

NON-AERONAUTICAL USE AGREEMENT OF LEASE

BETWEEN

Name/Org. _____
Street Address: _____
City/State/Zip Code: _____
("LESSEE")

&

**TEXARKANA REGIONAL AIRPORT
AUTHORITY**
201 Airport Dr
Texarkana, Arkansas 71854
("LESSOR")

DATED: _____



AGREEMENT OF LEASE

BETWEEN

TEXARKANA REGIONAL AIRPORT AUTHORITY

AND

CITY OF TEXARKANA, ARKANSAS

(On Behalf of the Texarkana, Arkansas Police Department, an agent of the City of Texarkana, Arkansas)

AGREEMENT OF LEASE
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AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE, made by and between the **TEXARKANA REGIONAL AIRPORT AUTHORITY** (“Lessor”) and **CITY OF TEXARKANA, ARKANSAS**, *on behalf of the Texarkana, Arkansas Police Department, an agency of the City of Texarkana, Arkansas* and organized under the laws of the State of _____, having offices at _____, and authorized to do business in the State of Arkansas, as Lessee (“Lessee”).

RECITALS:

WHEREAS, Lessor owns, operates, and maintains the Texarkana Regional Airport, (“Airport”); and,

WHEREAS, Lessee is a _____; and,

WHEREAS, Lessor and Lessee now desire to set forth the terms, covenants, and conditions for Lessee to lease premises at the Airport for Lessee’s occupation of an Airport-owned building for the operations conducted by the Texarkana Arkansas Police Department;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Parties agree as follows:

SECTION 1. DEFINITIONS

The following terms set forth below, when used in this Agreement, shall be defined as follows:

- (a) **Agreement** shall mean this Agreement of Lease, including any supplements, modifications, or amendments thereof.
- (b) **Airport** shall mean the Texarkana Regional Airport and all property located within its boundaries located in Texarkana, Arkansas and Texarkana, Texas.
- (c) **Airport Terminal and Terminal** means the passenger terminal building at the Airport.
- (d) **Assigned Area** shall mean the area or areas at the Airport designated by this Agreement described on Exhibit A attached hereto and made part hereof subject to easements and rights-of-way of record, together with all buildings, structures, pavements, facilities, and other improvements now or hereafter constructed thereon, the equipment permanently affixed therein, such as electrical, plumbing, sprinkler, fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, tubes, conduits, equipment and fixtures and all paving, drains, culverts, ditches, and catch basins.
- (e) **Commencement Date** shall mean _____.
- (f) **Lessor** shall mean the Texarkana Regional Airport Authority through and by its Executive Director.
- (g) **Executive Director** shall mean the Executive Director of the Texarkana Regional Airport or their designee.
- (h) **Lessor’s Associates** shall mean Lessor’s officers, airport board of directors, engineers, consultants, contractors, commissioners, employees, and agents.

- (i) **FAA** shall mean the Federal Aviation Administration, or any successor agency.
- (j) **Improvements** shall mean any and all buildings, pavements, fixtures, permanently affixed equipment, facilities (both above ground and below ground), and all other structures now or hereafter constructed on the Premises, and all additions, alterations, modifications, renovations, and replacements thereto.
- (k) **Lease Year** shall mean the period beginning on the first day of _____, ending on the last day of _____, and each twelve-month period thereafter, until the termination of this Agreement
- (l) **Lessee** shall mean _____, its successors or assigns, as permitted herein.
- (m) **Lessee's Associates** shall mean any of its sublessees, officers, employees, engineers, consultant's, contractors, subcontractors, commissioners, customers, invitees, guests, agents, or anyone acting by, through, or under Lessee's direction and/or control.
- (n) **Premises** shall mean the areas specifically and fully described in the Exhibits to this Agreement of Lease, between _____, and Lessor and also referred to as the "Premises".
- (o) **Rent and Fees** shall mean the compensation paid to the Airport in order to conduct business or provide a service at the Airport.
- (p) **Tenant** shall mean any individual, company, corporation, partnership or other entity who has an agreement, lease, permit, or license to conduct business on the Airport.
- (q) **Termination Date** shall mean as set forth in **Section 3** of this Agreement.
- (r) **TSA** shall mean the Transportation Security Administration, or any successor agency.
- (s) **Term of this Agreement** or similar import shall mean the Term set forth in **Section 3** hereof, including the initial Term and any optional term(s), as applicable.

SECTION 2. LETTING

- (a) Lessor hereby lets to Lessee and Lessee hereby leases from Lessor, the "Premises" as herein above defined in **Section 1** and shown on **Exhibit A** at the Texarkana Regional Airport, subject to Lessee's strict adherence to the terms, covenants, and conditions of this Agreement of Lease ("Agreement"). The Premises must be used solely for the purposes as described in **Section 5** hereof and for no other purposes.
- (b) The parties agree that **Exhibit A** shows only an approximate depiction of the boundaries of the Premises.
- (c) Lessor reserves the right to further develop and improve the Airport, including but not limited to all landing areas and taxiways of the Airport, as it sees fit, regardless of the desires or views of Lessee, and without interference or hindrance.
- (d) Except to the extent required for the performance of any of the obligations of Lessee hereunder, nothing contained in this Agreement shall grant to Lessee any rights whatsoever in the air space

above the Premises. In that regard, Lessor reserves the right to take any action whatsoever that it considers necessary to protect the aerial approaches of the Airport against obstructions, including but not limited to, demolition or removal of structures upon the Premises, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure at the Premises which, in the opinion of Lessor, would limit the usefulness of or interfere with the operations at the Airport, or constitute a hazard to aircraft.

- (e) This Agreement, and all provisions hereof, is subject and subordinate to the terms, covenants, and conditions of the instruments and documents under which Lessor acquired the Airport from the United States of America, State of Arkansas, and City of Texarkana, Arkansas, and shall be given only such effect as will not conflict or be inconsistent with the terms, covenants, and conditions contained in such instruments and documents and any existing or subsequent amendments thereto. This Agreement and all provisions hereof, is subject and subordinate to any ordinances, rules or regulations which have been, or may hereafter be adopted by Lessor pertaining to the Airport. This Agreement, and all provisions hereof, is subject and subordinate to the provisions of any agreement heretofore or hereafter made between Lessor and the United States Government relative to the operation or maintenance of the Airport, or the execution of which has been required as a condition precedent to the transfer of Federal rights or property to Lessor for Airport purposes, or the execution of which has been required as a condition precedent to the expenditure of Federal funds for the improvement or development of the Airport, including without limitation the expenditure of Federal funds for the development of the Airport under the provisions of the Federal Aviation Act of 1958, as codified in the United States Code, Title 49, as it has been amended from time to time. In addition, this Agreement is subordinate and subject to the provisions of all resolutions heretofore and hereafter adopted by Lessor in connection with any revenue bonds issued by Lessor with respect to the operations of the Airport, or any improvements to the Airport or any of its facilities, and to the provisions of all documents executed in connection with any such bonds, including without limitation, any pledge, transfer, hypothecation or assignment made at any time by Lessor to secure any such bonds.
- (f) Lessor reserves unto itself, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the Premises together with the right to cause in said airspace such noise and other intrusions as may be inherent in the operations of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for aircraft landing on, taking off from, or operating at the Airport.
- (g) Lessee, Lessee's Associates, its successors and assigns, agrees to restrict the height of structures, objects of natural growth and other obstructions on the Premises to a height in order to comply with all provisions of this Agreement and all applicable Federal Aviation Regulations, including but not limited to 14 CFR Part 77.
- (h) Lessee expressly agrees, for itself, Lessee's Associates, its successors and assigns, to prevent any use of the Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute a hazard to aircraft or others.
- (i) Lessor reserves the right to maintain such utility easements on the Premises as may now or in the future be determined to be necessary to serve the needs of the Airport, and Lessee agrees to take the Premises subject to said easement requirements. Such easements will be used for, but not limited to, the installation of water distribution, sewage collection, underground electrical, telephone and telecommunications conduits, above ground street lighting and power poles. However, it is understood and agreed that Lessor will restore any improvements which Lessee has made, if such

improvements are materially damaged by any installation made by Lessor. Furthermore, Lessor shall take reasonable steps to ensure that any such installation be the least disruptive to Lessee's operations.

- (j) **CONDITION AND USE OF THE PREMISES AND LEASEHOLD IMPROVEMENTS.** Lessor makes no representations or warranties whatsoever as to: (i) the condition of the Premises, or (ii) whether the Premises, or any part thereof, is in compliance with applicable Federal, State, and Municipal laws, ordinances, rules, or regulations, including without limitation, City ordinances, rules and regulations; or (iii) the permitted or available uses of the Premises under any applicable Federal, State, and Municipal laws, ordinances, rules, or regulations, including without limitation those of Lessor. Lessor makes no representations or warranties whatsoever as to the legality, permissibility, or availability of any use of the Premises that may be contemplated by Lessee. **Lessor makes no representations or warranties concerning habitability or fitness for any particular purpose.** Lessee specifically obligates itself to conduct its own due diligent investigation as to the Premises and the suitability thereof for Lessee's purposes. The Premises and all components thereof are hereby demised in "AS IS CONDITION" and "WITH ALL FAULTS." Lessee represents, acknowledges, and agrees that it has had sufficient opportunity to inspect the Premises, and all components thereof, and hereby accepts the Premises, and all components thereof, in "AS IS CONDITION" and "WITH ALL FAULTS." Lessee hereby **ASSUMES ALL RISK** of non-compliance of the Premises, or any part thereof, with any Federal, State, and Municipal laws, ordinances, rules, or regulations, including without limitation, any Lessor rules, or regulations. Upon receipt of notice of any non-compliance with any such laws, ordinances, rules or regulations, Lessee hereby agrees to make any and all repairs, alterations, and additions to the Premises and to take all corrective measures as may be necessary to bring the Premises into compliance with all laws, ordinances, rules and regulations. Lessee shall not be entitled to any adjustment of any rentals hereunder on account of the condition of the Premises or any failure of any of the component parts to be in working order or because of any necessity of Lessee to repair or take corrective actions with respect to any part thereof or because of the inability of obtaining or any delay in obtaining any required development approvals from any governmental body having jurisdiction, including but not limited to local agencies. Furthermore, Lessee hereby releases Lessor and Lessor's Associates of any and all claims and liabilities whatsoever on account of the condition of the Premises or any failure of any of the component parts to be in working order or because of any necessity of Lessee to repair or take corrective actions with respect to any part thereof, or the necessity for obtaining any development approvals from any governmental body, including without limitation local agencies. In the event of any conflict between these provisions and any other provisions of this Agreement, the provisions of this subparagraph (j) shall control. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that: (1) this subparagraph (j) is not intended to address or apply to the release of any "Materials" (as hereinafter defined in **Section 14**) at the Premises, and (2) with respect to any such Materials, the provisions of **Section 14** shall apply.

SECTION 3. TERM

- (a) The **Term** of this Agreement shall be for five (5) years, beginning on the Commencement Date of _____ (month) _____ (day), 20____, and shall terminate on _____ (month) _____ (day), 20____. ("Termination Date"), unless sooner terminated as provided herein.
- (b) Lessee covenants and agrees to yield and deliver peaceably and promptly to Lessor, possession of the Premises, on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise. Lessee shall surrender the Premises in the condition required under **Section 9**. All maintenance and repairs shall be completed prior to surrender. Lessee shall deliver to Lessor all keys

to the Premises immediately upon surrender. Lessee shall at its expense take all actions required by Federal, State, and Municipal laws, ordinances, rules, or regulations to remove from the Premises any hazardous substances or other Materials, whether stored in drums, or found in vats, containers, distribution pipelines, or the like or discharged into the ground. All such substances shall be removed by Lessee in a manner that complies with all applicable Federal, State, and Municipal laws, rules and regulations and the provisions of **Section 14** shall be applicable.

- (c) Lessor, through its authorized agents or employees, at all reasonable times, and after notice to Lessee when practical, shall have the right to enter the Premises to show the Premises to potential interested tenants during Lessee's regular business hours with at least twenty-four (24) hours advance notice, if Lessee is in default of this Agreement, or if Lessee has not exercised any remaining renewal option with less than one (1) year remaining on the term of the Agreement.
- (d) No agreement of surrender or to accept a surrender of this Agreement shall be valid unless and until same shall have been reduced to writing and signed by the duly authorized representatives of Lessor and of Lessee. Except as expressly provided in this Agreement, neither the doing of nor any omission to do any act or thing by any of Lessor's Associates shall be deemed an acceptance of a surrender of letting under this Agreement.
- (e) In the event Lessee remains in possession of the Premises after expiration or termination of this Agreement without any written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Agreement, nor waive any default under this Agreement and Lessor may terminate such occupancy as a tenancy at-will in accordance with State law. During such holdover tenancy, Lessee shall remain bound by all terms, covenants, and conditions of this Agreement, and Lessee shall pay the following rent: ground rent at the highest rate then charged at the Airport and rent for the improvements at fair market value based on Lessor's survey of rent for similarly situated facilities at the Airport and at other airports (which Lessor shall determine in its sole discretion). Said holdover tenancy shall be subject to Lessor's termination and repossession of the Premises at any time. Lessee shall be liable to Lessor for all loss or damage on account of any holding over against Lessor's will after the expiration or termination of this Agreement, whether such loss or damage may be contemplated at this time or not. No receipt or acceptance of money by Lessor from Lessee after the expiration, termination or cancellation of this Agreement or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Agreement, or affect any such notice, demand or suit or imply consent for any action for which Lessor's consent is required or operate as a waiver of any right of Lessor to retake and resume possession of the Premises.
- (f) This Agreement may be modified, altered or expanded with the written approval of all parties signatory to this document.
- (g) The expiration or termination of this Agreement shall not relieve Lessee of any liabilities or obligations hereunder which shall have accrued on or prior to the effective termination date. Upon the expiration or termination of this Agreement, Lessee shall cease forthwith all operations upon the Premises, shall immediately vacate the Premises, and shall pay in full all fees and other amounts payable to Lessor as set forth in this Agreement, then due and owing.

SECTION 4. PREMISES AND PRIVILEGES

- (a) Lessor hereby leases to Lessee and Lessee leases from Lessor the Premises located at the Airport consisting of an approximately 6,615 SQ Ft. building and 9,522 SQ. Ft. of parking, sited on 3.27

acres, situated at **3801 E. 19th Street, Texarkana, Arkansas 71854**, more particularly identified and shown on **Exhibit A** attached hereto, together with any and all rights, privileges, easements, and appurtenances now or hereafter constructed or belonging on the Premises, subject, however, to all liens, easements, restrictions, and other encumbrances of record. The additional portion of the building more recently constructed on the Premises will not be included in the rentals for the Premises, however, that portion of the building, along with the rest of the Premises, will become property of Lessor upon termination or expiration of this Agreement, without compensation to Lessee, and free of all liens and claims.

- (b) Any subsequent modification of areas occupied by Lessee will be mutually determined by Lessee and Lessor and will be accomplished by executing revised exhibits accompanied by a written amendment as provided in this Agreement.
- (c) Lessee shall provide vehicle parking for its employees, in accordance with the minimum standards adopted by the Airport and the City code of Texarkana, Arkansas, which parking shall be the responsibility of Lessee. Lessee, and Lessee's Associates, shall have ingress and egress to the Premises via appropriate public ways to be used in common with other tenants and users of the Airport, provided that Lessor may, from time to time, substitute other suitable means of ingress and egress, so long as an alternate adequate means of ingress and egress is available.
- (d) Lessor may at any time temporarily or permanently close or consent to or request the closing of any street, roadway, and any other area at the Airport presently or hereafter used as such, so long as an alternate adequate means of ingress and egress is made available to the Premises. Lessee hereby releases and discharges Lessor, or Lessor's Associates, 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 area used as such, whether within or outside the Airport, provided that Lessor makes available to the Premises an adequate means of ingress and egress.

SECTION 5. USE OF THE PREMISES.

- (a) Lessee covenants and agrees to use and occupy the Premises at all times **only** for the purposes of occupying an Airport-owned building for the operations conducted by the Texarkana Arkansas Police Department and any other improvements necessary for such operation, which together with the Premises itself, shall be limited to non-aeronautical purposes. Lessee shall comply with the Minimum Standards adopted by the Airport as they may be amended from time to time and all other all rules, regulations, and requirements set forth by any Federal, State, and Municipal government body having jurisdiction. Any other activities not specifically enumerated above regarding the use and occupancy of the Premises shall be subject to the prior written approval of Lessor.
- (b) Lessee shall be **expressly prohibited** from providing the following services:
 - 1. Terminal facilities for scheduled passenger airline operations which would normally be accommodated in the Airport Terminal.
 - 2. Restaurant, coffee shop, lounge or cafeteria (except a cafeteria provided solely for the employees, guests, contractors, and vendors of Lessee).
 - 3. Any and all types of public parking, pay for parking, or any type of operation that competes with Lessor parking lots and garage.

4. Any and all types of automobile rental, maintenance, parking, or storage, or any type of operation that competes with Lessor authorized on-airport automobile rental businesses and/or activities.
 5. Sale of alcoholic beverages.
 6. Sale of non-aviation products, except company products in company store.
 7. Any use prohibited by law.
 8. Lessee shall not park or store or allow the parking or storage of any vehicles whatsoever on the Premises that are not used in the operation permitted to be conducted on the Premises.
- (c) It is not the intent of this Agreement to grant Lessee the exclusive right to provide any or all of the services described in this section at any time during the term of this Agreement; provided, however, that Lessee shall have the exclusive right to provide such services on the Premises. Lessor reserves the right, at its sole discretion, to grant others certain rights and privileges at the Airport which are identical in part or in whole to those granted to Lessee. However, Lessor does covenant and agree that:
1. It shall enforce all minimum operating standards or requirements for all aeronautical and non-aeronautical endeavors and activities conducted at the Airport.
 2. No other tenant performing the same services will be permitted to operate at the Airport under rates, terms, or conditions which are more favorable than those set forth in this Agreement.
 3. It will not permit the conduct of any commercial endeavor or activity at the Airport except under an approved lease and operating agreement.
- (d) Storage on the Premises shall be primarily for non-aeronautical purposes, including, but not limited to, vehicle and equipment storage and other improvements necessary for Lessee's operation permitted to be conducted on the Premises. Lessee shall not store on the Premises any inoperable equipment, or materials likely to create an Airport hazard or appear to be discarded or unsightly to the public and other Airport users; shall not use areas outside of enclosed buildings for storage; and shall store trash in covered metal receptacles approved by Lessor.
- (e) Lessee covenants and agrees that it will not do nor permit anything to be done upon or about the Premises that in any way interferes with the rights of tenants, owners, or occupants of adjoining property, or that conflicts with Federal, State, and Municipal laws, rules, or the regulations of any department, board, or bureau thereof, or that creates a nuisance, or that is dangerous to the life or safety of persons on or about the Premises. Should a conflict arise between Lessee and other tenants at the Airport regarding the scope of privileges, the Executive Director of Lessor or their designee will serve as the arbiter. Lessee has the right to appeal to Lessor and agrees to abide by its decision. Upon written notice, Lessor has the right to amend the Agreement to avoid violation of existing agreements or violation of Federal grant assurances concerning discrimination among other tenants and similar provisions.

SECTION 6. RENTALS, FEES, AND CHARGES

- (a) Rentals for the Premises shall be:

_____ Cents per square foot per year for land; and
_____ and 00/100 Dollars (\$0.00) per square foot per year for Lessor Owned Buildings.

- (b) The annual rental, subject to adjustment as hereinafter provided, shall be paid by Lessee in twelve (12) equal monthly installments, together with all applicable sales taxes thereon.
- (c) The annual rental payable during the first (1st) Lease Year shall be _____ Dollars (\$), plus applicable sales taxes. The monthly installment payment of rentals during the first Lease Year shall be _____ Dollars (\$) each month, plus applicable sales taxes, as set forth on **Exhibit B**, attached hereto and made a part hereof. **Exhibit B** shall be updated each time the rental required herein is adjusted. Rental shall be subject to annual CPI adjustments as provided for in **Section 6(f)**.
- (d) The "Rent Commencement Date," unless otherwise specified in this Agreement, shall be the same date as the Commencement Date, as defined in **Section 3(a)**. In the event the Commencement Date does not fall on the first (1st) day of a calendar month, rent during any partial month shall be prorated on the basis of a thirty (30) day month, and shall be due payable on or before the Commencement Date.
- (e) During the term hereof, Lessee shall pay as additional rent, any expenses payable to Lessor or any other person which are required to be incurred by Lessee pursuant to the provisions of this Agreement.
- (f) **CONSUMER PRICE INDEX (CPI) ADJUSTMENT.** Effective _____ 2021 and each _____ thereafter (Adjustment Date), the rental provided to be paid in **Section 6(a)** above is subject to CPI adjustment annually as follows. Commencing on _____, 2021, said rentals shall be adjusted by Lessor based on the percentage increase in the CPI for the previous _____. Said CPI is the Consumer Price Index (All Urban Consumers) as published by the U.S. Department of Labor, Bureau of Labor Statistics, or the generally accepted national replacement or successor index, as readjusted to the base month, and computed by comparison of the _____ index with the index of the preceding _____. In no event shall the rental rate decrease due to a decrease in the CPI. Said rentals are due and payable monthly on or before the first day of each month during the term of this Agreement.
- (g) It is understood and agreed that if a rental and/or other fees adjustment is required or made hereunder, the previous rental and/or other fees then being paid shall continue until Lessor provides notice of the adjusted rent amount and/or other fees. Any rental adjustment shall be retroactive to the Adjustment Date. The sum constituting the rental adjustment for the months of the period which have passed prior to the determination of the amount of the rental adjustment shall be due and payable within thirty (30) calendar days after such determination.
- (h) Upon determining a rental and/or other fee adjustment, Lessor shall advise Lessee of the new monthly rental installment and/or other fees for such period, which shall be accompanied by evidence supporting the manner in which the new adjusted rent and/or other fees was determined, which evidence shall be in sufficient detail to enable Lessee to verify the calculations.
- (i) Rental for a portion of a month shall be pro-rated. Payments shall be made in lawful money of the United States, free from all claims, demands, set offs, or counterclaims of any kind against Lessor.

Any payments not paid when due shall be subject to the maximum interest allowable under Arkansas State Law.

- (j) If requested by Lessor, Lessee shall employ an independent Certified Public Accountant who shall furnish a written audit to Lessor within ninety (90) days of the last day of the preceding Lease Year. The Statement shall include the opinion that the rentals and fees paid by Lessee to Lessor during the preceding Lease Year pursuant to this Agreement were made in accordance with the terms of this Agreement.
- (k) Should any examination, inspection, and audit of Lessee's books and records by Lessor disclose an underpayment by Lessee in excess of five percent (5%) of the total rentals or payments due, Lessee shall promptly reimburse Lessor for all costs incurred in the conduct of such examination, inspection, and audit in addition to remitting the amount of such underpayment plus the maximum interest rate allowable under Arkansas State Law. In the event that Lessor deems it necessary to utilize the services of legal counsel in connection with such examination, inspection, and/or audit, and such examination, inspection, or audit results in reimbursement to Lessor, Lessee shall reimburse Lessor for reasonable attorney's fees and litigation expenses in addition to any deficiencies due.
- (l) All rentals payable by Lessee to Lessor hereunder is due and owing, in advance, **without notice or demand** and without deduction or offset, on or before the first day of each and every calendar month or annually in advance throughout the term of this Agreement. Rent for any portion of a month shall be prorated on a daily basis. Any other payments due or reimbursable to Lessor by Lessee hereunder shall be paid when incurred or immediately upon receipt of Lessor's invoice therefore and shall be deemed delinquent if not paid within ten (10) days of the date due. Payments shall be made to the offices of the Texarkana Regional Airport Authority, **201 Airport Drive, Texarkana, AR 71854**, or at such other place as Lessor may hereafter notify Lessee and shall be made in legal tender of the United States.
- (m) Without waiving any other right of action available to Lessor in the event of monetary default hereunder, in the event that Lessee is delinquent for a period of ten (10) days or more in payment of any rents or other sums due to Lessor pursuant to this Agreement, Lessee shall pay to Lessor interest thereon at the maximum allowable rate permitted by Arkansas State Law per annum from the date such rents or other sums were due and payable until paid. Such interest shall not accrue with respect to disputed charges being contested in good faith by Lessee.
- (n) If, at any time, Lessee shall become entitled to an abatement of rental by the provisions of this Agreement or otherwise, the abatement of rental shall be made on an equitable basis taking into consideration the amount and character of the space, the use of which is denied to Lessee as compared with the entire Premises, and the period of time for which such use is denied to Lessee.

SECTION 7. UTILITIES AND TAXES

- (a) Lessee agrees to extend to the Premises and pay the cost of all utilities, including, without limitation, electric power, water, gas, sewer, telephone, and garbage collection. Lessee shall have the right, at its sole expense, to construct, install and maintain all necessary tap lines and facilities and to connect the same to any electric power, water, gas and sewerage lines installed by Lessor at or near the boundary of the Premises, and to receive all said utilities and services on the Premises, provided, however, that the services for electric power, water, gas, sewerage, and garbage collection at the Premises are properly metered so that all charges associated therewith are billed directly to Lessee. Lessor and

Lessor's Associates will not be held liable for loss of life, injury, or damage to any person or property or operation of Lessee and/or Lessee's Associates, caused by or resulting from any interruption of such utility services and shall indemnify Lessor and Lessor's Associates as to same.

- (b) Lessee shall pay (or in good faith contest), on or before their respective due dates, to the appropriate collecting authority, all Federal, State, and Municipal taxes, special taxes, assessments, special assessments and fees which are now or may hereafter be levied or assessed upon the Premises, the improvements, the personal property, or any of Lessee's property used in connection therewith; and shall maintain in current status all Federal, State, and Municipal licenses and permits required for the operation conducted by Lessee. Lessee shall furnish to Lessor promptly upon request, proof of the payment of any tax, assessment, and other governmental or similar charge which is payable by Lessee as provided herein. In the event of any contest permitted hereby, Lessee shall fully indemnify and hold Lessor and Lessor's Associates harmless from all loss, cost, damage, and expense incurred or suffered as a result of any such contest.

SECTION 8. IMPROVEMENTS TO PREMISES

- (a) Lessee may, during the term of this Agreement, construct improvements on the Premises or may alter or modify any buildings or other improvements constructed, to facilitate the use of the Premises for the purposes set forth within.
- (b) Prior to the commencement of construction or refurbishment of any improvements on the Premises, Lessee shall submit to Lessor for its written approval, a site plan and complete plans and specifications of the contemplated construction. The plans and specifications shall be certified by an architect or engineer licensed to practice in the State of Arkansas and shall consist of: (i) working drawings, (ii) technical specifications, (iii) bid documents, if applicable, (iv) schedule for accomplishing improvements, (v) schedule of finishes and graphics, (vi) list of furnishings, fixtures and equipment, (vii) certified estimate of the design, development and construction costs, and (viii) such other information as may be required by Lessor. All construction, improvements, signs, equipment, and landscaping must be made in accordance with the requirements set forth in this Agreement and must conform to the standard requirements of Lessor that are applicable to tenants of the Airport. All the plans and specifications shall be in such detail as may reasonably permit Lessor to make a determination as to whether the facilities will be consistent with the provisions of this Agreement and the standards of Lessor. The plans and specifications for the facilities that have received Lessor's written approval, and any amendments and changes thereto that have received Lessor's written approval, are hereinafter referred to collectively, as the "Approved Plans." No work may be performed on the Premises, except pursuant to Approved Plans.
- (c) All plans and specifications, including without limitation, "as built" plans provided pursuant to subparagraph(s), below, shall not identify any conduit ducts for cable, telecommunications, electric service, and the like by any specific company name, and such plans shall identify the purpose of such conduits by generic reference only (e.g., "phone conduit," "telecommunications conduit," or "power conduit"). No material changes shall be made to any Approved Plans, without the prior written approval of Lessor, which approval shall not be unreasonably withheld or delayed. Any change that requires the issuance of a building permit or modifies an existing building permit shall be considered a material change.
- (d) Any and all construction shall be performed in such a manner as to provide that the facilities shall:
 - 1. Be structurally sound and safe for human occupancy, and free from any hazards;

2. Shall not intrude into any aeronautical surfaces or exceed any height limitations and shall not interfere with the operations of arriving and departing aircraft at the Airport;
3. Be designed for use for only those purposes permitted under **Section 5**, hereof;
4. Comply with the provisions of the deed under which Lessor acquired its title to the Airport from the United States of America, and the provisions of any grant agreements or other agreements between Lessor and the United States Government or the State of Arkansas that are applicable to the Premises;
5. Comply with the terms and provisions of this Agreement;
6. Lessor reserves the right to require that all development within the Airport is consistent with the overall Airport system architecture and the Airport Master Plan, as well as reasonable standards of safety and quality.

Lessor may refuse to grant approval if, in its opinion, the proposed facilities and improvements as shown on such plans and specifications will fail to meet the criteria set forth above or in other provisions of this Agreement, or for any other reason whatsoever, in its sole discretion.

- (e) It is understood and agreed that in the course of any construction or refurbishment of any improvements on the Premises undertaken by Lessee during the Term of this Agreement, Lessee shall be responsible for all costs associated with any removal, replacement, relocation and protection of all utilities, whether such utilities are located at the Premises or on adjacent property, including but not limited to water, wastewater disposal, sewer, telephone, electric, airfield lighting system, conduit ducts for cable, telecommunications and electric service, and Federal Aviation Administration navigational aid systems. All underground utilities conduits installed at the Premises, including without limitation cable, electric and telecommunications, shall be deemed leasehold improvements and ownership thereof shall be vested in Lessor upon installation. All such conduits shall be installed by Lessee at its expense, and shall be free of all liens, claims and encumbrances, including any claims of any utilities provider.
- (f) All improvements, equipment and interior design and decor constructed or installed by Lessee, its agents, or contractors, including the plans and specifications relating to same, shall conform to all applicable Federal, State, and Municipal statutes, ordinances, advisory circulars, building codes, fire codes, laws, rules and regulations.
- (g) The parties hereby acknowledge that all existing fixtures, structures, facilities, pavements, and other leasehold improvements are the sole property of Lessor. Any improvements, additions and alterations made to the Premises by Lessee (except trade fixtures not permanently affixed to the Premises and equipment not permanently affixed to the Premises, and any other personalty of Lessee) shall automatically become Lessor owned property, free and clear of all liens, claims and encumbrances, upon termination or expiration of the Agreement, for any reason, or upon the occurrence and continuance of a default hereunder and shall be surrendered with and remain on the Premises. Any addition, fixture or other improvement that is nailed, bolted, stapled, or otherwise affixed to the Premises and is not readily removable as a trade fixture or item of equipment, is a leasehold improvement. If any personalty, including furnishings, trade fixtures or equipment, are removed by Lessee or Lessee's Associates, Lessee shall restore any damage to the Premises. All utilities conduits installed at the Premises, by Lessee, including without limitation cable, electric and

telecommunications, shall be deemed leasehold improvements and ownership thereof shall be vested in Lessor. All such conduits shall be installed by Lessee at its expense. All such conduits shall be free of all liens, claims and encumbrances, including without limitation, any claims of any utilities provider.

- (h) Should Lessee undertake construction or refurbishment of any improvements on the Premises to facilitate the use of the Premises for the purposes set forth within, Lessee will use diligent effort to pursue the intended development on the Premises, obtain necessary governmental permits, and thereafter commence and continue bona fide construction of the intended development on the Premises. Lessee shall have twelve (12) months from when Lessee initiates construction of the improvements to obtain a Certificate of Occupancy or to construct or refurbish the improvements otherwise fully. Lessee and Lessor recognize that time is of the essence of this Agreement and that Lessee's failure to use diligent effort to pursue the intended development on the Premises, obtain necessary governmental permits, and thereafter commence and continue bona fide construction of the improvements on the Premises will constitute a material breach of this Agreement and entitle Lessor the right to any remedies or interest that are allowable under this Agreement or under law for Lessee's breach. If at any time Lessor believes that Lessee has failed to use diligent effort to pursue the intended development, as described above, Lessor, in its sole discretion, shall have the right to terminate the Agreement within sixty (60) days by giving written notice to Lessee. If, however, Lessee has demonstrated an effort of diligently pursuing the development, but such development will not be completed within the twelve (12) month period allowed, Lessee may petition, in writing, Lessor for an extension of time to complete the development. An extension of time to complete the development is not automatic upon application but may be granted at the sole discretion of Lessor. If such extension is not granted, then Lessor shall have the right to terminate the Agreement, and all of Lessee's interest in the Premises shall revert to Lessor. Lessor makes non representations or warranties regarding the above contingencies, and Lessee undertakes such efforts solely at its own risk.
- (i) If applicable, Lessor shall receive copies of the issuance of a Certificate of Occupancy by the City of Texarkana Building Department for any Improvements constructed or refurbished.
- (j) Within one hundred and twenty (120) calendar days after the Certificate of Occupancy Date with respect to any improvements, Lessee must provide to Lessor: (i) a certified Statement from the construction contractor(s) specifying the total construction cost and stating that the improvements are free and clear of all liens, claims or encumbrances by any material suppliers, subcontractors, or laborers; and (ii) a certified Statement from the architect or engineer stating the total architect's or engineer's fees and that the improvements have been constructed in accordance with the Approved Plans and in compliance with all applicable codes (City, building and fire), laws, rules, ordinances, and regulations. Lessee shall provide, upon request, such back-up documentation and releases of lien as may be required by Lessor.
- (k) Lessee hereby represents, warrants, and covenants to Lessor that the Premises and all improvements now and hereafter constructed or placed thereon shall be at all times free and clear of all liens, claims and encumbrances. If any lien or notice of lien shall be filed against the Premises or any improvements, Lessee shall, within thirty (30) calendar days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, or order of a court of competent jurisdiction. The provisions hereof shall not apply to any leasehold mortgage to which Lessor has consented as provided in this Agreement, or any purchase money security interest in any movable trade fixtures installed at the Premises.

- (l) Within ninety (90) calendar days after the Certificate of Occupancy Date with respect to any improvements, Lessee shall at its expense, provide Lessor with a complete set of "as built" plans and specifications on CDs or other electronic media containing electronic data in an AUTOCAD format that meets Lessor's graphic standards of the "as-constructed" or "record" plans for such improvements.
- (m) In addition to Lessor's approval, Lessee shall obtain any required approval from all other agencies having jurisdiction over any improvements, including but not limited to departments, divisions or offices of the City of Texarkana, Arkansas, the State of Arkansas, and the Federal government.
- (n) All improvements must be coordinated with the FAA, including the filing of required forms and the provision of any documentation the FAA may request.
- (o) Lessee shall reimburse Lessor for any costs and expenses incurred, including surveying and attorney's fees (i) as a result of the fact that the improvements, alterations and additions do not comply with Federal, State, and Municipal laws, rules, or regulations, (ii) in defending against, settling, or satisfying any claim that Lessor is responsible for paying regarding improvements, alterations, and additions on the Premises, or (iii) in defending against, settling, or satisfying any mechanic's lien and/or other claims, asserted because of the non-payment for improvements, alterations, and additions on the Premises.
- (p) All improvements hereafter made to the Premises shall be in conformity and consistent with all applicable provisions of the Americans with Disabilities Act of 1990, as same may be amended from time to time.
- (q) Lessee shall not make any improvements, or additions, alterations, modifications, or replacements to any improvements at the Premises unless Lessee shall first have submitted to Lessor, for its written approval, complete plans and specifications for same in accordance with this **Section 8**. All improvements and additions, alterations, modifications, and replacements shall comply with all provisions of this Agreement, including without limitation, this **Section 8**. In the event any improvements and additions, alterations, modifications, and replacements are made without Lessor approval pursuant to this **Section 8**, then, upon notice in writing to do so, Lessee shall remove same or at the option of Lessor cause same to be changed to the satisfaction of Lessor. In the case of any failure on the part of Lessee to comply with such notice, Lessor may affect the removal or change and Lessee shall pay the cost thereof to Lessor.
- (r) Lessee shall require that any contractor or contractors who performs work on the Premises herein, or otherwise, at the Premises provide a current and valid Construction Bond or Letter of Credit in a form acceptable to Lessor, in an amount not less than the full amount of the contract price for completing the construction on the Premises herein designated, as surety for the faithful performance of the contract by contractor, and for the payment of all persons performing labor and furnishing material in connection with the work. Said Construction Bond or Letter of Credit shall be executed by a surety company or bank of recognized standing authorized to do business in the State of Arkansas and having a resident agent in Miller County and having been in business with a record of successful continuous business for at least five (5) years. Each bond shall be in form and substance satisfactory to Lessor. Furthermore, such surety company must have at least an "A" minimum rating in the latest revision of Best's Insurance Report.
- (s) Contractors must be licensed in the State of Arkansas. Lessee shall further require the contractor to procure Contractor's General Public Liability and Property Damage Insurance in an amount not less

than one million dollars (**\$1,000,000**), **combined** single limit, and Worker's Compensation Insurance. Such Public Liability and Property Damage Insurance policies shall name Lessor, and Lessor's Associates as additional insured. Lessee shall, before the commencement of any work, furnish Lessor with evidence that the contractor or contractors are covered to the satisfaction of Lessor with insurance as outlined above. If at any time during the continuance of the contract a surety on the contractor's bond or bonds becomes irresponsible, Lessor shall have the right to require additional and sufficient sureties which the contractor shall furnish within ten (10) days after notice to do so.

- (t) Lessee may, at its own expense, install and operate necessary and appropriate identification signs on the Premises for its purpose, subject to the approval of the Executive Director of Lessor as to the number, size, height, location, color and general type and design. Such approval shall be subject to revocation by Executive Director of Lessor at any time. Upon the occurrence and continuance of an event of default, Lessee shall remove said sign(s) if requested to do so by Lessor and Lessee shall repair all damage to the Premises caused by removal.
- (u) Lessee shall coordinate all construction and refurbishment of improvements and any other additions, alterations, modifications, or replacements to the Premises or improvements with the Airport, and shall minimize any disruption to Airport activities, tenants, and users. Lessor shall have the right, but not the duty, to direct that Lessee and/or Lessee's Associates cease activities or revise work plans to avoid disruption. Lessee and/or Lessee's Associates shall meet with Lessor, as requested by Lessor, as the work progresses and provide Lessor with information as may be required. Lessor may require Lessee to comply with other measures that are in Lessor's best interests in connection with any construction activities, such as coordination with Airport Operations/Maintenance, City of Texarkana, Arkansas Police, TSA, and local FAA Air Traffic Control.
- (v) The building(s), and all other improvements made by Lessee which have assumed the nature of realty, will become property of Lessor upon termination or expiration of this Agreement, without compensation to Lessee, and free of all liens and claims. Lessee will have the right to remove any furnishings, trade fixtures, equipment, and improvements that have not assumed the nature of realty, provided the same is done prior to termination or expiration of this Agreement, Lessee is not in default of this Agreement, and Lessee repairs any damage caused by such removal. Any such property remaining after the termination or expiration of this Agreement will immediately become property of Lessor unless otherwise agreed to by Lessor in writing.

SECTION 9. MAINTENANCE AND REPAIRS

- (a) Lessee agrees to provide at its own expense such light maintenance, custodial, and cleaning services and supplies as may be necessary or required in the operation and maintenance of the Premises, Improvements and Personal Property.
- (b) Lessee agrees to keep the Premises in a clean and orderly condition and appearance, including without limitation, upkeep and maintenance of all landscaping and upkeep and maintenance of all of 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.
- (c) Lessor shall throughout the Term of the Agreement assume the entire responsibility and shall relieve Lessee from all responsibility for all repair and maintenance whatsoever on the Premises (which shall include, without limitation, all buildings and improvements thereon), whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Maintenance and repairs will be in

quality and class comparable to the original work, to preserve the Premises in good order and condition.

- (d) Lessor shall be responsible for maintenance of the common areas and systems associated with the Premises. Lessee covenants to properly use and not abuse the common areas and systems maintained by Lessor.
- (e) Lessee shall be required to keep all buildings and other improvements in good, tenantable, useable condition throughout the Term of this Agreement, and without limiting the generality thereof. However, Lessor agrees to perform the following actions throughout the Term of this Agreement, as necessary:
 - 1. Paint the exterior and interior of the Premises as needed and Lessee shall repair and maintain all doors, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls, and structural support system.
 - 2. Always keep the Premises in a clean and orderly condition and appearance, including without limitation, upkeep and maintenance of all landscaping and upkeep and maintenance of all of 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.
 - 3. Provide and maintain all obstruction lights and similar devices, 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 applicable governmental authority.
 - 4. Repair any damage to the pavement or other surface of the Premises caused by operations of Lessee, Lessee's Associates and any others entering upon or using the Premises at any time during the Term, including without limitation any oil, gasoline, grease, lubricants or other liquids and substances having a corrosive or detrimental effect thereon and report the incident of such spill pursuant to **Section 14**.
 - 5. Take 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.
 - 6. Be responsible for the maintenance and repair of all utilities including but not limited to, service lines for the supply of water, gas service lines, electrical power, telephone and telecommunications conduits and lines, sanitary sewers and storm sewers which are now, or which may be subsequently located upon the Premises leased to Lessee and which are used exclusively by Lessee.
 - 7. Be responsible for the maintenance and repair of all perimeter fences and all gates before, during, and after construction of any improvements.
- (f) Lessor shall have the right to enter the Premises upon reasonable written notice and at reasonable times to maintain the Premises as described above. Lessor shall have a minimum of thirty (30) calendar days to commence any required action hereunder, except for emergency and public safety items which may be immediately undertaken by Lessor and/or Lessee.
- (g) Lessee shall remove from the Airport or otherwise dispose of in a manner approved by Lessor all garbage, debris and other waste material arising out of its occupancy of the Premises or out of its

operations. Lessee shall keep and maintain the Premises in a neat and orderly manner and shall keep the grass cut. Any garbage, debris or waste which may be temporarily stored in the open shall be kept in suitable garbage or waste receptacles, the same to be made of metal and equipped with tight fitting covers and to be of a design to safely and properly contain whatever may be placed therein. Lessee shall use extreme care when effective removal of all such waste.

SECTION 10. LIABILITY, INDEMNITY, AND INSURANCE

THERE IS NO EXPECTATION OF ANY INDEMNIFICATION BEING PROVIDED TO LESSEE BY THE AIRPORT OR LESSOR.

- (a) Lessee shall protect, defend, indemnify, and hold Lessor and Lessor's Associates completely harmless from and against any and all debts, expenses, penalties, costs, and judgments arising by reason of the injury or death of any person or damage to any property or economic loss of any nature (including but not limited to those relating to or arising out of the violation of any Environmental Laws or any Federal, State, and Municipal health, or safety law, regulation, rule, or ordinance), including all reasonable costs of investigation and defense thereof (including but not limited to attorneys' and consultants' fees and court costs), arising out of or incidental to any acts or omissions or misrepresentations of Lessee, and/or Lessee's Associates related to (i) this Agreement, (ii) Lessee's use or occupancy of or operations on or in connection with the Premises, the improvements, or any portion thereof, (iii) any Environmental Laws, or (iv) Lessee's rights, obligations, responsibilities, or duties under this Agreement; except to the extent such injury, death, loss, or damage is caused by the gross negligence or willful misconduct of Lessor. This indemnity shall cover any problems in, on, under, or affecting the Premises or any areas surrounding the Premises which are a direct or indirect result of actions or omissions of Lessee. Lessor shall give Lessee reasonable notice of any such claims or actions. Lessee, in carrying out its obligations hereunder, may use counsel and consultants selected by it, but such counsel and consultants shall be reasonably acceptable to, and cooperative with, Lessor. The provisions of this **Section 10(a)** shall survive the expiration or earlier termination of this Agreement.
- (b) Lessee shall, at a minimum, provide, pay for, and maintain in full force at all times during the Term of this Agreement (unless otherwise provided), the insurance coverages set forth in the paragraphs below, in accordance with the terms, covenants, and conditions required by this **Section 10**. Such policy or policies shall be without any deductible amount (except as may be expressly authorized herein) and shall be issued by a company(s) of recognized standing authorized to do business in the State of Arkansas and having a resident agent in the State of Arkansas and having been in business with a record of successful continuous business for at least five (5) years. Furthermore, such company(s) must have at least an "A" minimum rating in the latest revision of Best's Insurance Report. Lessee shall specifically protect Lessor by naming Lessor as additional insured under the Property Damage Insurance, and Commercial General Liability Policy.
- (c) Lessee shall, during the Term of this Agreement, insure and keep insured to the extent of not less than one hundred percent (100%) of the insurable replacement value thereof, all buildings, improvements, structures, fixtures and equipment on the Premises against such hazards and risks as may now or in the future be included under the Standard Form of Fire and Extended Coverage insurance policy of the State of Arkansas and also against the following applicable hazards and risks:
1. Sprinkler leakage - by which is meant damage caused by water or any other substance discharged from any part of the fire protection equipment for Lessee's Premises or from

adjoining premises; collapse or fall of tanks forming part of such fire protection equipment or the component parts or supports of such tanks.

2. Damage caused by such perils and hazards as may now or in the future be included under any Boiler and Machinery policy filed with and approved by the Insurance Commissioner of the State of Arkansas, or if there be no such policy so filed, then reasonable coverage against perils and hazards occasioned by the existence and operation of such boilers, provided that Lessee shall be required to maintain such insurance only with respect to such buildings and structures in which boilers are installed.
- (d) Such policies of insurance shall be limited to a deductible for windstorm of not more than two percent (2%) of the insurable replacement value of the improvements. In addition, the deductible for all other than windstorm perils shall be not more than One Hundred Thousand Dollars (\$100,000.00), which amount Lessee shall self-insure. In the event of any damage to the Premises, if the cost of repair or replacement is less than the deductible amount, Lessee shall nevertheless be required to make such repair or replacement and to restore the Premises to the condition required by **Section 11**.
 - (e) All policies of such insurance and renewals thereof shall insure Lessor and Lessee as their interest may appear, and shall provide that the loss, if any, shall be adjusted with and payable to Lessor, except as otherwise provided in **Section 11** hereof.
 - (f) In the event the Premises or any part thereof shall be damaged by any casualty against which insurance is carried pursuant to this **Section 10**, and if such loss is to be adjusted with and payable to Lessor, Lessee shall promptly furnish to Lessor such information and data as may be necessary to enable Lessor to adjust the loss.
 - (g) **Commercial General Liability Insurance** shall be provided to protect against bodily injury and property damage liability in an aggregate amount of not less than One Million Dollars (\$1,000,000.00) per occurrence, combined single limit, and One Million Dollars (\$1,000,000.00) per aggregate. Coverage must be afforded on a form no more restrictive than the latest edition of the Commercial General Liability Policy, without restrictive endorsements, as filed by the Insurance Services Office and must include: Premise and/or Operations, Personal Injury, Independent Contractors, Broad Form Property Damage and Broad Form Contractual Coverage covering all liability arising out of the terms of this Agreement. Lessee is responsible for all deductibles in the event of a claim.
 - (h) **Workers' Compensation and Employer's Liability Insurance** shall be provided to apply for all employees in compliance with the "Workers' Compensation Law" of the State of Arkansas and all applicable Federal laws. In addition, the policy(ies) must include Employers' Liability with a limit of One Hundred Thousand Dollars (\$100,000) each accident.
 - (i) Lessee shall furnish to Lessor, Certificates of Insurance evidencing the insurance coverages specified by this **Section 10** prior to the commencement of this Agreement.
 - (j) Coverage is not to cease and is to remain in full force (subject to cancellation notice) throughout the Term of this Agreement and until all performance required hereunder is completed. All policies must be endorsed to provide Lessor with at least thirty (30) calendar days' prior written notice of expiration, cancellation and/or restriction. If any of the insurance coverages will expire prior to the expiration or termination of this Agreement, copies of renewal certificates shall be furnished at least thirty (30) calendar days prior to the date of their expiration. Any insurance coverage that is written

on a "claims made" basis must remain in force for two (2) years after the expiration or termination of this Agreement. Comprehensive General and Commercial General Liability Insurance shall be written on an "occurrence" basis and shall not be written on a "claims made" basis.

- (k) The aforesaid minimum limits of insurance shall be reviewed from time to time by Lessor and may be adjusted if Lessor determines that such adjustments protect Lessor's interest. When such policies or certificates have been delivered by Lessee to Lessor as aforesaid and at any time or times thereafter, Lessor may notify Lessee, in writing, that the insurance represented thereby does not conform to the provisions of this **Section 10** either because of the amount or because of the insurance company or for any other reason, and Lessee shall have fifteen (15) calendar days in which to cure any such defect.
- (l) **Subrogation.** Notwithstanding anything to the contrary herein, Lessee waives any right of recovery against Lessor for any loss or damage to the extent the same is required to be covered by Lessee's insurance hereunder. Lessee shall obtain from its insurers a waiver of any subrogation the insurer may have against Lessor in connection with any loss or damage covered by Lessee's insurance.
- (m) The certificate holder address shall read "Texarkana Regional Airport Authority, 201 Airport Drive, Texarkana, Arkansas 71854," as may be amended or changed.
- (n) Compliance with the foregoing requirements shall not relieve Lessee of its liability and obligations under any other provision of this Agreement.
- (o) If, at any time, Lessee shall fail to obtain the insurance as required herein, Lessee will be deemed in default and, at its sole option, Lessor may terminate this Agreement upon thirty (30) days written notice.
- (p) Lessor shall not be liable to Lessee for any injury or damage to Lessee or Lessee's property from any cause except if caused by Lessor's or Lessor's Associates' negligence. Lessee waives all claims against Lessor for damage to persons or property arising from any reason.

SECTION 11. DAMAGE TO OR DESTRUCTION OF PREMISES

- (a) **Removal of Debris.** If the Premises or any part thereof shall be damaged by fire, the elements, or other casualty, Lessee shall promptly remove all debris resulting from such damage from the Premises, and Lessor will promptly take such actions and cause such repairs to be made to the Premises as will place the Premises in a neat and orderly condition and as are necessary for the safety of persons entering upon the Premises. To the extent, if any, that such measures are covered by any insurance obtained by Lessee, the proceeds thereof shall be made available to Lessor for such purpose.
- (b) **Minor Damage.** If the Premises, or any part thereof shall be damaged by fire, the elements, or other casualty but not rendered untenable or unusable, then there shall be no abatement of rent and the Premises shall be repaired with due diligence by Lessor in accordance with the plans and specifications for the Premises as they existed prior to such damage, or in accordance with new plans approved by Lessor pursuant to **Section 8**, hereof, by and at the expense of Lessor. However, if such damage is covered by Lessee insurance, the proceeds thereof shall be made available to Lessor for that purpose.

(c) **Major Damage to or Destruction of the Premises.** If the Premises or any part thereof shall be destroyed or so damaged by fire, the elements or other casualty as to render the Premises untenable or unusable, then:

1. Lessor shall have an option to make the necessary repairs or replacements for the restoration thereof in accordance with the plans and specifications as the same existed prior to such damage or destruction, provided that Lessee within forty-five (45) calendar days after the occurrence of such damage or destruction notifies Lessor in writing of such damage or destruction. Lessor shall make such repairs and/or replacements with reasonable dispatch and, if such destruction or damage was covered by Lessee's insurance, the proceeds thereof shall be adjusted with and paid to Lessor.
2. In the event that restoration is made pursuant to subparagraph (1), above, the rent shall abate from the date of the damage or destruction until the Premises have been placed in a usable condition. Such abatement shall be made pursuant to **Section 6(n)** hereof. All restoration work shall be made pursuant to plans and specifications that have received the prior approval of Lessor and all such work shall comply with the terms and provisions of this Agreement, including without limitation, **Section 8** hereof.
3. In the event that neither of the two parties elects to make such repairs and replacements, then this Agreement shall terminate upon the earlier of: (i) the expiration of seventy-five (75) calendar days from the occurrence of such destruction or damage or (ii) the date established by written notice by Lessor to Lessee; and in any such event, the proceeds of insurance applicable to the damage or destruction (other than the proceeds applicable to Lessor's costs of debris removal and removal of damaged improvements) shall be distributed between Lessee and Lessor as their interest may appear. The interest of Lessee shall not exceed the unamortized value of the improvements existing on the Premises as of the date immediately preceding the date of the casualty (excepting any Lessor-owned improvements for which rent has been paid by Lessee, if any, which shall be excluded from the calculation) then depreciated over the Term of the Agreement. In such event, the payment of rentals shall terminate as of the date of the damage or destruction.

SECTION 12. TERMINATION OF AGREEMENT- ASSIGNMENT AND TRANSFER

- (a) This Agreement shall terminate at the end of the full term hereof, and any extensions thereto, as set forth in **Section 3** of this Agreement, and Lessee shall have no further right or interest herein.
- (b) Lessor may terminate this Agreement by giving Lessee thirty (30) days advance written notice, to be served as hereinafter provided, upon the happening of any one of the following events:
 1. The filing by Lessee of a voluntary petition for bankruptcy.
 2. The institution of proceedings in bankruptcy against Lessee and adjudication of Lessee as a bankrupt pursuant to said proceedings.
 3. The taking by a court of competent jurisdiction of Lessee and its assets pursuant to proceedings brought under the provision of any Federal reorganization act.
 4. The appointment of a receiver of Lessee's assets.

5. The divestiture of Lessee's estate herein by operation of law.
6. The abandonment by Lessee of its conduct of operation upon the Premises.
7. The conduct of any operation or performance of any acts not specifically authorized herein.
8. Default in the performance of any of the terms, covenants and conditions required herein (except rental payment) to be kept and performed by Lessee and such default continues for a period of thirty (30) days from the date of written notice from Lessor to cure said default; provided however that: (i) if, in the judgement of Lessor, the nature of the default is such that it cannot be cured in a period of thirty (30) days from the date of said default; (ii) Lessee commences good faith efforts to cure such default immediately upon receipt of such notice; (iii) such efforts are diligently prosecuted to completion to Lessor's satisfaction, then it shall be deemed that no default shall have occurred under the provisions of this subparagraph 8.

In any of the aforesaid events, termination shall be effective upon the date specified in Lessor's written notice to Lessee, and, upon said date, Lessee shall be deemed to have no further rights hereunder and Lessor may take immediate possession of the Premises and remove Lessee's effects, by forcible eviction, if necessary, without being deemed guilty of trespassing.

- (c) If Lessee fails to pay the whole or any part of the rent, charges or fees due hereunder for a period of thirty (30) days after such payments become due, and continues to fail to pay said amounts in full within ten (10) days from Lessor's transmittal to Lessee of a written Past Due Statement therefore, Lessor may, at its option, immediately cancel this Agreement, by written notice thereof, and may enter upon the Premises (or any part thereof) and repossess the same from Lessee and this Agreement shall be considered terminated, whether or not such entry is actually made.
- (d) Lessee may terminate this Agreement at any time that Lessee is not in default of its payments to Lessor hereunder, by giving Lessor sixty (60) calendar days advance written notice to be served as hereafter provided, upon or after the happening of any one of the following events:
 1. Issuance by any court of competent jurisdiction of an injunction in anyway preventing or restraining the use of the Airport or any part thereof for airport purposes, and the remaining in force of such injunction for a period of at least ninety (90) days.
 2. The default by Lessor in the performance of any covenant or agreement herein required to be performed by Lessor and the failure of Lessor to remedy such default for a period of sixty (60) calendar days after receipt from Lessee of written notice to remedy same; provided, however, that no notice of termination, as provided herein, shall be of any force or effect if Lessor shall have remedied the default prior to receipt of Lessee's notice of termination.
 3. The lawful assumption by the United States Government or any authorized agency thereof of the operation, control or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as to substantially restrict Lessee, for a period of at least sixty (60) days, from operating thereon.
- (e) Upon expiration or any sooner termination or cancellation of this Agreement, Lessor may require Lessee to remove any improvements erected, installed or constructed by Lessee except for buildings and other substantial improvements to the Premises. Such removal, if required of Lessee, shall be at Lessee's expense. Notice of such removal will be given to Lessee prior to termination of this

Agreement and completion of the removal will be within a reasonable time period determined by Lessor. Notwithstanding the foregoing, upon expiration or any sooner termination or cancellation of this Agreement, title to all structures, improvements, facilities or alterations erected, installed or constructed by Lessee which are not required by Lessor to be removed shall automatically vest in Lessor without any further act on the part of either party. If this Agreement is canceled by Lessee pursuant to **Section 12(d)** hereof, or if this Agreement is otherwise canceled by Lessor before expiration of the term pursuant to other provisions of this Agreement and without cause against Lessee, Lessor shall be required to provide a suitable Airport lease site and reimbursement for replacement improvements constructed on the Premises by Lessee in accordance with the provisions of this Agreement.

- (f) Lessee is granted the right, upon any termination of this Agreement, to remove its Trade Fixtures (as defined below); provided, however, in the event that the Premises are damaged by reason of, or in the course of, the removal of Lessee's Trade Fixtures, Lessee, at its cost, shall promptly repair any and all such damage and restore the Premises to the same condition as prior to installation or to a condition approved by Lessor. The failure to remove its Trade Fixtures shall not constitute a holdover, but all such property not removed within ten (10) days after any termination of this Agreement shall be deemed abandoned and thereupon shall become the property of Lessor. "Trade Fixtures" as herein defined, shall include, but are not limited to, personal property, signs used to identify Lessee's operation in and about the Premises, and all machinery and equipment installed in or placed on or about the Premises and used in connection with Lessee's operation.
- (g) Lessee shall not, in any manner, assign, transfer, mortgage, pledge, encumber or otherwise convey an interest in this Agreement, nor sublet the Premises or any part thereof, without the prior written consent of Lessor and unless the assignee or sub-lessee is qualified by Lessor to do business at the Airport pursuant to such nondiscriminatory standards as may be established by Lessor, including without limitation that such proposed assignee or sub-lessee have and be able to demonstrate substantial and profitable experience in the same or directly related operation as Lessee and have and be able to demonstrate on the proposed date of such assignment or sublease a net worth equal to or greater than that of Lessee on the date hereof. Lessee shall submit a written request for consent by Lessor at least sixty (60) calendar days prior to the commencement of the proposed assignment or sublease (unless waived by Lessor), including a detailed statement of the assignee's or sub-lessee's proposed activity with a copy of the proposed assignment or sublease. Lessor may deny consent if Lessor determines the assignment or sublease is not in its best interest; if Lessee has been declared in default of any of the terms, covenants, and conditions of this Agreement; if the proposed assignment or sublease is not permitted under this Agreement; or for other valid reasons. Subject to Lessor's written consent as aforesaid, Lessee shall have the right to assign or sublease the Premises only for the same purpose permitted under this Agreement, any such assignment or sublease shall be subject to the same conditions, obligations and terms as set forth herein, and Lessee shall be responsible for the observance by its assignor or sub-lessee of the terms and covenants contained in this Agreement.

SECTION 13. GOVERNMENTAL CONDITIONS

- (a) Lessor covenants that it will operate and maintain the Airport as a public airport consistent with and pursuant to the Sponsor's Assurances given by Lessor to the United States Government under the Airport and Airway Improvement Act of 1982, as the same may be amended from time to time.
- (b) Lessor reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of Lessee, and without interference or hindrance.

- (c) Lessor reserves the right but shall not be obligated to Lessee to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport together with the right to direct and control all activities of Lessee in this regard.
- (d) Lessor reserves unto itself, its successors, and assigns, for the use and benefit of the public, the right of flight for the passage of aircraft in the airspace above the surface of the Premises. This right of flight shall include the right to cause in said airspace such noise as may be inherent in the operation of any aircraft now known or hereafter used for navigation or flight through the said airspace for landing at, taking off from or operating on the Airport.
- (e) It is understood and agreed that nothing contained in this Agreement shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308a of the **Federal Aviation Act of 1958 (49 U.S.C. 1349a)**, as the same may be amended from time to time.
- (f) This Agreement shall be subject and subordinate to the provisions of all laws and regulations and of any existing or future agreement between Lessor and the United States of America, or any agency thereof, relative to the operation or maintenance of the Airport. Lessor shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Lessee in and to the Premises, and to compensation from the United States of America for taking thereof, interference therewith, and damage thereto, caused by such agreement or by actions of Lessor or the United States of America pursuant thereto.
- (g) During the time of war or national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military use and, if such lease is executed, the applicable provisions of this Agreement, insofar as they are inconsistent with the provisions of the lease to the Government, shall be suspended.
- (h) Lessee, for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree to the following, as a covenant running with the land:
1. Subordination of Agreement - This Agreement and all provisions set forth herein are and shall be subject and subordinate to the terms, covenants, and conditions of any instruments and documents under which Lessor acquired the land or improvements thereto, of which the Premises are a part, and shall be given only such effect as will not conflict with or be inconsistent with such terms, covenants, and conditions. It is further understood and agreed by Lessee that this Agreement shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States of America, or any of its agencies, relative to the development, operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.
 2. Compliance with Title 49 - In the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed 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, as said regulations may be amended (49 CFR Part 21).

3. Compliance with Title VI of Civil Rights Act of 1964 - No person, on the grounds of race, color, creed, sex, age, national origin or handicap, shall be excluded from participation, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities. In the construction of any improvements on, over or under the land and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of or otherwise be subject to discrimination on the grounds of race, color, creed, sex, age, national origin or handicap; Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21.
4. Breach of Nondiscrimination Covenants - In the event of breach of any of the above nondiscrimination covenants described in Paragraphs 2 and 3 above, Lessor shall have the right to terminate this Agreement and to re-enter and repossess said land and the facilities thereon and hold the same as if this Agreement had never been made or issued; provided, however that Lessee allegedly in breach shall have the right to contest said alleged breach under applicable FAA procedures, and any sanctions under or termination of this Agreement shall be withheld pending completion of such procedures.
5. Nondiscriminatory Pricing - Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers. Noncompliance with this paragraph and failure to substantially remedy such noncompliance within a reasonable period of time shall constitute a material breach hereof; and, in the event of such noncompliance, Lessor shall have the right to terminate this Agreement without liability therefor or, at the election of Lessor or the United States Government, either or both shall have the right to judicially enforce this paragraph.
6. Inclusion of Provisions in Lessee's Agreements - Lessee agrees that it shall insert the provisions of Paragraphs 2 through 5 of this **Section 13**, inclusive, in any agreement by which Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the Premises.
7. Disadvantaged Business Enterprise Program - Lessee shall, as applicable to its operation, abide and be bound by 49 CFR Part 23, Participation by Disadvantaged Business Enterprise in Department of Transportation Programs.
8. Affirmative Action Plan - Lessee shall, as applicable to its operation, abide by and be bound by 14 CFR Part 152, Subpart E, as may be amended from time to time, to ensure that no person shall, on the grounds of race, creed, color, national origin or sex, be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures, as applicable to its operation, that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by said Subpart. Lessee assures that it will require, as applicable to its operation, that its covered sub-organizations provide assurances to Lessee and Lessor that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

- (i) This Agreement is subject to any applicable review by the FAA or any Federal agency having regulatory jurisdiction, to determine satisfactory compliance with Federal law, as applicable to Lessee's operation, and said Agreement shall be in full force and effect and binding upon both parties pending such review and approval by the FAA or other Federal regulatory agency, as applicable; provided, however, that upon such review, all parties hereto agree to modify any of the terms hereof which may be determined to be in violation of or contrary to existing laws, regulations, assurances or other requirements.
- (j) It is anticipated that changes will come from regulatory agencies having jurisdiction over the Airport or Lessor in the form of regulatory changes. It is Lessee's responsibility to obtain all Notices of Proposed Rule Making directly from such agencies. Where possible, Lessor may provide notice of proposed changes, but nothing contained herein shall render this provision unenforceable by virtue of Lessee not receiving notice of proposed changes.
- (k) In the event a United States governmental agency shall demand and take over the entire facilities of the Airport, or that portion of the Airport containing the Premises, for public purposes, then and in that event Lessor shall be released and fully discharged from any and all liability hereunder and this Agreement shall thereupon terminate.
- (l) Lessee certifies, to the best of its knowledge and belief, that:
1. No Federally appropriated funds have been paid or will be paid by or on behalf of Lessee, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member, officer or employee of Congress, or an employee or member of Congress in connection with the award of any Federal contract, in making any Federal grant or Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.
 2. If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member, officer or employee of Congress, or an employee or member of Congress in connection with any contract, grant, loan or cooperative agreement relating to this Agreement, Lessee shall complete and submit Standard Form-LLL, "Disclosure of Lobby Activities," in accordance with its instructions.
 3. Lessee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
- (m) Lessee, by execution of this Agreement, certifies that it:
1. It is not owned or controlled by one or more citizens or nationals of a foreign country included in the list of countries that discriminate against U.S. firms published by the Office of the United States Trade Representative (USTR);
 2. It has not knowingly entered into any contract or subcontract for this project with a contractor that is a citizen or national of a foreign country on said list, or is owned or controlled directly or indirectly by one or more citizens or nationals of a foreign country on said list; and

3. It has not procured any product or subcontracted for the supply of any product for use on the project that is produced in a foreign country on said list.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to any party hereunder that is unable to certify to the above. If Lessee knowingly procures or subcontracts for the supply of any product or service of a foreign country on said list for use of the project, the FAA may direct, through Lessor, cancellation of such contract at no cost to the Government.

Further, Lessee agrees that it will incorporate this provision, as it pertains to the Premises, for certification without modification in each contract and in all lower tier subcontracts. Lessee may rely upon the certification of a prospective subcontractor unless it has knowledge that the certification is erroneous. Lessee shall provide immediate written notice to Lessor if it learns that a prospective contractor's certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The subcontractor agrees to provide immediate written notice to Lessee, if at any time it learns that its certification was erroneous by reason of changed circumstances.

This certification is a material representation of fact upon which reliance was placed when making the award. If it is later determined that Lessee or any subcontractor knowingly rendered an erroneous certification, the FAA may direct, through Lessor, cancellation of the contract or subcontract for default at no cost to the Government.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a Lessee is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

SECTION 14. ENVIRONMENTAL COMPLIANCE; ENVIRONMENTAL CONTAINMENT AND REMOVAL

- (a) Lessee acknowledges and agrees that Lessor makes no representations or warranties whatsoever as to whether any pollutant, or hydrocarbon contamination, hazardous materials, or other contaminants or regulated materials (collectively, "Materials") exist on or in the Premises or the improvements in violation of any Federal, State, and Municipal law, rule or regulation or in violation of any order or directive of any Federal, State, and Municipal court or entity with jurisdiction of such matter. It shall be the responsibility of Lessee to make sufficient inspection of the Premises and the improvements to satisfy itself as to the presence or absence of any such Materials.
- (b) Lessee shall provide Lessor, if requested at any time, with a list of all hazardous, bio-hazardous, or other Materials stored, used, generated, or disposed of on the Premises. Lessee shall complete the form attached hereto as **Exhibit D** with respect to matters pertaining to the Premises and shall deliver same to Lessor contemporaneously with its execution of this Agreement. Lessee represents that the matters disclosed on such form will be accurate and complete as of the date of execution of this Agreement. At the request of Lessor (not more than once a year) Lessee shall provide an accurate and complete update with respect to the Premises as to the matters set forth on **Exhibit D**.

- (c) Lessee agrees to comply with all existing and future Federal, State, and Municipal environmental laws, ordinances and regulations, and the requirements of any Development Order covering the Airport, issued to Lessor, pursuant to Arkansas Statutes, including without limitation those addressing the following:
1. Proper use, storage, treatment, and disposal of Materials, including contracting with a licensed hazardous waste transporter and/or treatment and disposal facility to assure proper transport and disposal of hazardous waste and other regulated Materials.
 2. Proper use, disposal, and treatment of storm water runoff, including the construction and installation of adequate pre-treatment devices or mechanisms on the Premises, if applicable. Lessee shall have in place, and make available to Lessor for review, all required environmental licenses and documents including, but not limited to, site specific Stormwater Pollution Prevention Plan and Spill Prevention, Control, and Countermeasure Plan.
 3. Adequate inspection, licensing, insurance, and registration of existing and future storage tanks, storage systems, and ancillary facilities to meet all Federal, State, and Municipal standards, including the installation and operation of adequate monitoring devices and leak detection systems.
 4. Adequate facilities on the Premises for management and, as necessary, pretreatment of industrial waste, industrial wastewater, and regulated Materials and the proper disposal thereof.
 5. Compliance with reporting requirements of Title III of the Superfund Amendment, as applicable and as such laws may be amended from time to time.
- (d) The release of any Materials at the Premises caused by Lessee, and/or Lessee's Associates, or by any invitee or trespasser on the Premises, or the release of any Materials on any other Airport property caused by Lessee, and/or Lessee's Associates, that is in an amount that is in violation of any Federal, State, and Municipal law, rule or regulation or in violation of an order or directive of any Federal, State, and Municipal court or governmental authority, whether committed prior to or subsequent to the date of execution of this Agreement, shall be, at Lessee's expense, and upon demand of Lessor or any of its agencies or any Federal, State, and Municipal regulatory agency, immediately contained or removed to meet the requirements of applicable environmental laws, rules and regulations. If Lessee does not take action immediately to have such Materials contained, removed and abated, Lessor or any of its agencies may upon reasonable notice to Lessee (which notice shall be written unless an emergency condition exists) undertake the removal of the Materials; however, any such action by Lessor or any of its agencies shall not relieve Lessee of its obligations under this or any other provision of this Agreement or as imposed by law. No action taken by either Lessee or Lessor to contain or remove Materials, or to abate a release, whether such action is taken voluntarily or not, shall be construed as an admission of liability as to the source of or the person who caused the pollution or its release. As used in this Agreement, "Lessee's operations" and "Lessee's actions" and words of similar import, shall include all actions and inaction by Lessee, and/or Lessee's Associates.
- (e) Lessee shall provide Lessor with notice of releases of Materials occurring at any area used by Lessee or occasioned due to Lessee's operations at the Airport, which notices shall be provided in accordance with the requirements of Lessor's policies and procedures manual. Lessee shall maintain a log of all such notices and shall also maintain all records required by Federal, State, and Municipal laws, rules and regulations and also such records as are reasonably necessary to adequately assess environmental

compliance in accordance with applicable laws, rules and regulations. Upon request by Lessor, Lessee shall make all documentation required by this subparagraph available for the review of Lessor representatives.

- (f) As required by law, Lessee shall provide the Federal, State, and Municipal regulatory agencies with notice of spills, releases, leaks or discharges (collectively, "release") of Materials on the Premises or on the Airport property which exceeds an amount required to be reported to any Federal, State, and Municipal regulatory agency under applicable environmental laws, rules and regulations, which notice shall be in accordance with applicable environmental laws, rules and regulations. Lessee shall further provide Lessor with written notice within one (1) business day following commencement of same, of the curative measures, remediation efforts and/or monitoring activities to be effected on the Premises. Lessee shall have an updated contingency plan in effect relating to such releases which provide minimum standards and procedures for storage of regulated Materials and other Materials, prevention and containment of spills and releases, and transfer and disposal of regulated Materials and other Materials. The contingency plan shall describe design features, response actions and procedures to be followed in case of releases or other accidents involving hazardous Materials, bio-hazardous Materials or petroleum products or other Materials. Lessee agrees to permit entry at all reasonable times, of inspectors of Lessor and of other regulatory authorities with jurisdiction.
- (g) Lessor, upon reasonable written notice to Lessee, shall have the right to inspect all documents relating to the environmental condition of the Premises, including without limitation, any release of Materials at the Premises, or any curative, remediation, or monitoring efforts, and any documents required to be maintained under applicable environmental laws, rules and regulations or any development order issued to Lessor pertaining to the Airport, pursuant to Arkansas Statutes, including, but not limited to, manifests evidencing proper transportation and disposal of Materials, environmental site assessments, and sampling and test results. If requested at any time by Lessor, Lessee shall provide Lessor with copies of any such documents. Lessee agrees to allow inspection of the Premises by appropriate Federal, State, and Municipal agency personnel in accordance with applicable environmental laws, rules and regulations and as required by any development order issued to Lessor pertaining to the Airport, pursuant to Arkansas Statutes.
- (h) If Lessor arranges for the removal of any Materials on the Premises that were caused by Lessee, and/or Lessee's Associates, all costs of such removal incurred by Lessor shall be paid by Lessee to Lessor within ten (10) calendar days of Lessor's written demand, with interest at the maximum rate permissible under Arkansas State Law thereafter accruing.
- (i) Lessee shall not be liable for the release of any Materials caused by anyone other than Lessee, and/or Lessee's Associates. Nothing herein shall relieve Lessee of its general duty to cooperate with Lessor in ascertaining the source and containing, removing, and abating any Materials. Lessor shall cooperate with Lessee with respect to Lessee's obligations pursuant to these provisions, including making public records available to Lessee in accordance with Arkansas law; provided, however, nothing herein shall be deemed to relieve Lessee of its obligations hereunder or to create any affirmative duty of Lessor to abrogate its sovereign right to exercise its police powers and governmental powers by approving or disapproving or taking any other action in accordance with Lessor codes, ordinances, rules and regulations, Federal laws and regulations, State, and Municipal laws and regulations, development orders and grant agreements. Lessor and its employees, contractors, and agents, upon reasonable written notice to Lessee, and the Federal, State, and Municipal agencies, and their employees, contractors, and agents, at times in accordance with applicable laws, rules, and regulations, shall have the right to enter the Premises for the purposes of

the foregoing activities and conducting such environmental assessments (testing or sampling), inspections and audits as it deems appropriate.

- (j) Lessee hereby agrees that upon any assignment of this Agreement, and at any time during the Term of this Agreement, and at any time during the year following any termination of this Agreement, Lessor shall have the right to require Lessee to conduct a facility inspection of the Premises, at Lessee's expense. If documentation warrants, Lessor shall have the right to require Lessee to conduct a further assessment of the Premises at Lessee's expense which may include, but shall not be limited to, soil and water samples.
- (k) If any assessment or inspection indicates that further actions should be conducted, then Lessor shall have the right to have such further actions conducted at Lessee's expense. Nothing herein shall be construed to limit Lessor's right of entry onto the Premises pursuant to other provisions of this section or of this Agreement, or pursuant to its regulatory powers. Lessee shall have the right to split any soil or water samples obtained by Lessor. Lessee shall reimburse to Lessor the cost of such assessments and inspections as are chargeable to Lessee pursuant hereto, within ten (10) calendar days following written demand therefor, with maximum interest rate permissible under Arkansas State Law thereafter accruing.
- (l) In the event Lessor shall arrange for the removal of Materials on the Premises that are not the responsibility of Lessee to correct, and if any such clean-up activities by Lessor shall prevent Lessee from using the Premises for the purposes intended, the rent shall be abated in accordance with **Section 6(n)**, hereof, from the date that the use of the Premises for its intended purposes is precluded and until the Premises again becomes available for Lessee's use. Lessor shall use reasonable efforts to not disrupt Lessee's operation, however, in no event shall Lessee be entitled to any amount on account of lost profits, lost rentals or other damages as a result of Lessor's clean-up activities.
- (m) The provisions of this section shall survive the expiration or other termination of this Agreement.

SECTION 15. NOTICES

Except as herein otherwise expressly provided, all notices required to be given to Lessor and/or Lessee hereunder shall be in writing and shall be sent by overnight courier, express mail or certified mail, return receipt requested, addressed to:

FOR LESSEE

FOR LESSOR

Texarkana Regional Airport
Attn: Executive Director
201 Airport Drive
Texarkana, AR 71854

WITH A COPY TO:

Airport Real Estate Manager
201 Airport Drive
Texarkana, AR 71854

Notices as provided in this **Section 15** shall be deemed received five (5) business days after placed in the mail. The parties, or either of them, may designate in writing from time to time any changes in address or addresses of substitute or supplementary persons in connection with said notices.

SECTION 16. CONDEMNATION

- (a) If the entire Premises are taken for any public or quasi-public use under any government law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this Agreement will terminate on the date the title to the Premises vests in taking condemning Lessor. Rent will be prorated to the date of termination.
- (b) If a portion of the Premises (or all reasonable access to the adjacent roadways from the then-existing or comparable curb cut locations) shall be taken for any public or quasi-public use under any government law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, by right of eminent domain, Lessee shall have the option to terminate this Agreement by providing an advance written notice to Lessor, no later than ninety (90) days after entry of the order of condemning, specifying the date on which the Agreement will terminate, which date shall be the last day of any calendar month that falls within the period for giving Lessee's notice of its election to terminate. Rent will be prorated to the date of termination.
- (c) If Lessee does not elect to exercise this option, then: (i) Lessee will be entitled to participate in the award of the taking; (ii) Lessee shall restore and reconstruct the improvements thereon, provided such restoration and reconstruction shall make the same reasonably tenable and suitable for the uses for which the Premises are leased; and (iii) this Agreement shall continue in full force and effect except that the rent payable hereunder shall be equitably adjusted.
- (d) If this Agreement is terminated by reason of a condemning, any compensation awarded for such taking of the Premises will be equitably apportioned between Lessor and Lessee to reflect the respective values of the encumbered fee and the leasehold interest. The termination of this Agreement shall not reflect the rights of the respective parties to such awards.

SECTION 17. GENERAL PROVISIONS

- (a) It is understood and agreed that the rights and remedies of Lessor and Lessee specified in this Agreement are not intended to be and shall not be exclusive of one another or exclusive of any common law right of either of the parties hereto.
- (b) Lessor and Lessee shall each be entitled to specific performance and injunctive or other appropriate equitable relief for any breach or threatened breach of any of the provisions of this Agreement, notwithstanding the availability of an adequate remedy at law, and each party hereby waives the right to raise such defense in any proceeding in equity. The specific remedies provided for in this Agreement are cumulative and are not exclusive of any other remedy. The failure of either party to insist in any one or more cases upon strict performance shall not be construed as a waiver or relinquishment for the future. No acceptance of rent with knowledge of any default shall be deemed a waiver of such default.
- (c) No Trustee, officer, employee or other agent or associate of Lessor or Lessee shall be charged personally or held contractually liable by or to the other party under the provisions of or in connection with this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

- (d) Lessee has appointed a local manager, currently, United States Corporation Company as an agent for service of process in Arkansas. Due to any failure on the part of said agent or the inability of said agent to perform, Lessee does designate the Secretary of State, State of Arkansas, its agent for the purpose of service of process in any court action between it and Lessor arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the State of Arkansas for service upon a nonresident. It is further expressly agreed, covenanted, and stipulated that if for any reason service of such process is not possible, and as an alternative method of service of process, Lessee may be personally served with such process out of the State of Arkansas by the registered mailing of such complaint and process to Lessee at the address set forth herein. Any such service out of this State shall constitute valid service upon Lessee as of the date of mailing.
- (e) This Agreement and all the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have or acquire, affecting the control, operation, regulation and taking over of the Airport or the exclusive or nonexclusive use of the Airport by the United States Government during time of war or national emergency.
- (f) In the event suit or action is instituted to enforce any of the terms, covenants or conditions of this Agreement or litigation concerning the rights and duties of the parties to this Agreement, or to recover any amounts due hereunder, the losing party shall pay to the prevailing party, in addition to the costs and disbursements allowed by statute, such sum as the court may adjudge reasonable as attorney's fees in such suit or action, in both trial court and appellate court.
- (g) Except as herein otherwise expressly provided, whenever the approval of Lessor or its Executive Director, or of Lessee, is required herein, no approval shall be unreasonably requested or withheld.
- (h) In the event any covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided the invalidity of any such covenant, condition or provision does not materially prejudice either Lessor or Lessee in its respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.
- (i) Except as specifically set out in this Agreement, the terms and provisions of this Agreement shall in no way affect or impair the terms, obligations, or conditions of any other agreement between Lessee and Lessor.
- (j) Neither party to this Agreement shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strike, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, act of superior governmental authority, weather conditions, riots, rebellion or sabotage, or any other circumstances for which it is not responsible, or which is not within its control.
- (k) This Agreement shall be deemed to have been made in and be construed in accordance with the laws of the State of Arkansas.
- (l) No amendment to this Agreement shall be effective except those agreed to in writing and signed by both of the parties to this Agreement.
- (m) The headings of the Sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this

Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

- (n) It is hereby understood and agreed that Lessor in no way purports to be a bailee and is, therefore, not responsible in any way for any damage to the property of others, including, but not limited to, the property of Lessee, Lessee's Associates.
- (o) Lessee agrees to pay, in addition to the monthly rent provided herein, all applicable sums as may be required by law for payment of leasehold or other tenant tax as required, imposed, assessed, or imputed by the state of Arkansas or other tax entity, as such laws now exist or are hereafter amended. Lessee shall present proof of local property taxes paid upon demand from Lessor.
- (p) No waiver of default by either party of any of the terms, covenants, and conditions hereto to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the other party.
- (q) Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, or any other similar such relationship between the parties hereto. The parties shall understand and agree that neither the method of computation of rent, nor any other provision contained here, nor any acts of the parties hereto creates a relationship other than the relationship of Lessor and Lessee.
- (r) The Executive Director shall be designated as the official representative of Lessor in all matters pertaining to this Agreement and shall have the right and authority to act on behalf of Lessor with respect to all action required of Lessor in this Agreement.
- (s) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted hereunder.
- (t) No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from prompt payment of Rent or any other amounts required to be paid under this Agreement. If Lessor or Lessee in connection with obligations other than payment obligations, is delayed or hindered in any performance under this Agreement by a Force Majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such Force Majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A Force Majeure event is an act or event whether foreseen or unforeseen, that prevents a Party in whole or in part from performing as provided for in this Agreement, that is beyond the reasonable control of and not the fault of such Party, and that such Party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to acts of nature, war, riots, strikes, accidents, fire and changes in the law. Lessee hereby releases Lessor and Lessor's Associates from any and all liability, whether in contract or tort, including strict liability and negligence, for any loss, damage or injury of any nature whatsoever sustained by Lessee or Lessee's Associates during the Term, including but not limited to, loss, damage or injury to the personal property of Lessee or Lessee's Associates that may be located or stored in the Premises due to a Force Majeure event.
- (u) This Agreement consists of: **Sections 1-17**, together with **Exhibits A through F**, attached hereto, constitute the entire agreement of the parties on the subject matter hereof and supersedes all prior agreements between the parties. This Agreement may not be changed, modified, discharged, or extended except by written instrument duly executed by the duly authorized representatives of Lessor

and Lessee. Lessee agrees that no representations or warranties shall be binding upon Lessor unless expressed in writing in this Agreement or by valid amendment.

(Remainder of page intentionally left blank)

DRAFT

IN WITNESS WHEREOF, the parties have made and executed this Agreement on the respective dates under each signature: TEXARKANA REGIONAL AIRPORT AUTHORITY, signing by and through the Executive Director, authorized to execute same by Lessor action on the _____ day of _____, 2021, and _____, a _____ Corporation, signing by and through its _____, duly authorized to execute same.

AGREEMENT OF LEASE BETWEEN TEXARKANA REGIONAL AIRPORT AUTHORITY

AND

(LESSEE)

Representative

Attest

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Date: _____

TEXARKANA REGIONAL AIRPORT AUTHORITY

*Executive Director of Aviation
Texarkana Regional Airport Authority*

Signature: _____

Printed Name: _____

Date: _____

*Chair or Vice Chair
Texarkana Regional Airport Authority*

Signature: _____

Printed Name: _____

Date: _____

APPROVED AS TO FORM

*Attorney
Texarkana Regional Airport Authority*

Signature: _____

Printed Name: _____

Date: _____

EXHIBIT A
PREMISES



DRAFT

EXHIBIT B
RENTAL SUMMARY

Agreement: Non-Aeronautical Use Agreement of Lease for Texarkana Regional Airport (TXK)

Tenant: City of Texarkana, Arkansas
On Behalf of the Texarkana, Arkansas Police Department
216 Walnut Street Texarkana, AR 71854

Premises: 6,615 SQ. Ft. Building and 9,522 SQ. Ft. of parking sited on 3.27 acres at 3801 E. 19th Street. Texarkana, AR 71854 located at Texarkana Regional Airport

Allowed Use(s): Emergency Operations Center, Office Space, Vehicle/Equipment Storage

Term of Lease: Term will begin _____ and continue until 5 years after the Commencement Date (which will be no later than _____).

Rent: Rent, beginning on the Commencement Date, of \$ _____ per square foot, per year. Ground rent is subject to CPI adjustments beginning ***** and every *** (*) years thereafter while the Agreement is in force.

Performance Guarantee: **Commercial General Liability**

Bodily Injury	\$1,000,000 per occurrence & aggregate
Property Damage	\$1,000,000 per occurrence & aggregate

Insurance Requirements: **Workers' Compensation and Employer's Liability**

Employers' Liability	\$100,000 each accident
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NOTE: This page is intended as general summary only, for ease of review. In the event of any conflict between this page and the Agreement, the Agreement (being more precise) will prevail.

EXHIBIT C
NONDISCRIMINATION REQUIREMENTS

- (a) During the performance of this Agreement, Lessee for itself, its personal representatives, assigns and successors in interest agrees as follows:
1. **Compliance With Regulations.** Lessee shall comply with the Regulations relative to nondiscrimination in Federally Assisted Programs of the Department of Transportation (hereinafter, "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Agreement.
 2. **Nondiscrimination.** Lessee shall not discriminate on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation in the selection and retention of subcontractors, including procurement of materials and leases of equipment. Lessee shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
 3. **Solicitation for Subcontracts, Including Procurement of Materials and Equipment.** In all solicitation either by competitive bidding or negotiation made by Lessee for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier shall be notified by Lessee of Lessor's obligation under this Agreement and the Regulations relative to nondiscrimination on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation.
 4. **Information and Reports.** Lessee shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by Lessor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish this information, Lessee shall so certify to Lessor or the FAA, as appropriate, and shall set forth what efforts it has made to obtain the information.
 5. **Sanctions for Noncompliance.** In the event of Lessee's noncompliance with the nondiscrimination provisions of this Agreement, Lessor shall impose such Agreement sanctions as it or the FAA may determine to be appropriate, including, but not limited to: (1) withholding of payments under the Agreement until there is compliance, and/or (2) cancellation, termination, or suspension of the Agreement, in whole or in part. In the event of cancellation or termination of the Agreement (if such Agreement is a lease), Lessor shall have the right to re-enter the Premises as if said Agreement had never been made or issued. These provisions shall not be effective until the procedures of Title 49 CFR Part 21 are followed and completed, including exercise or expiration of appeal rights.
 6. **Incorporation of Provisions.** Lessee shall include the provisions of paragraphs (a) through (e), above, in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. Lessee

shall take such action with respect to any subcontract or procurement as Lessor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event Lessee becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Lessee may request Lessor to enter into such litigation to protect the interests of Lessor and, in addition, Lessee may request the United States to enter into such litigation to protect the interests of the United States.

7. Lessee, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Agreement, for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulation may be amended.
8. Lessee, as a part of the consideration hereof, does hereby covenant and agree that: (1) no person on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (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, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted

Programs of the Department of Transportation, and as said Regulations may be amended.

- (b) During the performance of this Agreement, Lessee, for itself, its assignees and successors in interest agrees as follows:

Lessee agrees to undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation be excluded from participation in any employment, contracting, or leasing activities covered in 14 CFR Part 152, Subpart E. Lessee agrees that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Subpart. Lessee agrees that it will require its covered suborganizations to provide assurances to Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations as required by 14 CFR Part 152, Subpart E, to the same effect.

Lessee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR Part 152, Subpart E, as part of the affirmative action program, and by any Federal, State, and Municipal agency or court, including those resulting from a conciliation agreement, a consent decree, court order or similar mechanism. Lessee agrees that State, or City affirmative action plans will be used in lieu of any affirmative action plan or steps required by 14 CFR Part 152, Subpart E, only when they fully meet the standards set forth in 14

CFR 152.409. Lessee agrees to obtain a similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered suborganizations, as required by 14 CFR Part 152, Subpart E.

If required by 14 CFR Part 152, Lessee shall prepare and keep on file for review by the FAA Office of Civil Rights an affirmative action plan developed in accordance with the standards in Part 152. Lessee shall similarly require each of its covered suborganizations (if required under Part 152) to prepare and to keep on file for review by the FAA Office of Civil Rights, an affirmative action plan developed in accordance with the standards in Part 152.

If Lessee is not subject to an affirmative action plan, regulatory goals and timetables, or other mechanism providing for short and long-range goals for equal employment opportunity under Part 152, then Lessee shall nevertheless make good faith efforts to recruit and hire minorities and women for its workforce as vacancies occur, by taking any affirmative action steps required by Part 152. Lessee shall similarly require such affirmative action steps of any of its covered suborganizations, as required under Part 152.

Lessee shall keep on file, for the period set forth in Part 152, reports (other than those submitted to the FAA), records, and affirmative action plans, if applicable, that will enable the FAA Office of Civil Rights to ascertain if there has been and is compliance with this subpart, and Contractor shall require its covered suborganizations to keep similar records as applicable.

Lessee shall, if required by Part 152, annually submit to Lessor the reports required by Section 152.415 and Lessee shall cause each of its covered suborganizations that are covered by Part 152 to annually submit the reports required by Section 152.415 to Lessee who shall, in turn, submit same to Lessor for transmittal to the FAA.

- (c) Lessee, for itself, its assignees and successors in interest agrees that it will comply with pertinent statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on the grounds of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation 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 program, 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 periods: (a) 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 (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. In the case of contractors, this Provision binds the contractors from the bid solicitation period through the completion of the Agreement.

Lessee shall not discriminate on the basis of race, color, religion, gender, national origin, age, marital status, political affiliation, familial status, physical or mental disability, or sexual orientation in the performance of this Agreement. Failure by Lessee to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as Lessor deems appropriate.

EXHIBIT D
ENVIRONMENTAL DOCUMENTS

Company Name:

Mailing Address:

Street or Post Office Box

City: _____ State: _____ Zip Code: _____

Type of Agreement:

Please describe the activities performed and services provided on leasehold:

- Will there be fueling: Yes ___ No ___
- Will there be maintenance: Yes ___ No ___
- Will there be plane washing: Yes ___ No ___

Lessee has the following documents, if applicable, which may be requested by Lessor for review: If not applicable, denote "NA"

- Best Management Plan dated _____.
- Stormwater Pollution Prevention Plan dated _____.
- Spill Prevention Control and Countermeasures Plan dated _____.
- Hazardous Materials Plan dated _____.
- Other applicable environmental plans:

- Is Lessee required to file the SARA Title III Reporting? Yes ___ No ___
 - If Yes, was last filed on (date) _____.
- Is Lessee a generator of hazardous waste pursuant to 40 CFR 261?
 - Yes ___ No ___. If Yes, the status is ___ conditionally exempt; ___ small, ___ large quantity Generator.

If required, reports were filed on (date) _____.

The following environmental licenses and/or permits (Federal, State, and Municipal) are issued to Lessee: (These licenses/permits include, but are not limited to, storage tanks, hazardous material, air, solid waste, hazardous waste, industrial wastewater pretreatment, and storm water.)

Permit Name/Type	License No.	Date Expires
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

EXHIBIT E
MEMORANDUM OF UNDERSTANDING

MEMORANDUM OF UNDERSTANDING
BETWEEN
TEXARKANA REGIONAL AIRPORT AUTHORITY
AND
CITY OF TEXARKANA, ARKANSAS

THIS MEMORANDUM OF UNDERSTANDING, made by and between the **TEXARKANA REGIONAL AIRPORT AUTHORITY** (“Authority”) and **CITY OF TEXARKANA, ARKANSAS**, *on behalf of the Texarkana, Arkansas Police Department, an agency of the City of Texarkana, Arkansas* (“City”)

WHEREAS, Authority, with a primary business address of 201 Airport Dr. Texarkana, AR 71854, is a public government entity, governed by the United States of America, State of Arkansas, City of Texarkana, Texas and City of Texarkana, Arkansas to own, operate, and maintain the Texarkana Regional Airport;

WHEREAS, City, with a primary business address of 216 Walnut Street Texarkana, AR 71854, is a municipal government entity;

WHEREAS, in consideration for City entering into an Agreement of Lease with the Authority for the Authority owned property and building located at **3801 E. 19th Street, Texarkana, AR 71854**, Authority hereby agrees to reimburse City, during the Term of the Agreement of Lease, for administration and training costs (identified in **Exhibit F**) expended for the Texarkana Arkansas Police Department employees of City that work at the Texarkana Regional Airport;

WHEREAS, City agrees to lease the Premises defined in the Agreement of Lease in accordance with all terms, covenants, and conditions of the Agreement of Lease and in accordance with all rules, regulations, and requirements set forth by any Federal, State, and Municipal government body having jurisdiction

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties have agreed and do hereby enter into this Memorandum of Understanding according to the provisions set out herein:

City

Authority

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

EXHIBIT F
CITY ADMINISTRATION AND TRAINING COSTS

	Cost	Quantity	Total							
Unit 249	\$8,500.00	1	\$8,500.00							
Unit 249 Fuel	\$2,000.00	1	\$2,000.00							
Unit 249 Maintenance	\$900.00	1	\$900.00							
AWINS Radio		4								
Uniform	\$2,000.00	4	\$8,000.00							
Duty Weapon	\$428.50	4	\$1,714.00							
Net Motion	\$115.00	1	\$115.00							
Net Motion Maintenance	\$75.00	1	\$75.00							
Training	\$700.00	4	\$2,800.00	Virtual Academy	45	PMAM	80	Benchmark	52	
CLEST Certification		4								
E1 License	\$98.00	4	\$392.00	email & Office						
Communications Fee	\$25.00	1	\$25.00	ACIC Varies on number of queries						
Duty Ammunition	\$50.00	4	\$200.00							
Training Ammunition	\$100.00	4	\$400.00							
Unit 249	\$8,500.00	1	\$8,500.00							
<u>TOTAL</u>	\$14,991.50		\$25,121.00							