, maintenance and inspection of above ground and underground storage tanks ("Tanks") including financial responsibility requirements.

ARTICLE 23. FAA APPROVAL AND REQUIREMENTS

23.01. **FAA Approval.** This Lease may be subject to approval of the Federal Aviation Administration (herein referred to as the "FAA"). If the FAA disapproves the Lease, either party may terminate the Lease by providing written notice.

23.02. **Non-Exclusive Right.** This Lease Agreement shall not be deemed a grant of any exclusive right for the use of the Lake City Gateway Airport or the granting of exclusive rights prohibited by any state, federal or local statutes or regulations.

ARTICLE 24. AMERICANS WITH DISABILITIES ACT

LESSEE shall generally comply with the requirements of "The Americans with Disabilities Act" (ADA) as it shall exist and be amended from time-to-time. Additionally, the LESSOR shall specifically comply with the requirements of the ADA in its design and construction of improvements on the Premises.

ARTICLE 25. NONDISCRIMINATION

LESSEE, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of Airport facilities; and (2) LESSEE shall use the Airport Premises in compliance with all requirements imposed or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended. In the event of breach of any of the above nondiscrimination covenants, LESSOR shall have the right to terminate the Lease.

ARTICLE 26. RIGHTS RESERVED TO LESSOR

Rights not specifically granted to LESSEE by this lease are expressly and independently reserved to LESSOR. LESSOR expressly reserve(s) the right to prevent any use of the described Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an Airport hazard.

ARTICLE 27. RIGHT TO ENTRY

LESSOR shall have the right to enter the Premises following **twenty four (24) hours notice** to LESSEE and at reasonable times to inspect the Premises for the purpose of determining whether LESSEE is in compliance with the requirements of this Lease. If upon inspecting the Premises, the LESSOR reasonably determines that the LESSEE is not in compliance with this Lease, the LESSOR shall provide the LESSEE with a written notice of noncompliance listing the maintenance and repair items that are in noncompliance. If the LESSEE does not initiate corrective action to cure the items in noncompliance within ten (10) calendar days and pursue in a diligent manner to complete actions to cure said noncompliance, the LESSOR may cure said noncompliance items. In the event the LESSOR cures noncompliance items, the LESSEE agrees to be liable to the LESSOR for payment of all costs incurred by the LESSOR, including costs and administrative overhead fee of twenty five percent (25%), which shall be due and payable to the LESSOR within thirty (30) calendar days from the date of written notice from the LESSOR.

ARTICLE 28. RIGHT OF FLIGHT

It shall be a condition of this Lease that LESSOR reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property owned by LESSOR, including the Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the Airport.

LESSEE further expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstruction on Premises to such a height so as to comply with Federal Aviation Regulation, Part 77.

ARTICLE 29. PROPERTY RIGHTS RESERVED

This Lease shall be subject and subordinate to all the terms, and conditions of any instruments and documents under which LESSOR acquired the land or improvements thereon, of which said Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. LESSEE understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between LESSOR and the United States of America, the State of Florida, or any of its agencies, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the grant or receipt of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

Supplemental to the foregoing, and not as a limitation thereof, this Lease shall be subject to the terms, conditions and provisions of the Instruments of Transfer and all restrictions of record affecting the Airport and the use thereof, all federal and state laws and regulations affecting the same, and shall be subject and subordinate to the provisions of any existing agreement between the LESSOR and the United States of America or the State of Florida, their boards, agencies or commissions, and to any future agreements between the foregoing relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal or state funds for the development of the Airport, or as a condition precedent to the use of the Airport, or any part thereof, by the LESSOR or otherwise. All provisions hereof shall be subordinate to the right of the United States of America to terminate the right of the LESSOR to occupy or use the Airport, or any part thereof, during the time of war or national emergency.

ARTICLE 30. QUIET ENJOYMENT

LESSOR covenants that LESSEE shall and may peaceably and quietly have, hold and enjoy the demised Premises and all parts thereof for the term hereby granted, subject to the terms and provisions hereof.

ARTICLE 31. EMINENT DOMAIN

In the event any federal, state or local governmental entity shall, by exercise of the right of eminent domain or any other power, acquire title in whole or in part of the Airport, including any portion assigned to LESSEE, LESSEE shall have no right of recovery whatsoever against LESSOR but shall make its claim for compensation solely against such governmental entity.

ARTICLE 32. SUBORDINATION OF BOND RESOLUTION

This Lease and all rights of LESSEE hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by LESSOR to secure Bond financing. This Lease is subject and subordinate to the terms, covenants, and conditions of any Bond Resolution heretofore or hereafter adopted that authorizes the issuance of Bonds by LESSOR. LESSOR may amend or modify the Bond Resolution or make any change thereto. Conflicts between this Lease and the Bond Resolution shall be resolved in favor of the Bond Resolution.

ARTICLE 33. FEDERAL RIGHT TO RECLAIM

In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located, for public purposes, then this Lease shall hereupon terminate and LESSOR shall be released and fully discharged from any and all liability hereunder. In the event of such termination, LESSEE's obligation to pay rent shall cease, however, nothing herein shall be construed as relieving LESSEE from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

ARTICLE 34. FORCE MAJEURE

Neither the LESSOR nor LESSEE shall be deemed in violation of the Lease if it is prevented for preforming any of its obligations hereunder by reasons of Acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions or any other circumstances for which are not in its control. In the event of circumstances as outlined above the LESSOR and LESSEE shall mutually agree upon an equitable adjustment of the rates, fee and changes payable to the LESSOR, determined by the precise nature of the events causing the non-performance of the LESSEE's obligation hereunder.

ARTICLE 35. SURRENDER OF PREMISES

For existing Premises owned by the airport sponsor and leased to the LESSEE. LESSEE shall surrender up and deliver the leased Premises to LESSOR upon expiration or termination of this Lease in the same condition as existed at the commencement of the Lease, ordinary wear and tear excepted. Provided LESSEE is not in violation of any of the terms and conditions herein or in default in the payment of rents, fees and any charges required under this Lease, LESSEE, at the termination of this Lease, shall remove all of its personal property from the Premises forthwith. Failure on the part of LESSEE to remove its personal property on the date of termination shall constitute a gratuitous transfer of title thereof to LESSOR for whatever disposition is deemed to be in the best interest of LESSOR. Any costs incurred by LESSOR in the disposition of such personal property shall be borne by LESSEE.

ARTICLE 36. TITLE TO IMPROVEMENTS

Except in the case of manufactured buildings located on the Premises by LESSEE, which buildings are constructed to a code other than the Florida Building Code, or are otherwise titled with a vehicle title issued by the Florida Department of Highway Safety and Motor Vehicles, all permanent improvements of whatever kind or nature, including but not limited to, all buildings and all equipment installed therein which, under the laws of the State of Florida, are part of the realty, heating and air conditioning equipment, interior and exterior light fixtures, fencing, landscaping, paving, tie-down facilities and all other permanent improvements which become part of the realty placed upon the Premises, with or without consent of LESSOR, shall become and be deemed to be a part of the Premises, shall be free and clear of all liens and shall become the property of LESSOR, upon termination or default of this Lease and shall remain on the Premises unless otherwise directed by the LESSOR. Title to all personal property, furnishings and trade fixtures, unless paid for by the LESSOR, shall be and remain with LESSEE and may be removed from the Premises at any time, provided LESSEE is not then in default thereunder, and further

provided LESSEE exercises care in the removal of same and repairs any damage to the Premises caused by said removal. Personal property, furnishing and trade fixtures which are paid for by the LESSOR shall be titled to the LESSOR, and shall not be removed from the Premises without prior written consent of the LESSOR. Upon written demand, LESSEE shall execute and deliver to the LESSOR a proper document on conveyance evidencing such transfer or title. In the event a reputable, independent engineer is hired by the LESSOR and such engineer determines that the structures have reached the end of their useful life, the LESSEE shall remove the structures at no cost to the LESSOR.

ARTICLE 37. NO ACCEPTANCE OF SURRENDER

No act or thing done by LESSOR or LESSOR's agents or employees during the term of this Lease shall be deemed an acceptance of the surrender of this Lease and no acceptance of a surrender shall be valid unless in writing.

ARTICLE 38. PERSONAL PROPERTY

Any personal property of LESSEE or of others placed in the leased Premises shall be at the sole risk of LESSEE or the owners thereof, and LESSOR shall not be liable for any loss or damage thereto, except for such loss or damaged caused by LESSOR or LESSOR's employees, agents or contractors, and LESSEE hereby waives all rights of subrogation or recovery from LESSOR for such damage, destruction or loss.

ARTICLE 39. CORPORATE TENANCY

If LESSEE is a limited liability company, the undersigned officer of LESSEE hereby warrants and certifies to LESSOR that LESSEE is a limited liability company in good standing and is authorized to do business in the State of Florida and shall provide proof of good standing to LESSOR. The undersigned signatory of LESSEE hereby further warrants and certifies to LESSOR that he or she, as such signatory, is authorized and empowered to bind the entity to the terms of this Lease by his or her signature thereto.

ARTICLE 40. APPLICABLE LAW AND VENUE

This Lease shall be construed in accordance with the laws of the State of Florida. Venue for any action brought pursuant to this Lease shall be in Columbia County, Florida. Any action for breach of or enforcement of any provision of this Lease shall be brought in the court of appropriate jurisdiction in and for Columbia County, Florida.

ARTICLE 41. ATTORNEY'S FEES AND COSTS

The prevailing party in any litigation relating to or arising from this Lease shall be entitled to recover its expenses (including court costs and the reasonable fees and expenses of its legal counsel), both at the trial and appellate levels relating to such litigation.

ARTICLE 42. INVALIDITY OF CLAUSES

Airport Land Lease
Lake City Gateway Airport

City of Lake City, Florida (LESSOR)
Air Methods, LLC, (LESSEE)

The invalidity of any portion, article, paragraph, provision or clause of this Lease shall have no effect upon the validity of any other part of portion thereof.

ARTICLE 43. NOTICES AND COMMUNICATIONS

All notices or other communications to LESSOR or to LESSEE pursuant hereto shall be deemed validly given, served, or delivered, upon delivery in person or by courier service, and if mailed upon three (3) days after deposit in the United States mail, certified and with proper postage and certified fee prepaid, addressed as follows:

if to LESSOR:

City of Lake City, Florida
205 North Marion Avenue
Lake City, Florida 32055
Attention: City Manager
Email Address: BrunerJ@lcfla.com

With a copy to (which will not constitute notice):

City of Lake City, Florida
205 North Marion Avenue
Lake City, Florida 32055
Attention: City Attorney
Email Address: TBD

if to LESSEE:

Air Methods, LLC
5500 South Quebec Street, Suite 300
Greenwood, Colorado 80111
Attention: Vice President, Southeast Region

With copies to (which will not constitute notice):

Air Methods, LLC
5500 South Quebec Street, Suite 300
Greenwood, Colorado 80111
Attention: Legal Department
E-mail Address: realestate@airmethods.com

Air Methods, LLC
Email Addresses: Trevor.Hicks@airmethods.com and
Angela.Burdette@airmethods.com

or to such other address as the addressee may designate in writing by notice to the other party delivered in accordance with the provisions of this paragraph.

ARTICLE 44. RELATIONSHIP OF THE PARTIES

LESSEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and LESSOR shall in no way be responsible for such acts or omissions.

ARTICLE 45. MISCELLANEOUS

All of the terms and provisions hereof shall be binding upon and the benefits inure to the parties hereto and their heirs, personal representatives, successors and assigns. Wherever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders. This Lease represents the complete agreement between the parties and any prior understandings or representations, whether written or verbal, are hereby superseded. This Lease may subsequently be amended only by written instrument signed by the LESSOR and LESSEE hereto.

IN WITNESS WHEREOF, the LESSOR and LESSEE have hereunto set their hands and seals the day and year first above written.

LESSOR:

City of Lake City, Florida

LESSEE:

Air Methods, LLC, a Delaware limited liability company

Noah E. Walker, Mayor

By: Matt Turner, Vice President, Field Operations

Airport Land Lease
Lake City Gateway Airport

City of Lake City, Florida (LESSOR)
Air Methods, LLC, (LESSEE)

EXHIBIT "A"