FACILITY LEASE AND
FIXED BASE OPERATOR'S AGREEMENT

by and between

City of Marshall
"Landlord/City"

and

Southwest Aviation, Inc.
"FBO/Lessee"

Commencement Date of Agreement

August 1, 2026

CITY OF MARSHALL
FIXED BASE OPERATOR AGREEMENT AND FACILITY LEASE

THIS FACILITY LEASE AND FIXED BASE OPERATOR AGREEMENT ("Lease") is made by and between the City of Marshall, a municipal corporation of the State of Minnesota, located at 344 West Main Street, Marshall, Minnesota 56258, and hereinafter referred to as the ("City"), and Southwest Aviation, Inc., a Minnesota Corporation, doing business under the name of Midwest Aviation, that also intends to serve as the fixed base operator ("FBO"), hereinafter referred to as ("Lessee" or "FBO" interchangeably). The City and the Lessee/FBO individually may be referred to as "Party" or collectively as "Parties.

WHEREAS, City owns and/or controls real property in the City of Marshall, County of Lyon, State of Minnesota, which is known as the ("Airport"); and

WHEREAS, located upon said airport are certain airport facilities some of which the Lessee desires to lease from the City. These facilities shall be referred to in this lease as the "Leased Premises" as shown on Exhibit A and Exhibit A-1, which are attached and made a part of this agreement; and

WHEREAS, the City is willing to lease the Leased Premises to the Lessee and Lessee desires to lease the Leased Premises from the City upon the terms and conditions of this Agreement; and

WHEREAS, the City recognizes that fixed base operation services are essential to the proper accommodation of general and commercial aviation at the Airport; and

WHEREAS, the Lessee is qualified, ready and able to provide the fixed base operator (FBO) services as outlined in this Agreement on behalf of the City and will receive compensation as identified in Exhibit B as the services are provided to the satisfaction of the City.

NOW, THEREFORE, in consideration of the foregoing, the parties agree as follows:

1. **Description of Leased Premises.** City agrees to lease to Lessee during the Term of the Agreement, the Airport facilities and land as described below and set forth in Exhibit A/A-1

	Square Footage	
Summary Leased Premises	**Land SF**	**Building SF**
A&D Building Office	1,774	1,774
A&D Lobby and Shared Space (25% Allocation)	0	1,783
1985 Hangar	7,200	7,200
2002 Hangar	12,000	12,000
Red Baron Hangar - hangar & booth only	7,200	7,200
Red Baron Hangar - hangar & booth only	1,040	1,040
Total Rent	**29,214**	**30,997**

2. **Use of Leased Premises.** The Leased Premises shall be used solely for the following specified purposes which includes direct commercial aeronautical activities of Lessee and Lessee providing traditional FBO services as identified below. Lessee shall not use the Leased Premises for any other purpose without the prior written consent of the City.

2.1. Direct Commercial Aeronautical Activities of Lessee.

(a) Charter/commercial air service consisting of the operation of an air transportation system and associated operations.

(b) An aerial spraying application service consisting of the aerial application of the agricultural type chemicals and including the lading and storage of said chemicals and associated operations.

(c) Aircraft rental along with associated activities.

(d) Sale of new and used aircraft along with associated aeronautical activities.

(e) A flight school to train and to test aircraft pilots.

(f) Aircraft repair and maintenance service.

2.2. FBO Related Services by Lessee. In providing any of the required and/or authorized services or activities specified in this Agreement, Lessee, as the FBO, shall operate for the use and benefit of the public and shall meet or exceed the following standards:

(a) General Responsibilities.

- i. Furnishing service on a fair, reasonable and non-discriminatory basis to all users of the Airport and charge fair, reasonable and non-discriminatory prices for each unit of sale or service.
- ii. Providing, at its sole expense, a sufficient number of employees to provide the services required or authorized in this Agreement effectively and efficiently.
- iii. Overseeing the conduct, and demeanor of its employees who shall possess such technical qualifications as may be required in carrying out assigned duties.
- iv. Training employees on laws and regulations to which it is subject as the FBO, for a public entity, including data laws and protections.
- v. Keeping in effect and posting in a prominent place all necessary and/or required licenses or permits.
- vi. Keeping and maintaining the Leased Premises in good condition, order and repair, and agreeing to surrender same upon termination or expiration of this Agreement, in the condition in which they are required to be kept.
- vii. Lessee shall be responsible for the cleaning and operational maintenance for the Leased Premises at its sole expense

(b) Specific FBO Responsibilities.

- i. Ensuring adequate staffing for the operation of the arrivals and departures building during the agreed to hours of operation.
- ii. Ensuring the self-fueling dispensing station and credit card processing is operational.
- iii. Providing the same number of full service fueling with refueling vehicles for Jet A and Avgas during designated operating hours and after hours upon demand.

iv. Checking the fuel farm daily to ensure operational integrity.
v. Advising the City immediately of any deficiency needing attention.
vi. Ensuring the number and capacity per vehicle is consistent with the refuelers in operation at the commencement of this Agreement.
vii. Performing all required sampling and testing of the fuel and dispensing system and providing results upon request by the City.
viii. Providing after hours staffing for services through a dedicated contact point/phone number with a maximum response time of sixty (60) minutes upon request.
ix. Radioing ground communication and marshalling transient aircraft if requested during regular hours of operation.
x. Towing in and out of designated hangars for all customer aircraft within an agreed to timeframe with the customer other than aircraft in T-Hangars unless agreed to by Midwest Aviation.
xi. Reporting and collection of the approved Fuel Flowage Fee for all Jet A and Avgas fuel gallons dispensed. Remitting the City's portion of the Fuel Flowage Fee to the City promptly.
xii. Arranging for an adequate supply of Jet A and Avgas inventory to meet expected customer demand.
xiii. Making available certified A&P mechanics to provide for the repair and maintenance of aircraft engines, parts and general airplane components on a schedule as mutually agreed upon by the parties.
xiv. Coordinating aircraft storage service consisting of short-term or long-term aircraft storage within Leased Premises or at common tie-down area.
xv. Advising the City of any maintenance or service requirements on City owned facilities.
xvi. Reporting to the airport maintenance personnel any known airport equipment failures or general airport facilities items in need of maintenance.
xvii. Reporting special information affecting airport usage to the City that may be used for NOTAM.
xviii. Monitoring of fuel inventories and advising the City when fuel needs to be ordered.
xix. Maintaining a website outlining services available from Lessee, as the FBO.
xx. Maintaining the existing fuel farm until a replacement is available. Upon commissioning of the new fuel farm, the City will be responsible for removal of the existing fuel farm.

(c) Fueling Conditions. All requirements related to fueling represent responsibilities in place for the current fuel farm. Prior to commencement of operation of the new City funded and developed fuel farm, the parties shall mutually determine to processes to be implemented for pricing and fuel flowage collection.

(d) Modification. In the event the identified FBO services need to be modified, Lessee shall submit a written request to the City outlining the desired changes and the basis for the requested change. The City will review the request and the potential impact on airport operations, other Lessees, and the services available at the Airport in making its decision. A written response will be provided within thirty (30) calendar days following submission. The decision of the City will be final.

2.3. **Removal of Personal Property**. The Lessee shall be entitled, during the Term of this Agreement, to remove from the Airport, or any part thereof, all Lessee owned aircraft, tools, machinery, equipment and trade fixtures placed, installed or constructed thereon by it; provided, however, that all Leased Premises from which any personal property is so removed shall be restored by the Lessee in such manner that such buildings or property are not materially damaged, or if so, shall be restored to original condition by the Lessee and at its expense, normal wear and tear excepted. Upon termination of this Agreement for any reason, Lessee shall have fourteen (14) calendar days to remove personal property unless otherwise extended by the City.

2.4. **Use of Public and Common Use Premises.** Lessee shall have non-exclusive access to the public and common land and improvements at the Airport that are available for use by all airport lessees, users, and guests. Airport public and common use land and improvements include, but are not limited to, parking area, the public roadways, the runway, taxiways and taxi lanes. In the Arrival and Departure building ("A&D Building"), restrooms, common seating, common use vending, and access to the public hallways to access parking and other common use facilities in the A&D building. The City reserves the right to, at all times, regulate the use of Airport public parking lots and to regulate the use of the parking of any type of motor vehicle upon the airfield. Lessee shall have no right to park its authorized airfield motorized vehicles on the tarmac outside the Arrival and Departure building unless they are parked in the performance of duties of Lessee, as the FBO, as approved by City and in compliance with FAA regulations. The City shall designate the appropriate parking spaces in the parking lots for Lessee, as the FBO, to park its vehicles.

2.5. **Signs**. During the term of this Agreement, the Lessee shall have the right, at its expense, to place in or on the Leased Premises a sign or signs identifying the Lessee as the FBO. Said sign or signs shall be of a size, shape and design and a location or locations approved by the City and compliant with the City's sign code. Lessee shall remove, at its expense, all lettering, signs and placards so erected on the premises at the expiration or termination of this Agreement.

3. **Responsibilities of the City**. The City shall be responsible for providing the following:

(a) Developing and maintaining the new fuel facility at a location as determined by the City after collaboration with the Lessee.

(b) Maintaining the infrastructure of the Leased Premises at its sole cost, subject to its discretion of what repairs, replacements or maintenance is necessary for the safe and efficient operation of the Airport.

(c) Maintaining the common use land and improvements on the Airport, subject to its discretion of what repairs, replacements or maintenance is necessary for the safe and efficient operation of the Airport.

(d) Maintaining the common use portion of the A&D building, subject to its discretion of what repairs, replacements or maintenance is necessary for the safe and efficient operation of the Airport.

(e) Paying for all utility fees for the Leased Premises, including electricity, water and sewer, except for the 1985 hangar, the 2002 hangar, and the Red Baron hangar and paint booth portion of the Red Baron hangar, which will be the sole responsibility of the Lessee.

4. **FBO Hours of Operation.** Lessee agrees that it will use its best efforts, during the Term of this Agreement to provide the FBO services as identified in 2.2 herein. These services shall be provided by Lessee during the normal business hours as posted by Midwest Aviation. Normal business hours shall be from 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding regularly observed holidays, and available on an on-call basis 24/7 unless modified by mutual agreement of both parties.

5. **Term.**

5.1. Base Term. The Base Term of this Agreement shall be for a period of five (5) years and five (5) months commencing on the Commencement Date, August 1, 2026, and terminating on December 31, 2031, unless earlier terminated or extended in accordance with this Agreement.

5.2. Option Term. Upon mutual agreement of the Parties, this Agreement may be extended for up to four (4) additional terms of five (5) years each. To exercise an Option Term, the Parties must execute a written extension agreement no earlier than three hundred sixty-five (365) days and no later than two hundred forty (240) days before the expiration of the Base Term or the then-current exercised Option Term. If the Parties do not execute the written extension agreement within that period, the unexercised Option Term shall expire, and this Agreement shall terminate at the end of the then-current Term unless otherwise extended in writing by the Parties.

5.3. Holdover. In the event the parties do not agree to exercise any Option Term or upon expiration of the Base Term, the parties may elect to extend the Agreement on a month-to-month basis for up to a maximum of six (6) months under the terms and conditions contained in this Agreement (“Holdover”). Rental rates will be adjusted during Holdover in accordance with the Agreement. During Holdover, either party can cancel the Agreement with thirty (30) calendar days’ notice to the other party.

6. **Rent and FBO Credit.**

6.1. Rent. The Lessee shall pay to the City for the Leased Premises the monthly amount as shown in Exhibit B. Commencing on January 1, 2028, and on January 1st of each subsequent year of the Agreement, rent shall be adjusted by the City at the Consumer Price Index for All Urban Consumers (CPI-U) as determined in October of that corresponding year. Rent shall be paid monthly in advance and no later than the last day of each calendar month for the upcoming calendar month. The monthly rent due identified in Exhibit B shall commence on the 1st day of August, 2026 with first payment to be made by or before August 15, 2026, and like payments to be made on or before the first day of each month thereafter during the term of this Agreement.

6.2. **Late Fee.** If the Lessee fails to pay, within ten (10) calendar days after receipt of City's written notice that City has not received any payments due from the Lessee pursuant to this Agreement, the Lessee shall pay a late fee ("Late Fee") which is the lesser of either (i) twelve percent (12%) per annum, or (ii) the highest rate allowed by Minnesota law on any past due balance, calculated from the date the amount is due until the close of the business day when the payment is received.

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6.3. **FBO Operational Credit.** As consideration for the Lessee performing FBO services for Airport customers as identified herein, the City agrees to issue a credit as identified in Exhibit B to the Lessee on a monthly basis which shall be credited against the Lessee rental payments due each month. In the event that the Lessee and the City agree that Lessee will no longer provide the services as outlined in this Agreement, the City reserves the right to terminate the monthly credit effective on the date agreed to by the parties.

7. **Compliance with Laws.** Lessee shall use the Leased Premises in accordance with all applicable local, municipal, county, state and federal laws, regulations, rules and ordinances, now or hereafter in force. Lessee also shall otherwise comply with the adopted minimum standards, federal laws, state laws and ordinances as adopted by the City.

8. **Sewer and Water Policy**. Lessee shall comply with all policies and regulations of the City regarding the use of water and the use of the sanitary sewer system for the City of Marshall.

9. **Quiet Enjoyment.** As long as the Lessee pays rental payments when due and is in compliance with the terms and conditions of this Agreement, Lessee shall have quiet possession of the Leased Premises for the Term of this Agreement.

10. **Independent Contractor.** In conducting its business hereunder, it is agreed that the Lessee, as FBO, acts as an independent contractor and not as an agent of the City. The selection, retention, assignment, direction and payment of FBO employees shall be the sole responsibility of Lessee, as the FBO.

11. **Inspection and City Repairs.** City has the right, upon twenty four (24) hours' prior written notice, to inspect the Leased Premises during reasonable business to ensure compliance with this Agreement and for the purpose of making inspections upon the Leased Premises, making repairs or improvements to any adjoining leased areas of the Airport and to install, repair,

maintain and construct through the Leased Premises such pipes, wires and other similar items as City deems necessary or desirable for the operation of the Airport. In doing so, City will use its best efforts to minimize disruption to the Lessee's use and enjoyment of the Leased Premises, and shall repair any damage caused by such entry. The City shall defend the Lessee against any third-party claims and indemnify and hold the Lessee harmless from and against any losses, damages and expenses, including reasonably attorney and consultant fees, arising from third party claims that result directly from the City's or its designated representatives' entry onto the Leased Premises except to the extent the claims are based on the Lessee's gross negligence or intentional misconduct or arise as a result of the Lessee's breach of one or more of the Lessee's obligations under this Agreement.

12. Construction and Improvements.

12.1. Capital Improvements – Leased Premises. The City will participate in funding up to fifty percent (50%) of any approved Lessee capital improvements requested by Lessee and approved by the City up to an annual gross amount of fifteen thousand dollars ($15,000). The City share will be determined by each project and the expected useful life for each approved improvement and the credit will be in the form of a monthly rent credit in an amount and for a time frame mutually agreed upon by the Parties. Written approval must be received from the City prior to the commencement of any work. The means of reimbursement will be included in the City’s written approval to the Lessee. If a Lessee improvement is initiated by the Lessee and not approved by the City, the cost of the improvement will be the sole responsibility of the Lessee.

12.2. Leasehold Improvements– Leased Premises. Any improvements (as hereinafter defined) done during the term of this Agreement by the Lessee must have prior written consent of the City, not to be unreasonably withheld. Improvements shall include any interior work in the amount of $500.00 or more, including remodeling or structural alterations. However, prior written consent is not required for preventative maintenance. Any outside signs must have prior approval by the City. Any leasehold improvements made pursuant to this Section by the Lessee, shall, at the termination of this Agreement or the relevant Lease, become part of the Airport Premises and the property of the City. Prior to the commencement of the Work, Lessee shall also submit, if requested by City's Staff: (i) a bond or other security in an amount, form and with a surety satisfactory to City's staff, conditioned for the commencement, completion and payment for such improvements and against loss or damage by reason of mechanic's liens; (ii) an insurance policy in the amount approved by the City, written by an insurance company approved by the City protecting the City from all liability to persons or property for damages arising out of the improvement. (iii) cost estimates for the improvement; and (iv) a sworn construction statement listing all individuals or entities providing labor, services, materials or equipment for the improvement and containing such other information as City's staff may request. Lessee shall only proceed with the improvement after approval from City's staff, not to be unreasonably withheld, delayed or conditioned, and after obtaining all necessary government building permits and approvals and providing copies to City, if requested.

12.3. Warranties and Conditions. In completing any type of improvement of any amount, Lessee shall:

(a) Cause all work to be done in a good and workmanlike manner, within a reasonable time and in compliance with the Policies and applicable insurance requirements, building codes, zoning ordinances, laws and regulations;

(b) Keep the Leased Premises free and clear from all liens for labor performed and materials furnished; and

(c) Defend, at Lessee's cost, each and every lien asserted or filed against the land or any building, structure or improvement on the Leased Premises and pay each and every judgment resulting from such lien

13. Insurance and Indemnity.

13.1. Lessee Required Insurance. Effective on the commencement date of this Agreement, Lessee shall provide at its sole expense, the following insurance coverage:

(a) Insurance on their own personal property located on their Leased Premises, including any aircraft which they own, and the City shall have no obligation to insure any personal property or any aircraft located in the Leased Premises against any loss.

(b) Worker's compensation insurance with no less than the minimum limits required by law if the Lessee has employees located at the Leased Premises.

(c) Commercial general liability insurance, with a minimum limit of $2,000,000.00 per occurrence for property damage, personal injuries, or deaths of persons occurring in or about the Leased Premises, or in or about the Airport if caused by the act or omission of the Lessee or those for whom the Lessee is legally responsible, and listing City as an additional name insured.

(d) Comprehensive Aviation Liability Insurance in the minimum amount of $5,000,000 per occurrence for bodily injury or property damage including to passengers which includes endorsements for premises liability, products and completed operations and hangar keeper’s liability.

(e) Business Automotive Liability with a minimum limit of $1,000,000 per occurrence to cover all Lessee owned or controlled vehicles which includes an endorsement for operating vehicles on the ramp, taxiways or airside premises.

(f) With respect to the existing fuel farm as identified in Exhibit A, Lessee will obtain environmental liability insurance in the amount of $2,000,000 per occurrence to insure against any loss or any environmental hazards or environmental losses arising out of the operation, maintenance and repair of it.

13.2. City's Required Insurance. The City shall insure the Leased Premises as identified in Exhibit A and Exhibit A-1.

13.3. Form of Insurance/City's Rights. All required insurance policies shall insure on an occurrence and not a claims-made basis, shall be issued by insurance companies which are reasonably acceptable to City's insurance staff, and shall not be cancelable, reduced or materially changed unless thirty (30) days prior written notice shall have been given to City. Any policy issued to City providing duplicate or similar coverage shall be deemed excess over the Lessee's policies. Original certificates evidencing coverage shall be delivered to City or to its designated agent at least ten (10) days prior to the commencement date and at least fifteen (15) days prior to each renewal of such insurance. Lessee will provide City with thirty (30) days advance written notice prior to cancellation or material change in coverage.

13.4. Indemnity. To the fullest extent permitted by law, the Lessee agrees to indemnify, defend, save and hold harmless City and its officers, agents and employees (collectively "Indemnitees") from and against any and all liabilities, losses, damages, suits, actions, claims, judgments, settlements, fines or demands of any person arising by reason of injury or death of any person, or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs and expert fees), of any nature whatsoever arising out of or incident to (i) the use or occupancy of, or operations at or about the Leased Premises and the Airport, or (ii) the acts or omissions of the Lessee's officers, agents, employees, contractors, subcontractors, licensees or invitees, regardless of where the injury, death or damage may occur to any third party including its passengers. Notwithstanding the foregoing, Lessee is not obligated to indemnify defend, save and hold harmless City as a result of City’s gross negligence or intentional acts or the gross negligence or intentional acts of City’s employees, contractors or agents. City shall give the Lessee reasonable notice of any such claim or action. In indemnifying or defending City, Lessee shall use legal counsel reasonably acceptable to City. City, at its option, shall have the right to select its own counsel or to approve joint counsel as appropriate (considering potential conflicts of interest) and any experts for the defense of claims. Lessee, at its expense, shall provide to City all information, records, statements, photographs, video, or other documents reasonably necessary to defend the parties on any claims. The provisions of this Section shall survive expiration or earlier termination of this Agreement. The furnishing of the required insurance hereunder shall not be deemed to limit the Lessee's obligations under this Section. As a distinct and separate indemnification obligation, Lessee's shall defend, indemnify and hold City harmless from any claims or liabilities arising solely as a result of Lessee's failure to procure and to keep in force the insurance required in this Section.

14. Damage or Destruction. If the improvements on the Leased Premises are damaged by fire or other casualty, the Lessee's payment pursuant to this agreement, shall be reduced in accordance with Exhibit B until the City restores, replaces and rebuilds the improvements to the same or better condition, as the Leased Premises existed prior to the casualty loss. The City shall maintain insurance and use the insurance proceeds received as a result of damage to the Airport to rebuild said improvements according to plans and specifications approved by the City and the Lessee. The City has no obligation to put into any rebuilding project any funds other than the insurance proceeds.

15. Surrender of Premises by Lessee. Upon the expiration or early termination as called for in this Agreement, Lessee shall quietly and peacefully deliver to City the Leased Premises.

16. Assignment and Subleasing.

16.1. Assignment. Except as expressly permitted in this Section, Lessee may not assign, either absolutely or as collateral for Lessee's payment of a debt or performance of an obligation, all or any part of Lessee's rights or obligations under this Agreement, including Lessee's right to possession of the Leased Premises, and Lessee may not sublease all or any portion of the Leased Premises. Lessee may assign or sublet all or any part of Lessee's rights or obligations under this Agreement to any legal entity that is wholly owned by Lessee/FBO, or to any successor legal entity with which Lessee/FBO has consolidated or merged, provided that Lessee gives City prior written notice and the transferee assumes the applicable obligations under this Agreement in writing. Unless City expressly agrees in writing to release Lessee, Lessee shall remain liable for the performance of all duties and obligations under this Agreement after any such affiliate or successor transfer.

16.2. Assignment Request and Required Information. Lessee must submit a written request for the proposed assignment to the City a minimum of thirty (30) calendar days prior to the date the Lessee desires to complete the assignment. At a minimum, Lessee shall include the following in the written request:

(a) The name, address and telephone number of the proposed assignee;
(b) A detailed description of the proposed operation;
(c) The business background and qualifications of the proposed assignee and the number of proposed employees;
(d) Statements and documents demonstrating the financial stability of the proposed assignee; and
(e) Any other information that the City may reasonably request; and
(f) Documentation from the proposed assignee indicating its willingness to comply with all terms and conditions of this Agreement.

16.3. Additional Terms of Assignment. Any assignment requiring City's consent shall be an assignment of all of Lessee's rights and obligations under this Agreement unless City approves a partial assignment in writing. Contemporaneously with the assignment of Lessee's interests under this Agreement, Lessee must also convey Lessee's rights, title and interest, if any, in and to any improvements located on the Leased Premises to the assignee of Lessee's rights under this Agreement. If City consents in writing to the assignment and the assignee assumes Lessee's obligations under this Agreement in writing, Lessee shall be released from those obligations from and after the effective date of assignment, except for obligations arising from events or circumstances occurring before the effective date of assignment and except for any obligations that expressly survive assignment or termination. This release does not apply to an affiliate or successor transfer permitted under Section 16.1 unless City expressly agrees in writing to release Lessee. If City has identified environmental issues affecting the Leased Premises caused solely by Lessee's use or misuse of the Leased Premises during the Agreement, Lessee must resolve those issues or have in place an acceptable solution to the environmental issues to City's reasonable satisfaction as a condition of acceptance of the assignment. Lessee may not assign its rights or obligations under this Agreement if, as of the effective date of the assignment, Lessee is in default under this Agreement or if facts or circumstances exist which would constitute a default under this Agreement with the giving of notice and passage of time. In addition, City may withhold consent to a proposed assignment if Lessee is then in material, uncured default under any other agreement between City and Lessee, provided that such default shall be considered only for purposes of City's decision whether to consent to the proposed assignment and shall not constitute a default under this Agreement. If all of the above conditions are met, City may, in its discretion, consent to the assignment.

16.4. **Subleasing.** All subleases for the Leased Premises entered into by Lessee, will require prior written approval by the City. The Lessee shall attach a copy of the base FBO Agreement, excluding Exhibits, to the sublease prior to execution and Lessee, as the FBO, and sublessee shall be required to abide by all terms and conditions of the Agreement. Failure to comply by the Lessee or sublessee will be grounds for default of the Agreement. If the City has unleased space similar to the space requested by any sublessee available in City controlled facilities, Lessee, as the FBO, shall not be authorized to sublease any of the Lessee's Leased Premises. Lessee shall be responsible for all activities of sublessee(s) occupying the Leased Premises, for assuring that any sublease(s) are made subject and subordinate to this Agreement. Any sublessee is subject to all of the terms and conditions of this Agreement including the provisions of this Agreement which permit City to terminate this Agreement (which would result in a termination of the sublease) if Lessee defaults in its performance of one or more of the Lessee's obligations under this Agreement (whether or not the sublessee is in default under the terms of the sublease). Lessee must include in any sublease, a provision whereby the sublessee agrees, for the benefit of City, to indemnify City in a manner consistent with the indemnification that is made by Lessee under this Agreement, and the sublessee also agrees to maintain, in the sublessee's own name, liability insurance and all the other insurance provisions of this Agreement in their own name.

16.5. **Collateral Assignments.** Lessee may not assign, transfer, mortgage, or otherwise pledge all or any portion of its rights, title or interest in the Leased Premises pursuant to this Agreement or any of its other rights under this Agreement as collateral to secure the Lessee's payment of a debt or performance of any other obligation of the Lessee.

16.6. **Change in Control of Entity.** If Lessee is a corporation, limited liability company, partnership, or other business entity, the requirements of this Agreement also apply to any change in the ownership of Lessee if, as a result of such transfer, there is a change in the identity of individual or individuals who held a majority of the voting interest in Lessee or otherwise controlled the actions of the Lessee as of the Commencement Date. If Lessee is an entity and has a change in its name that does not result in a change in ownership, then Lessee must provide City's staff with documentation, satisfactory to City evidencing the change of name within thirty (30) calendar days following the effective date of said name change.

16.7. Transfer of Improvements. Lessee shall not permit, voluntarily or by operation of law, any improvements to the Leased Premises to be owned by any person or entity other than Lessee without the City's consent.

17. Default.

17.1. Events of Default by Lessee. Any of the following shall constitute a default under this Agreement:

(a) Lessee fails to pay money owed to City under this Agreement when due, and such failure continues ten (10) calendar days after written notice from City.

(b) Lessee uses the Leased Premises for any purpose not expressly authorized by this Agreement and such default continues for thirty (30) calendar days following written notice from City.

(c) Lessee fails to allow an inspection or to correct any deficiencies in accordance with the terms and conditions of this Agreement and such default continues for thirty (30) calendar days following written notice from City unless Lessee's refusal is based on a good faith disagreement.

(d) Lessee assigns, subleases, or transfers this Agreement except as otherwise permitted, and such assignments, sublease or transfer continues for thirty (30) calendar days following written notice from City.

(e) Lessee fails to carry the insurance required under this Agreement; any insurance required under this Agreement is cancelled, terminated, expires or is reduced or materially changed so as to not comply with this Agreement; or City receives notice of any such conditions pursuant to this Agreement, and such failure continues for a period of thirty (30) consecutive days.

(f) Lessee vacates or abandons the Leased Premises, and such vacation or abandonment continues for thirty (30) calendar days following written notice from City.

(g) Lessee fails to discharge, by payment or bond, any lien or encumbrance placed upon the Leased Premises or improvements in violation of this Agreement within thirty (30) calendar days following written notice from City that any such lien or encumbrance is filed against the Leased Premises and/or improvements.

(h) Lessee (i) makes a general assignment for the benefit of creditors; (ii) commences any case, proceeding or other action seeking to have an order for relief entered or to adjudicate Lessee bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any of any substantial part of its property; or (iii) involuntary becomes the subject of any proceeding for relief which is not dismissed within sixty {60) calendar days of its filing or entry.

(i) Lessee fails to comply with any other term or condition of this Agreement and such default continues for more than thirty (30) calendar days after written notice from City, or for a longer period of time as may be reasonably necessary to cure the default, but only if: (i) Lessee is reasonably capable of curing the default, and (ii) is working diligently as determined solely by City to cure the default.

(j) The lawful assumption by the United States or any authorized agency thereof, of the operation, control or use of the Airport, in such a manner as to restrict substantially the Lessee from performing FBO duties and business operations for a period in excess of ninety (90) days.

17.2. City Remedies. If a default occurs, City, at its option and in its sole discretion, may at any time thereafter do one or more of the following to the extent permitted by applicable law:

(a) City may, without releasing Lessee from its obligations under the Agreement, attempt to cure the default. City may enter the Leased Premises for such purpose and take such action as it deems desirable or appropriate to cure the default. This entry is not an eviction of Lessee or a termination of this Agreement;

(b) With legal process, re-enter the Leased Premises or any part thereof and take possession of it fully and absolutely, without such re-entry working a forfeiture of the money to be paid and the terms and conditions to be performed by Lessee for the full Term of this Agreement. City's re-entry of the Leased Premises is not a termination of this Agreement. In the event of such re-entry, City may proceed for the collection of money to be paid under this Agreement or for properly measured damages;

(c) Terminate this Agreement upon written notice to the Lessee and re-enter the Leased Premises as of its former estate, and shall have the right to implement the provisions under this Agreement, and Lessee covenants in the case of such termination to indemnify City against all loss of rents and expenses during the remainder of the Term.

17.3. Reimbursement Fees and Costs. In the event of any default and for any type of remedy chosen by City, Lessee shall reimburse City for all reasonable fees and costs incurred by City, including reasonable attorneys' fees, relating to such default and/or the enforcement of City's rights hereunder, and costs incurred attempting to cure a default. Any and all legal remedies, actions and proceedings shall be cumulative.

17.4. Default of Other Agreements by Lessee. Except as expressly provided in Section 16.3 with respect to City’s consent to a proposed assignment, a default by Lessee under any other agreement between Lessee and City shall not constitute a default under this Agreement.

17.5. Default by City. Notwithstanding anything in this Agreement to the contrary, in the event of any failure of City to comply with the provisions of this Agreement, and such failure materially impairs Lessee's use of the Leased Premises, Lessee may elect to terminate this Agreement upon thirty (30) calendar days prior written notice to City unless, prior to the expiration of such period, City has either (i) cured such default or commenced to cure such default and thereafter shall be proceeding with due diligence to complete the same; or (ii) gives written notice to Lessee that it disputes the Lessee's assertion that City is in default, in which event City shall simultaneously file a demand for arbitration.

18. **Dispute Resolution.** Any dispute arising out of this agreement, unless earlier resolved by mutual agreement, shall be submitted to non-binding mediation. If the dispute cannot be resolved through mediation within 90 (ninety) days of the written request for mediation, either party may terminate the mediation and pursue all available legal or equitable remedies in a court of competent jurisdiction.

19. **Environmental Responsibilities.**

19.1. Definitions.

(a) "Environmentally Regulated Substances" means any element, compound, pollutant, contaminant, or toxic or hazardous substance, material or waste, or any mixture thereof, regulated pursuant to any Environmental Law, including but not limited to products that might otherwise be considered of commercial value, such as asbestos, polychlorinated biphenyls, petroleum products and byproducts, glycol, and other materials used in de-icing operations.

(b) "Environmental Law" means any common law or duty, case law or ruling, statue, rule, regulation, law, ordinance or code, whether local, state or federal, that regulates, creates standards for or imposes liability or standards of conduct concerning any element, compound, pollutant, contaminant, or toxic or hazardous substance, material or waste, or any mixture thereof, including but not limited to products that might otherwise be considered of commercial value, such as asbestos, polychlorinated biphenyls, petroleum products and byproducts, glycol, and other materials used in de-icing operations.

19.2. Indemnification of City. In addition to the general indemnification contained in this Agreement, Lessee hereby indemnifies and agrees to defend, protect, and hold harmless, the City, its officers, employees, agents, and their respective successors, as well as successors in title to any interest in the Leased Premises (hereafter collectively "Indemnitees"), from and against any and all losses, liabilities, fines, damages, injuries, penalties, response costs, or claims of any and every kind whatsoever arising solely due to the Lessee's use or misuse of the Leased Premises, paid, incurred or asserted against, or threatened to be asserted against, any Indemnitee (hereafter collectively, "Claims"). Claims include, without limitation: (i) all consequential damages; (ii) the reasonable costs of any investigation, study, removal, response or remedial action, as well as the preparation and implementation of any monitoring, closure or other required plan or response action; and (iii) all reasonable costs and expenses incurred by any Indemnitee in connection therewith, including but not limited to, reasonable fees for attorney and consultant services; which Claims arise out of or relate to (A) the presence on, in or under, or to escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of Environmentally Regulated Substances on, in or from the Leased Premises and Airport or in violation of any Environmental Law as a result of Lessee's operations, during the term of this Agreement, on the Leased Premises and the Airport, or (B) any material inaccuracy, incompleteness, breach or misrepresentation under this Agreement. If any such indemnified Claim or action shall be brought against any indemnitee, then after such Indemnitee notifies Lessee thereof, the Lessee shall be entitled to participate therein as a party, and shall assume the defense thereof at the expense of Lessee with counsel reasonably satisfactory to such Indemnitee. Lessee shall be entitled to settle and compromise any such Claim or action, provided, however, that such Indemnitee may elect to be represented by separate counsel, at such Indemnitee's sole expense, and if such Indemnitee so elects, such settlement or compromise shall be effected only with the consent of such Indemnitee. Such Indemnitee's consent shall not be unreasonably withheld and shall be granted if such settlement or compromise provides for a complete release of such Indemnitees. This indemnification and Lessee's obligations hereunder, shall survive after the cancellation, termination or expiration of the term of this Agreement, with respect to matters arising prior thereto and during the term of this Agreement.

19.3. Indemnification of Lessee. City hereby indemnifies and holds harmless, Lessee, its officers, employees, agents, and their respective successors, as well as successors in title to any interest in the Leased Premises (hereafter "Indemnitees"), from and against any and all losses, liabilities, fines, damages, injuries, penalties, response costs, or claims related to environmental issues arising from City's past use or misuse of the Leased Premises, paid, incurred or asserted against, or threatened to be asserted against, Lessee(hereafter "Claims"), including, without limitation: (i) all consequential damages; (ii) the reasonable costs of any investigation, study, removal, response or remedial action, as well as the preparation and implementation of any monitoring, closure or other required plan or response action; and (iii) all reasonable costs and expenses incurred by any Indemnity in connection therewith, including but not limited to, reasonable fees for attorney and consultant services; which Claims arise out of or relate to (A) the presence on, in or under, or to escape, seepage, leakage, spillage, discharge, deposit, disposal, emission or release of Environmentally Regulated Substances on, in or from the Premises and Airport or in violation of any Environmental Law as a result of City's action or inaction prior to or following the Term of this Agreement, on the Leased Premises and the Airport, or (B) any material inaccuracy, incompleteness, breach or misrepresentation under this Agreement. If any such Claim or action shall be brought against Lessee, then after Lessee notifies City thereof, City shall be entitled to participate therein as a party, at the expense of City with counsel reasonably satisfactory to Lessee. City shall be entitled to settle and compromise any such Claim or action, provided, however, that Lessee may elect to be represented by separate counsel, at its sole expense, and if it so elects, such settlement or compromise shall be effected only with the consent of such Lessee. Lessee shall not be unreasonably withheld its consent and, regardless, shall be granted if such settlement or compromise provides for a complete release of Lessee. This indemnification and City's obligations hereunder, shall survive after the cancellation, termination, or expiration of the Term of this Agreement, with respect to matters arising prior to and following the term of this Agreement.

19.4. Compliance with Environmental Laws. City covenants that the Leased Premises are not currently subject to environmental claims for violation of federal, state, or local law or regulations. Lessee is not currently aware of any violations of Federal, State or local law, ordinances, or regulations. During the Term of this Agreement, Lessee shall keep and maintain and shall conduct its operations on the Leased Premises and Airport in full compliance with all applicable Environmental Laws. Lessee shall further use commercially reasonable efforts to ensure that its employees, agents, contractors, and subcontractors occupying or present on the Leased Premises and Airport and any other persons conducting any activities on the Leased Premises and Airport comply with all applicable Environmental Laws. By virtue of its operational control of the Leased Premises, Lessee shall be fully responsible for obtaining all necessary permits or other approvals under the Environmental Laws and shall have full responsibility for signing and submitting any necessary applications, forms, documentation, notifications, certifications, or other governmental submittals relating thereto. Upon the request of City, Lessee shall provide copies to City of any such applications, forms, documentation, notifications or certifications within thirty (30) calendar days.

19.5. Testing and Reports. Lessee shall provide to City, within thirty (30) calendar days of receipt, a copy of any notice regarding a violation of the Environmental Laws arising out of Lessee, as the FBO, operations on the Leased Premises and Airport during the term of this Agreement, a copy of any report, whether in final or draft form, regarding compliance with Environmental Laws or with the presence, use, emission or release of any Environmentally Regulated Substances arising out of the Lessee's operations on the Leased Premises and Airport during the Term of this Agreement, or a copy of any notice of the emission or release of Environmentally Regulated Substances in violation of the Environmental Laws arising out of Lessee's operations on the Leased Premises and Airport during the term of this Lease. If the City has a reasonable basis to believe that the Lessee is not meeting the obligations of this Agreement, the City may investigate, study and test the Leased Premises.

19.6. Notification. Lessee shall notify City in writing of any matter Lessee obtains knowledge of that may give rise to an indemnified claim under this Agreement or that constitutes any emission, spill or release or any threatened emission, spill or release of any Environmentally Regulated Substance in, on, under or about the Leased Premises and Airport arising out of the Lessee's operations during the Term of this Agreement which is or may be in violation of the Environmental Laws. Lessee, as the FBO, shall promptly notify City verbally of any fuel spill or any other spill caused or resulting from Lessee's operations on the Leased Premises and Airport during the Term of this Agreement.

19.7. Right to Investigate. City shall have the right, but not the obligation or duty, upon 24 hours' prior written notice to FBO, anytime during the term of this Agreement, to investigate, study and test the Leased Premises, at City's own expense, and without interfering with Lessee’s operations on and use of the Leased Premises, to determine whether Environmentally Regulated Substances are located in, on or under the Leased Premises, or were emitted or released therefrom, which are not in compliance with Environmental Laws. City's investigation of the Leased Premises under this provision shall be in accordance with and subject to the Inspection Procedures established in the Policies. City shall pay Lessee the cost to repair any damage to the Leased Premises caused by City's investigation, study or testing and shall indemnify, defend and save harmless the Lessee and its officers, employees, agents, and successors from and against any and all claims, suits, losses, damages and expenses, including reasonable attorney and consultant fees, directly resulting from City's investigation, study, or testing. City's obligation to indemnify Lessee, as the FBO, under this Section does not release Lessee from its indemnification obligations to the City under any provision of this Agreement.

19.8. Right to Take Action. City shall have the right, but not the duty or obligation, to take whatever reasonable action it deems appropriate to protect the Leased Premises and Airport from any material impairment to its value resulting from any escape, seepage, leakage, spillage, discharge, deposit, disposal, emission, or release of Environmentally Regulated Substances from the Leased Premises and Airport which violates any Environmental Law and arises out of Lessee's operations on the Leased Premises and Airport during the Term of this Agreement. City shall notify Lessee of its intention to take such action in writing thirty (30) calendar days before proceeding under this Section. Within such thirty (30) calendar day period, Lessee shall have the opportunity to take whatever reasonable action is mutually agreed upon by Lessee and City to cure the matter of concern or provide City a binding commitment to do so within a reasonable time. If Lessee does not take such action or provide a binding commitment within the thirty (30) calendar day period, City may proceed with the terms of this Section. All reasonable costs associated with any action by the City in connection with the provisions herein, including but not limited to reasonable attorneys' fees, shall be subject to indemnification by Lessee to the City based on a demonstration of Lessee's responsibility under this Agreement.

19.9. Claims Relating to Environmentally Regulated Substances. To the best of Lessee's knowledge (except for matters that have been corrected in accordance with law) (i) no enforcement, investigation, clean-up, removal, re-mediation or response or other governmental or regulatory actions have been asserted or threatened with respect to the Lessee's past operations conducted on the Leased Premises or Airport, or the Leased Premises itself, or against Lessee with respect to or in any way regarding the Leased Premises, pursuant to any Environmental Laws, or relating to Environmentally Regulated Substances; (ii) no violation or noncompliance with Environmental Laws has occurred with respect to the Leased Premises or Lessee's past operations thereon; (iii) no claims with respect to the Leased Premises or the Lessee's past operations thereon, or against Lessee with respect to the Leased Premises or Airport or Lessee's past operations thereon relating to Environmental Laws or Environmentally Regulated Substances, have been made or been threatened by any third party, including any governmental entity, agency or representative. For purposes hereof, "the best of the Lessee's knowledge" shall mean the actual knowledge without any duty to inquire.

20. Non-Discrimination.

20.1. General. Lessee, for itself, and its heirs, representatives, successors, and assigns, as part of the consideration herein, hereby covenants and agrees, that (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 the Leased Premises; (2) that in the construction of any improvements on, over, or under the Premises, and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and (3) Lessee shall use the Leased Premises, in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, as amended from time to time.

20.2. Improvements. Lessee, for itself, and its heirs, representatives, successors, and assigns, as part of the consideration herein, hereby covenants and agrees, as a covenant running with the land, that in the event improvements are constructed, maintained or otherwise operated on the Leased Premises for a purpose for which a program or activity of the Department of Transportation is extended or for another purpose involving the provision of similar services or benefits, Lessee shall operate such improvements and services in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, as amended from time to time.

20.3. Economic. Lessee, and those operating under agreement with Lessee, shall furnish services authorized by this Agreement on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Lessee and those operating under agreement with Lessee shall be allowed to make reasonable and not unjustly discriminatory discounts, rebates and other similar types of price reductions to volume purchasers.

21. Civil Rights. Lessee agrees that it will comply with applicable laws, statutes, Executive Orders and rules that are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age or handicap be excluded from participating in any activity conducted with or benefiting from federal assistance. This provision obligates Lessee or its transferee for the period during which federal assistance is extended to the Airport, except where federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following period: (1) the period during which the property is used by the sponsor or any transferee for a purpose for which federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (2) the period during which the Airport sponsor or any transferee retains ownership or possession of the property.

22. **City's Operation of the Airport.** Other than the operation and management services provided for herein, City shall properly maintain, operate and manage the Airport at all times in a safe manner, according to generally accepted good practices in the State of Minnesota for airports of similar size and character. If for any reason beyond the control of the City (including, but not limited to, war, strike, riots and civil commotion) the City fails to properly maintain, operate or manage the Airport, such failure is not a breach of this Agreement and the City is not liable in damages. This paragraph does not require the City to operate an airport traffic control tower at the Airport unless, in the judgement of the City, such operation is deemed necessary.

23. **Use Not Exclusive.** Lessee shall have the right to conduct all operations authorized pursuant to the terms of this Agreement, provided, however, that this Agreement shall not be deemed to grant to Lessee, or those claiming under Lessee the exclusive right to use any part or portion of the Airport other than the Leased Premises. Notwithstanding the terms of this Agreement, if City enters into an agreement with another commercial operator or other related aviation services company for the purpose of providing any services authorized to Lessee under this Agreement, Lessee shall be entitled to negotiate any terms of this Agreement which are inconsistent with terms offers to such other company. In the event the parties are unable to reach an agreement on new terms, Lessee may terminate the Agreement and its obligations arising under it with thirty (30) calendar days' notice in writing.

24. **General Provisions.**

24.1. Airport Access. Lessee has the privilege of using the public portions of the Airport, such as runways and other public facilities, under such terms, ordinances, rules and regulations as now exist or may be enacted by City, and subject to charges for such use as may be established by City, by ordinance or agreement with Lessee.

24.2. Waiver. The waiver by City or Lessee of any breach of any term of this Agreement shall not be deemed a waiver of any prior or subsequent breach of the same term or any other term of this Agreement.

24.3. Headings. The headings in this Agreement are for convenience in references and are not intended to define or limit the scope of any provision of this Agreement.

24.4. Entire Agreement. This Agreement represents the entire agreement between the parties and supersedes any prior agreements regarding the Leased Premises. This Agreement may only be modified if done in writing and executed by both parties.

24.5. Severability. If any part of this Agreement shall be held invalid, it shall not affect the validity of the remaining parts of this Agreement, provided that such invalidity does not materially prejudice either party under the remaining parts of this Agreement.

24.6. Governing Law. This Agreement shall be governed by Minnesota law.

24.7. Public Data. City shall use reasonable care to treat matters pertaining to the Lessee's business in a confidential manner to the extent permitted by law. This Agreement, and the information related to it, is subject to the Minnesota Government Data Practices Act, which presumes that data collected by City is public data unless classified otherwise by law. Lessee shall ensure its employees comply with the Minnesota Government Data Practices Act and agrees to indemnify city against any claim or action arising out of Lessee's failure or the failure of Lessee's employees to comply with the Minnesota Government Data Practices Act.

24.8. Commitments to Federal and State Agencies. Nothing in this Agreement shall be construed to prevent City from making such commitments as it desires to the Federal Government or the State of Minnesota in order to qualify for the expenditure of Federal or State funds on the Airport.

24.9. Successors. This Agreement shall extend to and bind the legal representatives, successors and assigns of the parties to this Agreement.

24.10. Consent and Approvals. Whenever in this Agreement the consent or approval of City is required, such phrase means that the request shall first be submitted for approval to the airport commission who shall make a recommendation to said approval to the City Council and the final approval shall be approved by the Marshall City Council. When the consent or approval of City's staff is required, such phrase means the consent or approval from the appropriate employee or agent of City.

24.11. Notice. Any notice required under this Agreement shall be in writing and delivered in person or by courier or mailed by certified mail, return receipt requested by United States Mail, postage prepaid addressed as follows:

City: City of Marshall, Minnesota
Attn: Marshall City Administrator
344 W Main St
Marshall, MN 56258

Lessee: Southwest Aviation, Inc.
Attn: Mr. Pete Johnson

c/o Midwest Aviation
1650 W College Dr, Suite 100
Marshall, MN 56258

Notice is deemed given (i) two (2) business days after being deposited in the mail, whether or not the notice is accepted by the named recipient, or (ii) if delivered by any other means, the date such notice is actually received by the named recipient.

Either party may change the party's address for notice by providing written notice to the other party.

(Rest of Page Intentionally Left Blank)

IN WITNESS WHEREOF, City and Lessee have executed this Agreement as of the dates indicated below.

CITY:
CITY OF MARSHALL

____
By: Robert J. Byrnes
Its:: Mayor

Date:______________________________

____
By: Sharon Hanson
Its:: City Administrator

Date:______________________________

____
By: Steven Anderson
Its: City Clerk

Date:______________________________

LESSEE:
SOUTHWEST AVIATION, INC. DBA MIDWEST AVIATION

____
By:
Its:

Date:______________________________

EXHIBIT "A"

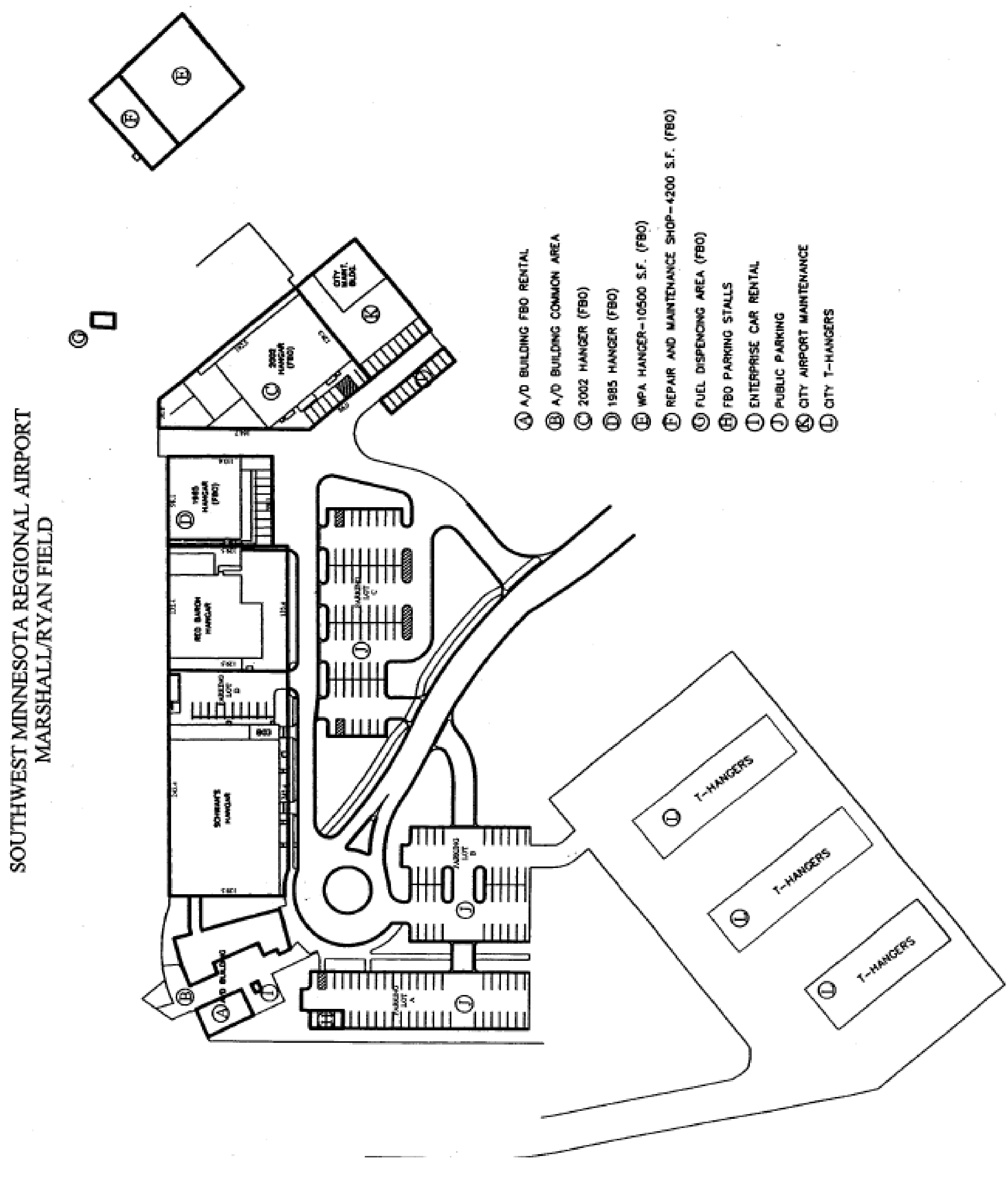
SOUTHWEST MINNESOTA REGIONAL AIRPORT
MARSHALL/RYAN FIELD
A A/D BUILDING FBO RENTAL
B A/D BUILDING COMMON AREA
C 2002 HANGER (FBO)
D 1985 HANGER (FBO)
E WPA HANGER—10500 S.F. (FBO)
F REPAIR AND MAINTENANCE SHOP—4200 S.F. (FBO)
G FUEL DISPENSING AREA (FBO)
H FBO PARKING STALLS
I ENTERPRISE CAR RENTAL
J PUBLIC PARKING
K CITY AIRPORT MAINTENANCE
L CITY T—HANGERS
2002 HANGAR (FBO)
1985 HANGAR (FBO)
RED BARON HANGAR
SCHWAN'S HANGAR
CITY MAINT. BLDG.
T—HANGERS
T—HANGERS
T—HANGERS

EXHIBIT "A-1"

Arrival/Departure Building Lease Detail

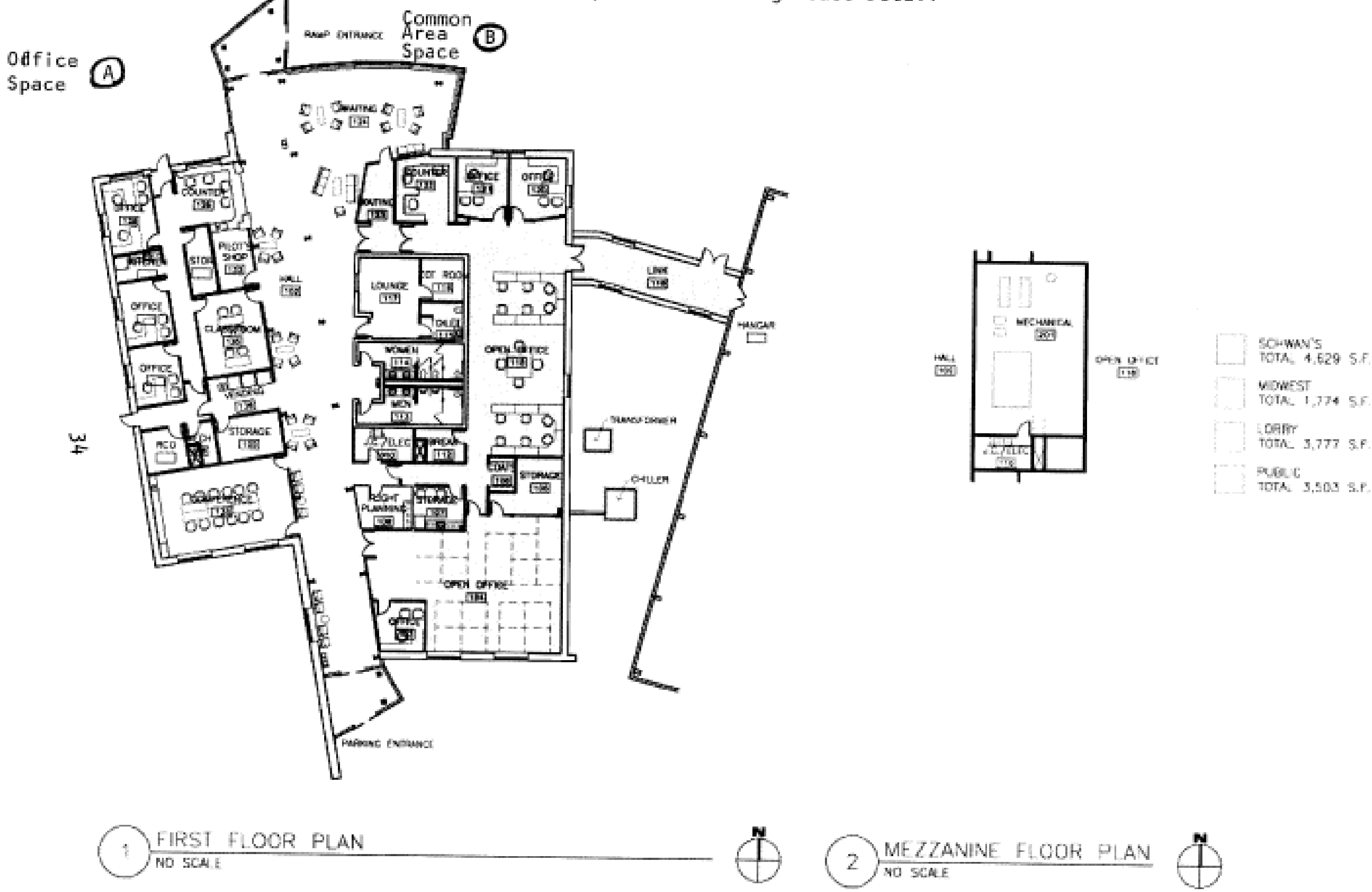

Exhibit B - Midwest Aviation - Long Term Leased Premises				
		Effective July 1, 2026		
Leased Premises	SF	Rate	Total Annual	Total Month
A & D Building				
A & D office	1,774	$10.00	$17,740	$1,478
A&D Ground rent	1,774	$0.30	$532	$44
A&D lobby and shared space (25%)	1,783	$4.00	$7,132	$594
Subtotal A&D Building			**$25,404**	**$2,117**
1985 Hangar				
Hangar rent	7,200	$3.00	$21,600	$1,800
Land rent	7,200	$0.30	$2,160	$180
Subtotal 1985 Hangar			**$23,760**	**$1,980**
2002 Hangar				
Hangar rent	12,000	$3.50	$42,000	$3,500
Land rent	12,000	$0.30	$3,600	$300
Subtotal 2002 Hangar			**$45,600**	**$3,800**
Red Baron Hangar - Hangar and Paint Booth Only				
Hangar rent	7,200	$3.50	$25,200	$2,100
Land rent	7,200	$0.30	$2,160	$180
Hangar Storage	1,040	$2.50	$2,600	$217
Hangar Storage Land Rent	1,040	$0.30	$312	$26
Subtotal Red Baron Hangar			**$30,272**	**$2,523**

Summary	Proposed Annual	Proposed Monthly
A&D Building	$25,404	$2,117
1985 Hangar	$23,760	$1,980
2002 Hangar	$45,600	$3,800
Red Baron Hangar - hangar & booth onl	$30,272	$2,523
Total Rent	**$125,036**	**$10,420**
Net Rent	**$42,000**	**$3,500**
	$83,036	**$6,920**