

**NORTH CAROLINA
CUMBERLAND COUNTY**

FAYETTEVILLE REGIONAL AIRPORT

**AIR CARGO BUILDING
LEASE AGREEMENT**

by and between

**the CITY OF FAYETTEVILLE
LESSOR**

and

**SIERRA NEVADA CORPORATION
LESSEE**

NORTH CAROLINACUMBERLAND COUNTY

FAYETTEVILLE REGIONAL AIRPORT

AIR CARGO BUILDING LEASE

THIS AIR CARGO BUILDING LEASE AGREEMENT, entered into as of this 1st day of July 2022, by and between the CITY OF FAYETTEVILLE, (the "City") (hereinafter collectively referred to as "LESSOR") and SIERRA NEVADA CORPORATION (hereinafter referred to as "LESSEE").

WHEREAS, LESSOR is duly empowered to operate and manage and control the Fayetteville Regional Airport (the "Airport") and all facilities located thereon, under the authority of N.C.G.S. 63-53(3) and Chapter 3 of the Code of Ordinances of the City of Fayetteville, North Carolina;

AND WHEREAS, LESSEE desires to occupy and maintain a portion of the Air Cargo Building located at 3139 Doc Bennett Road, Fayetteville, NC and owned by the LESSOR.

AND WHEREAS, LESSOR has determined that the leasing of this facility is necessary and essential in order to accommodate the needs of aeronautical entities and other persons using the facilities of the Airport.

NOW, THEREFORE, the parties for and in consideration of the covenants and agreements contained herein do hereby contract and agree as follows:

Article 1. Authorized Aeronautical Activities.

LESSEE is hereby authorized to provide general business services as specifically identified in Exhibit A to this lease agreement, subject to the terms and conditions identified in Exhibit A and in this Agreement.

Article 2. Term of Lease Agreement.

2.1 Effective and Expiration Dates. The term of this Agreement and the Lease it confers shall be the Effective Date of this Agreement (the "Agreement Date") and continue until the 30th day of June, 2024 (the "Expiration Date") or such earlier or later date on this Agreement may be terminated under the terms and conditions of this Agreement (the "Term"). After June 30, 2024, the term shall automatically renew in two (2) biannual increments with the first two-year period being from July 1, 2024 to June 30, 2026 and the final automatic lease renewal period being from July 1, 2026 and ending June 30, 2028, unless notice of termination is given by Lessor or Lessee to the other party at least thirty (30) days in advance of the noticed termination date. Upon the giving of such required advance notice, this Agreement shall terminate on the date of termination specified in the notice.

Article 3. Closing

3.1 Effective Date. Shall occur on July 1, 2022, unless both LESSOR and LESSEE otherwise agree in writing.

3.2 LESSEE's Inability/Failure to Begin Activity. LESSEE's inability or failure to begin activity at the Airport shall not delay the Closing.

3.3 Conditions. A) Prior to The Effective date, LESSEE shall:

3.3.1 Deliver to LESSOR certificates or binders evidencing the existence of the insurance requirements as described in Article 10 of this Agreement.

B) While occupying the Premises, LESSEE shall:

3.3.3 Deliver to LESSOR a list of LESSEE's employees, with their titles and with an identification of which of LESSEE's employees will require Airport security identification area badges.

Article 4. Required Aeronautical Services.

4.1 N/A

Article 5. Prohibited Activities

5.1 No Unauthorized Commercial Activity. LESSEE shall not conduct any commercial activity on the Airport unless such activity is specifically listed in Exhibit A of this Agreement.

5.2 No Unauthorized Aeronautical Activity. LESSEE shall not conduct any aeronautical activity on the Airport, whether for compensation or otherwise, unless this Agreement expressly permits such activity.

5.3 No Convicted Criminal. LESSEE shall not employ at the Airport any person whom LESSEE knows to have been convicted of any of the crimes listed in 14 C.F.R. § 1542.209(d), as amended from time to time.

5.4 No Waste. LESSEE shall neither commit nor create, nor permit its representatives, suppliers, customers, or invitees to commit or create any unlawful nuisance, waste or injury on the Airport, and shall neither do, nor permit its representatives, suppliers, customers, or invitees to do, anything which may result in the commission, creation, or maintenance of such nuisance, waste or injury on the Airport.

5.5 No Interface. LESSEE shall neither do, nor permit its representatives, suppliers, customers, or invitees to do anything which may interfere with the effectiveness of accessibility of the drainage system, sewage system, fire protection system, sprinkler system, alarm system, fire hydrants, or fire hoses, if any, installed or located on the Airport.

5.6 No Hazard. LESSEE shall neither do, nor permit its representatives, suppliers, customers, or invitees, to do, any act or thing on the Airport;

5.7.1 Which will invalidate or conflict with the terms of any insurance policies covering the Airport or any part of it; or

5.7.2 Which may create a hazardous condition on the Airport.

5.7 No Living on the Airport. LESSEE shall not live on the Airport nor permit LESSEE's representatives, suppliers, customers, or invitees to do so.

5.8 No Fueling. LESSEE shall neither fuel nor de-fuel vehicles, aircraft, or other equipment in the covered and enclosed portions of the Airport, nor permit its representatives, suppliers, customers, or invitees to do so.

5.9 No Maintenance; Hazardous Materials. LESSEE shall neither conduct nor permit its representatives, suppliers, customers, or invitees to conduct, any aircraft maintenance on the Airport without the prior written approval of the Airport Director, except such minor maintenance as would normally be performed by an aircraft owner without benefit of an aircraft mechanic. LESSEE shall take steps to ensure that the performance of any such maintenance work shall not damage any Airport facility, or endanger any person.

5.9.1 LESSEE shall not generate, use, store, or dispose of any Hazardous Materials in or about the Airport, nor permit LESSEE's representatives, suppliers, customers, or invitees to do so. Hazardous Materials shall mean (a) "hazardous waste," as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, (b) "hazardous substances", as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, (c) "toxic substances", as defined by the Toxic Substances Control Act, as amended from time to time, (d) "hazardous materials", as defined by the Hazardous Materials Transportation Act, as amended from time to time, (e) oil or other petroleum products (except in such quantities as may be reasonably necessary for the customary maintenance of aircraft using the Airport), and (f) any substance whose presence could be detrimental to the Airport or hazardous to health or the environment.

LESSEE shall indemnify and hold LESSOR harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses arising during or after the Term from LESSEE's breach of this subsection. The indemnification requirement set forth in this subsection shall survive termination of this Agreement for a period of twelve (12) months and shall not limit any other indemnification provisions in this Agreement.

5.9.2 LESSEE agrees to comply, and to cause its representatives, suppliers, customers, or invitees to comply with all of the terms and provisions of the Fayetteville Regional Airport Fuel Spill

Prevention and Clean-Up Plan (the "Clean-Up Plan") and all amendments and revisions made thereto from time to time.

5.9.3 In the event LESSEE, its representatives, suppliers, customers, or invitees spill, leak or otherwise discharge any fuel onto the premises, or any other areas on the Airport, LESSEE shall immediately take steps to notify the Airport Director and at its own expense, clean up, contain, and dispose of all spilled materials and comply fully with the aforementioned Clean-Up Plan while engaging in such clean-up operations. Failure by LESSEE to notify the Airport Director or take immediate action to clean up any spills or leaks shall entitle LESSOR to proceed with clean-up procedures and action, the entire expense of which shall be paid in full by LESSEE within ten (10) business days after notice and invoice from LESSOR of the actual costs incurred in such clean-up operations.

Article 6. Additional Obligations of LESSEE.

6.1 Lease. LESSEE must request amendment of this lease or enter into a separate lease agreement with Lessor, for the space, facilities and general support necessary to conduct any activity not specifically authorized by this Agreement and planned to be conducted by LESSEE.

6.2 Maintenance of Building and Equipment. LESSEE shall maintain all of LESSEE's equipment stored or operated on the Airport in a safe condition consistent with all grant assurances and all federal, state and local laws, regulations, and rules and in accordance with all manufacturer manuals and bulletins. LESSOR shall be responsible for the repair of faulty utility systems to include water and electrical. LESSOR shall also be responsible for the structural integrity of the demised premises. Nonetheless, if in either of the forgoing cases the condition or fault is directly attributable to negligence of LESSEE's agents, officers, appointees, members, representatives, employees, guests or invitees, then LESSEE shall be solely responsible for said cost of repair(s).

6.3 Utilities. LESSOR shall have electrical system upgraded to allow for accurate monitoring of cost associated with LESSEE's operations. LESSEE shall be solely responsible for all other utility costs associated with its operations.

6.4 Safe Operation of Equipment. LESSEE shall operate all of LESSEE's equipment in a safe manner and in accordance with all grant assurance and all federal, state, and local laws, regulations, and rules, including noise rules, and in accordance with all manufacturers manuals and bulletins.

6.5 Considerate Conduct. LESSEE shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operation, so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Airport or in areas of LESSEE's operation.

6.6 Qualified Personnel. LESSEE shall employ persons qualified to conduct safe operations, and in accordance with all grant assurances and all federal, state and local laws, regulations and rules; as applicable.

6.7 Observance of Airport Rules. Lessee shall observe and obey, and require its representatives, suppliers and customers to observe and obey, such rules, regulations and/or standards as may be promulgated by LESSOR from time to time for reasons of safety, security, health, sanitation or good order.

6.8 Sufficient Service. N/A.

6.9 Hours of Operation. N/A

6.10 Quality of Service. N/A

6.11 Business Area. N/A

6.12 Payment of Fees. LESSEE shall pay on a timely basis, any and all due and owing taxes, fees, fines, or assessments, including related interest or penalties levied by the state, county, city, or any other lawful body which is authorized to levy taxes or fees relating to any activity conducted by LESSEE or relating to any property or equipment owned, operated or leased by LESSEE. LESSEE further agrees to pay LESSOR for the use of all premises, facilities, services, rights, licenses, and privileges granted hereunder the fees and charges as set forth below.

6.12.1 Rent.

For the first term of this Agreement, LESSEE shall pay to LESSOR the sum of FIFTEEN THOUSAND EIGHT HUNDRED AND SIXTY-EIGHT DOLLARS AND EIGHTY-EIGHT

CENTS. (\$15,868.88) per month or ONE HUNDRED NINETY THOUSAND FOUR HUNDRED AND TWENTY-SIX DOLLARS & FIFTY-SIX CENTS (\$190,426.56) per year, payable in advance on or before the first day of the month (if annual payment option is not accepted) each and every month thereafter until June 30, 2024.

6.12.2 CPI Adjustment. Effective July 1, 2023, at a minimum square footage rates are to be readjusted every three (3) years for the average of the percent of change in the Consumer Price Index (All Urban Consumers, all items, South Group, 50,000-450,000 population) for the previous three (3) years. First readjustment shall be effective July 1, 2026 and shall be calculated based on the adjustment in CPI during the 3-year period July 1, 2023 and ending June 30, 2026. Future readjustments shall be effective every 3 years thereafter.

6.12.3 Late Payment Fee Payments. Any fee payable by LESSEE under this agreement which is not paid when due shall bear late payment fee for the rate of five (5%) percent per month from the due date until paid.

6.13 Cleanliness. LESSEE shall keep all Airport areas leased and/or controlled by LESSEE in a clean and slightly condition and not permit any unsightly conditions to exist. Reasonable determinations on such matters by LESSOR, as the Airport proprietor, shall be binding upon LESSEE.

6.14 Refuse Collection. LESSEE shall provide for its own refuse collection and disposal.

6.15 Conduct. LESSEE shall make reasonable attempts to control the conduct and demeanor of its representatives, suppliers, customers, and invitees, on, from and around the Airport, and shall take all steps necessary to remove persons whom LESSOR may for good and sufficient cause deem objectionable.

6.16 Affecting Aircraft Operations. LESSEE shall not use the Airport in any manner that might interfere with the landing or taking off of aircraft from the Airport or otherwise constitute a hazard.

6.17 Parking. LESSEE shall ensure that its vehicles and those of its representatives, suppliers, customers, and invitees are parked only in Airport areas designated by LESSOR as parking areas.

6.18 Limitations. LESSEE's rights hereunder shall be subject to express conditions and limitations contained herein and the lawful rights and owners of all governmental authorities having jurisdiction. In addition to the limitations stated elsewhere in this Agreement, LESSEE shall not use the Airport in any manner that would constitute waste, nuisance, or unreasonable annoyance to LESSOR or any other tenant, occupant, or user of the Airport.

6.19 Improvements

6.19.1 Payment of Cost(s) and Authorization. LESSEE may, at its sole cost and expense, construct, erect and install in and on the leased premises such additional improvements, furnishings, fixtures and equipment that LESSEE determines to be necessary to service aircraft. All improvements to be constructed or installed shall be done so in accordance with all applicable statutes, laws, codes, regulations and ordinances; PROVIDED, HOWEVER, that prior to the commencement of any construction, improvements, installations, additions and alterations on or to the leased premises, the plans and specifications for the same shall be reviewed and approved in writing by the Airport Director and the City Inspections Department. LESSOR may refuse to permit the installation, alteration or modification of any structure or appurtenance upon the leased premises which would, in its sole opinion, damage, be detrimental to, or detract from the appearance of the Airport property or buildings, damage or endanger the structural soundness of Airport buildings, or fail to meet Airport Management's requirements for the safe use of buildings and appurtenances. All improvements, additions, installations and alterations on or to the leased premises made by LESSEE shall be completed in a workman like manner without damage to the leased premises. LESSEE shall pay all additional maintenance and operating costs which may be incurred by reason of any improvements, additions, installations or alterations on or to the leased premises made by LESSEE, in accordance with Article 6 herein.

6.19.2 Improvement(s) Design. LESSEE covenants and agrees that the improvements to be made by it on said premises shall correspond in design and appearance with existing and other known new facilities to be constructed on the airport, agree with design criteria incorporated in the Airport Master Plan and architectural standards that may be subsequently promulgated by the Airport

Commission. LESSEE further covenants that it will submit and have all improvement designs approved by the Fayetteville Building Inspector before improvements are made.

6.19.3 Ownership of Improvement(s). The improvements constructed on the demised premises by LESSEE shall be the property of the LESSEE during the term of the lease, and that during the term of the said lease, the LESSEE shall have full responsibility to pay any sums for the construction thereof, and LESSEE shall not remove from said premises any buildings erected thereon during or at the end of the term herein granted. That at the end of the first term of this lease or June 30, 2024, whichever occurs first, the improvements constructed on the demised premises by LESSEE shall be and become the sole property of the LESSOR. The forestated is subject to 6.19.5 below.

6.19.4 Portable Improvements. The LESSOR must approve any improvement(s) constructed or placed on the demised premises that LESSEE or LESSOR considers to be portable, in writing before construction or placement on the demised premises. All unapproved portable improvements on the demised premises at the end of the lease period shall be and become the sole property of the LESSOR.

6.19.5 LESSEE's Cost for Improvements, Fixtures, and Equipment. As soon as practicable following completion, LESSEE shall submit to Airport Director an itemized statement, certified by an officer of LESSEE, showing the actual cost of fixed improvements, inclusive of fees paid to independent architects and engineers, as constructed and installed by LESSEE pursuant to this agreement and shall, if so requested by LESSOR within sixty (60) days following receipt thereof from LESSEE, constitute prima facie evidence of the cost shown therein, it being contemplated by the parties hereto that LESSEE shall fully depreciate said cost on a straight line basis without allowance for salvage, commencing with the date on which said fixed improvements are completed and ready for occupancy/use by LESSEE and extending over the balance of the term of this agreement or extensions thereof. In the event the LESSEE should no longer have the right or will to use improvements at the Airport or in the event the LESSOR cancels this agreement for any reason other than destruction of the fixed improvements, breach or default by LESSEE hereunder, and the term of this agreement has not expired, LESSEE agrees to give LESSOR first right of refusal to purchase improvements. Should LESSOR elect to exercise its right, LESSOR shall purchase or cause to be purchased from LESSEE all of said fixed improvements at the cash price equal to LESSEE's actual cost as above set forth, less depreciation as aforesaid to the nearest complete month then elapsed under this agreement; provided, however, that LESSOR's obligation hereunder shall be offset by the amount of any fees and charges due and owing to the LESSOR by LESSEE.

Article 7 Airport Functions.

7.1 Airport Maintenance. LESSOR shall have the right but shall be under no obligation to LESSEE to maintain and keep in repair the landing area (which shall include, without limitations, the runway, taxiway, and apron areas) of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of LESSEE and its representatives, suppliers, customers, and invitees in this area. LESSOR shall have the right to further develop or improve the landing area of the Airport or any other facility or function of the Airport as it sees fit and LESSEE shall be prohibited from interfering with or hindering such development or improvement.

7.2 LESSOR's Government Obligations LESSOR retains the right and power to perform all conditions and obligations required of it by (i) any authorized agency of the United States, including but not limited to, the United States Department of Transportation ("DOT") and the United States Federal Aviation Administration ("FAA") or Transportation Security Administration ("TSA"), (ii) any authorized agency of the State of North Carolina, (iii) the airport grants assurance contained in agreements with the FAA or the State of North Carolina, or (iv) any federal, state, or local law, ordinance, or regulation. LESSEE shall not interfere with the exercise of such rights by LESSOR or LESSOR's performance of such conditions and obligations.

7.3 Airspace. There is hereby reserved to LESSOR, its designees, successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of any area of the Airport used by LESSEE. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation of flight through the said airspace or for landing at, taking off from, or operation on the Airport.

7.4 No Exclusive Right. It is understood and agreed that LESSOR's granting of certain rights to LESSEE herein shall not be construed to grant to LESSEE or to authorize the granting of an exclusive right in violation of 49 U.S.C. § 40103 (e), as amended from time to time.

7.5 United States Government Rights. 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, or taking over the Airport or the exclusive or nonexclusive use of the Airport by the United States Government during a time of war or national emergency.

7.6 Force Majeure.

7.6.1 LESSOR shall in no event be liable in damages or otherwise because of the interruption of any service, or a termination, interruption or disturbance, attributable to strike, lockout, accident, war, or other emergency, law, order, rule, or regulation of or by any governmental authorities, airport grant assurance, failure of supply, inability to obtain supplies, parts, or employees, or any cause beyond LESSOR's reasonable control, or any cause due to any act of neglect of LESSOR or its agents, officers, representatives, employees, guests, suppliers, invitees, or any person claiming by, through, or under LESSOR.

7.6.2 LESSEE shall in no event be liable in damages or otherwise because of the interruption of any service, or a termination, interruption or disturbance, attributable to strike, lockout, accident, war, or other emergency, law, order, rule, or regulation of or by any governmental authorities, airport grant assurance, failure of supply, inability to obtain supplies, parts, or employees, or any cause beyond LESSEE's reasonable control, or any cause due to any act of neglect of LESSEE or its agents, officers, representatives, employees, guests, suppliers, invitees, or any person claiming by, through, or under LESSEE.

Article 8. Compliance with Law: Grant Assurances, Nondiscrimination; Affirmative Action

8.1 Compliance. LESSEE shall comply with this Agreement, all applicable federal, state, county, or local agreements (including agreements between LESSOR and federal, state, county or local governmental authorities or agencies), laws, rules, regulations, ordinances, grant assurances, and orders of any and all governmental authorities and agencies concerning the Airport or the use thereof, including, but not limited to, the United States Department of Transportation ("DOT"), United States Federal Aviation Administration ("FAA"), the United States Environmental Protection Agency ("EPA"), the North Carolina Transportation Department and the North Carolina Environmental, Health, and Natural Resources Department, and shall also comply with any rules of occupancy or airport rules, regulations, or minimum standards which may be issued by LESSOR or LESSOR's successor from time to time.

8.2 Nondiscrimination. LESSEE shall ensure that (i) no person on the grounds of race, creed, color, national origin, sex, sexual orientation, age, or handicap, shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the LESSEE's providing employment and in the use of, LESSEE's services, (ii) in the construction of any improvements on, over or under any land leased by LESSEE at the Airport, in LESSEE's providing employment, and in LESSEE's furnishing of services at the Airport, no person, on the grounds of race, creed, color, national origin, sex, sexual orientation, age or handicap, shall be excluded from participation in, or denied the benefits of such construction or such services, or otherwise be subject to discrimination, and (iii) LESSEE shall use the Airport in compliance with all other requirements imposed by or pursuant to 41 C.F.R Part 60; 49 U.S.C § 306; 49 C.F.R Part 21; 49 C.F.R Part 27; or the grant assurances contained in FAA Order 5100.38A; as said laws, regulations, or assurances may be amended from time to time.

8.3 Civil Rights. LESSEE shall comply with pertinent statutes, Executive Orders and such applicable rules as are promulgated to assure that no person shall on the grounds of race, creed, color, national origin, sex, sexual orientation, age, or handicap, be excluded from participating in any activity conducted with or benefiting from federal assistance.

8.4 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 or service; provided however, that Lessee may make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers or users.

8.5 Affirmative Action. LESSEE will ensure that no person shall, on the grounds of race, creed, color, national origin, sex, or sexual orientation be excluded by LESSEE from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. LESSEE assures that no person shall be excluded by LESSEE on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. LESSEE agrees that in the event facilities are constructed, maintained, or otherwise operated on any property leased by LESSEE at the Airport, for a purpose for which a DOT program or activity is extended, or for another purpose

involving the provision of similar service or benefits. LESSEE shall maintain and operate such facilities and services in compliance with all requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT 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 from time to time.

8.6 Inclusion of Provisions in Sublease or Assignment. LESSEE agrees to insert the provisions set forth in Sections 8.1 through this Section 8.6 in any Sub-Lease or assignment (if permitted by LESSOR) by which LESSEE grants a right or privilege to any person, firm or entity to render accommodations and/or services to the public on the Airport.

Article 9. Security.

9.1 All Applicable Rules. LESSEE shall be responsible for fully complying with any and all applicable grant assurances and all applicable rules, regulations, restrictions, ordinances, statutes, laws, and/or orders or any federal, state, and/or local governmental entity regarding airport and airfield security.

9.2 Access to Secured Areas. LESSEE shall comply fully with applicable provisions of the Federal Aviation Administration Regulations, 14 C.F.R Part 1542, amended from time to time, including the establishment and implementation of procedures acceptable to the Airport Director to control access from space leased or controlled by LESSEE to air operation areas in accordance with the Airport Security Program required by Part 1542. Further, LESSEE shall exercise exclusive security responsibility for space leased or controlled by LESSEE.

9.3 Doors and Gates. LESSEE shall be responsible for the maintenance and repair of gates and doors that are located on space leased or controlled by LESSEE. Gates and doors located on space leased or controlled by LESSEE which permit entry into restricted areas at the Airport shall be kept locked by LESSEE at all times when not in use or under LESSEE's constant security surveillance. Gate or door malfunctions that permit unauthorized entry into restricted areas shall be reported to the Airport Director without delay and affected gates or LESSEE shall maintain doors under constant surveillance until repairs are affected and/or the gate or door is properly secured.

9.4 Penalties. All civil penalties levied by the Federal Aviation Administration for violation of Federal Aviations Regulations pertaining to security, gates, or doors located on the space leased by or otherwise controlled by LESSEE shall be the sole responsibility of LESSEE. LESSEE shall indemnify the Airport and LESSOR for any federal civil penalties or amounts the Airport or City must pay due to any security violation arising from the use of the Airport by LESSEE or the breach of any obligation imposed by Article 6 herein. The indemnification requirement set forth in this Section shall survive termination of this Agreement and shall not limit any other indemnification provisions in this Agreement.

Article 10. Insurance.

10.1 Coverage's. Subject to the provisions of Section 10.2, hereof, LESSEE shall procure and maintain in full force and effect at all times and at its sole expense the insurance coverage's listed below, and shall provide the LESSOR with certificates of insurance evidencing the required coverage.

10.1.1 All Risk Property Insurance to the extent of not less than 90% of the replacement value of all improvements constructed by LESSEE.

10.1.2 Comprehensive automobile liability insurance with the following minimum limits; if applicable.

Bodily Injury or death	\$ 500,000.00	per person
Bodily Injury or death	\$1,000,000.00	per occurrence
Property damage	\$ 500,000.00	per occurrence

10.1.3 Comprehensive general liability insurance covering premises, operations, independent contractors, and contractual liability, with minimum single limits coverage of \$5,000,000.00 per occurrence.

10.1.4 Workers compensation Insurance as required by North Carolina law.

10.2 Waiver of Coverage Requirement. In situations where one or more of the above coverage's is clearly not necessary to be maintained by LESSEE as determined by LESSEE's underwriters, LESSEE shall notify LESSOR and the LESSOR may waive such coverage(s) by appropriate written letter or memorandum.

10.3 Review of Coverage Limits. LESSOR reserves the right to review all insurance minimum coverage limits every two years and to require LESSEE to adjust such minimum coverage limits as recommended by the City of Fayetteville Risk Management Office.

10.4 Certificates of Insurance. LESSEE shall provide LESSOR with Certificate(s) of insurance evidencing all required insurance coverage (including appropriate minimum coverage limits) and evidencing that the City of Fayetteville and the Commission are additional insureds on the General Liability policy.

10.5 Notices of Cancellation. Each of the insurance policies and certificates required above, except for those related to Workers' Compensation, All Risk Property and Auto Liability, shall show the City of Fayetteville and the Commission as additional insured's and shall bear the following provision:

This policy cannot be canceled, reduced in amount or coverage eliminated without providing at least ten days advance notice to the insured and the City of Fayetteville and the Fayetteville Airport Commission of such cancellation.

10.6 Sufficiency. The insurance Coverage's and minimum coverage limits required of LESSEE under this Agreement are required solely in order to meet LESSOR's minimum requirements. LESSEE alone is responsible for the sufficiency of its own insurance programs(s). If LESSEE has any questions concerning exposures and/or coverage issues, LESSEE shall have the obligation to seek professional insurance assistance.

10.7 North Carolina. All insurance coverage's shall be placed with an insurance company or companies licensed to do business in the State of North Carolina.

Article 11. Indemnity.

Mutual Indemnification. To the extent permitted by law, for two years after the parties' obligations under this

Agreement have ended, each party shall indemnify and hold the other harmless for any losses, claims, damages, awards, penalties, or injuries incurred by any third party, including reasonable attorney's fees, which arise from any alleged breach of such indemnifying party's representations and warranties made under this Agreement, provided that the indemnifying party is promptly notified of any such claims. The indemnifying party shall have the sole right to defend such claims at its own expense. The other party shall provide, at the indemnifying party's expense, such assistance in investigating and defending such claims as the indemnifying party may reasonably request. This indemnity shall survive the termination of this Agreement. Indemnification of City by LESSEE does not constitute a waiver of the City's governmental immunity or defenses the City may have in any respects under North Carolina law.

Article 12. Inspection.

LESSEE hereby acknowledges that LESSOR shall have the right to inspect the space used and business operated by LESSEE on the Airport. Accordingly, except in cases of an emergency, LESSOR shall provide LESSEE 24-hour notice to gain access to governmental approved high security areas. Other areas may be inspected upon reasonable prior notice to LESSEE, and LESSOR and/or LESSOR's agents shall have the right to enter any area on the Airport leased or controlled or used by LESSEE during regular business hours for the purpose of inspecting the same or for such other purposes as LESSOR may determine are appropriate to carry out LESSOR's responsibilities as the proprietor of the Airport. LESSOR shall make a reasonable effort not to interfere with the normal conduct of LESSEE on the Airport. LESSEE shall establish procedures so that in an emergency threatening LESSOR property or any property of another, or threatening substantial damages to LESSOR's interest as LESSOR or as the proprietor of the Airport, LESSOR may gain prompt admittance to any area leased, controlled or used by LESSEE on the Airport at all hours. LESSEE agrees to make available to LESSOR at reasonable times and upon reasonable notice, a representative who may, at LESSOR's election, accompany LESSOR's representative during LESSOR's exercise of its right of entry and access and inspection under Article 12.

LESSOR acknowledges LESSEE may include within the Demised Premises certain areas that will be governmental approved high security areas. LESSOR, its agents, employees and any existing or prospective mortgagee, purchaser or tenant shall not have unrestricted access to these areas, and, except in the case of an emergency, must have a tenant escort and provide proof of US Citizenship to access these areas.

Article 13. Assignment: Transfer of Interest.

13.1 No Transfer Without LESSOR's Consent. LESSEE shall not sell, sublet, assign, transfer, sublease, or encumber any of its rights under this Agreement, in whole or in part, without the Airport Director's prior written consent, on behalf of LESSOR (which may be withheld in the LESSOR's sole and absolute discretion), and any such purported subletting, assignment, transfer, sublicensing, or encumbrance without such consent shall be null and void.

13.2 Transfer of Majority Interest in LESSEE. In the event of a sale, transfer, or assignment of a majority interest in LESSEE or any sales or transfers or assignments of interests in LESSEE which singly or cumulatively result in the majority interest in LESSEE being owned by any person or entity other than the owner of the majority interest at the time of Closing, LESSOR shall have the right, but not the obligation, to terminate this Agreement by providing written notice of such termination to LESSEE or any such purchaser, transferee, or assignee. LESSEE shall inform LESSOR within one (1) week of the occurrence of any such sale or transfer or assignment of interest, and LESSEE's failure to do so shall constitute an Event of Default under this Agreement.

13.3 Transfer of Obligation. All of LESSEE's obligations under this Agreement shall become the obligation of any acquirer of an interest in LESSEE's rights under this Agreement and/or any acquirer of a majority interest in LESSEE.

Article 14. Breach of Agreements; Events of Default.

14.1 Breach of Agreement. LESSEE's failure to observe or perform any of the terms, covenants, conditions, requirements, or provisions of this Agreement shall constitute a breach of this Agreement by LESSEE.

14.2 Events of Default. In addition to the other events specified in this Agreement as constituting defaults, the occurrence of any one or more of the following events shall constitute an Event of Default:

14.2.1 Incorrect Representation. LESSOR becomes aware that a representation made by LESSEE in this Agreement was materially incorrect at the time of closing.

14.2.2 Uncorrected Breach. The continuation of a breach of this Agreement by LESSEE for fifteen (15) or more days after LESSEE's receipt of LESSOR's written notice of such breach and a demand for correction of the breach.

14.2.3 Recurring Breach. Three or more safety related breaches of Agreement within any two-year period, regardless of LESSEE's correction of breaches within fifteen (15) days.

14.2.4 Vacating Premises. LESSEE's vacating or abandoning the Airport. This will be deemed to have occurred if LESSEE ceases its business at the Airport for more than fourteen (14) days in any calendar year.

14.2.5 Bankruptcy. LESSEE's making any general assignment or general arrangement for the benefit of creditors; or the filing by or against LESSEE for a petition for reorganization or arrangement under any law relating to bankruptcy (unless the petition filed against LESSEE is involuntary and is dismissed within ninety (90) days; or upon the appointment of a trustee or receiver to take possession of LESSEE's assets located at the Airport or LESSEE's interest in this Agreement.

14.2.6 Failure to Disclose Transfer of Majority Interest in LESSEE. LESSEE's failure to notify LESSOR of any sale, transfer, or assignment of a majority interest in LESSEE within one (1) week of such occurrence, as required by subsection 13.2 of this Agreement.

14.2.7 Transfer of Majority Interest in LESSEE. One or more sales, transfers, or assignments of one or more interests in LESSEE resulting in the majority interest in LESSEE being owned by any person or entity other than the owner of the majority interest at the time of Closing.

Article 15. Waiver.

LESSOR's waiver of a breach of any term, covenant, condition, requirement, or provision of this Agreement shall not be deemed to be a waiver of such term, covenant, condition, requirement, or provision upon any subsequent breach of the same or of any other term, covenant, condition, requirement, or provision. Any waiver by LESSOR must be in writing.

Article 16

16.1. Termination by LESSOR/Default. Upon the occurrence of an Event of Default of LESSEE, LESSOR may, at LESSOR's election, at any time thereafter (with or without prior notice or demand, and without limiting LESSOR's other lawful rights and remedies) immediately terminate this Agreement by providing ninety (90) days written notice of such termination to LESSEE. Notwithstanding the foregoing, the LESSEE shall be provided with thirty (30) days to cure any such Event of Default prior to any termination by LESSOR.

16.2 Termination by LESSEE. LESSEE may terminate this Agreement at any time so long as it has provided to LESSOR at least ninety (90) days prior written notice of such termination to LESSOR and given the LESSEE thirty (30) days to cure such default.

Article 17. Miscellaneous.

17.1 Applicable Law: Attorneys' Fees. Except to the extent a federal law, rule, or order may apply, this Agreement shall be governed by the laws of the State of North Carolina (without resort to the choice of law rules thereof.) If any action of proceeding is brought by either party to enforce the provisions hereof, the prevailing party shall be entitled to recover all reasonable costs and attorneys' fees incurred in such action or proceeding, including those on appeal, in such amounts as the court may determine without a jury.

17.2 Estoppels Certificates. Within ten (10) days of a party's receipt of written request therefore by the other party hereto such party shall provide a written statement acknowledging the Commencement Date and Expiration Date of this Agreement, that this information as the requesting party or its agent might reasonably request. Failure to comply with this Section within said ten (10) day period shall be deemed to be an acknowledgment by such party of the truth of the matters set forth in the other party's request.

17.3 Notices. Any notice, request, demand, or other communication required or desired to be given in connection with this Agreement shall be made in writing and delivered by hand or recognized overnight courier or mailed, postage prepaid. Notices or other communications, which are delivered by hand or recognized courier shall be deemed effective upon receipt. Notices or other communications mailed by registered or certified mail shall be deemed effective as of the third day after being accepted by the U.S. Postal Service. Notices shall be addressed to the party's address specified below, or as may hereafter be designated by such party in writing to the other:

LESSOR:
City of Fayetteville
339 Alexander Street
Fayetteville, NC 28301

Attn: Real Estate Manager

LESSEE:
Sierra Nevada Corporation
444 Salomon Circle
Sparks, NV 89434

Attn: CRE Business Manager

17.4 Representations: LESSEE has the full and unrestricted lawful power and authority to enter into and carry out the terms of this Agreement.

17.5 No Partnership. The relationship between the parties hereto shall at all times hereto be solely that of LESSOR and LESSEE, and not that of a partnership, joint venture or other association.

17.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and/or assignees, if any such successors and/or assignees are permitted by this Agreement.

17.7 Section Headings. The headings in this Agreement are inserted for reference only, and shall not define or limit the provisions hereof.

17.8 Severability. Any provision of this Agreement that is legally invalid, void, or unenforceable shall in no way affect, impair or invalidate any other provision hereof, and the other provisions shall remain in full force and effect.

17.9 Remedies Not Exclusive. No remedy or election hereunder shall be deemed exclusive, but shall whenever possible, be cumulative with all available remedies at law or in equity.

17.10 Entire Agreement: Amendment. This Agreement contains all of the agreements of the parties hereto with respect to the subject matter hereof, and no prior or contemporaneous agreements or understandings shall be

effective for any purpose. This Agreement may be amended or modified only by a written document signed by LESSOR and LESSEE.

Article 18. N.C. Iran Divestment Act.

As mandated by N.C.G.S. 143C-6A-5(a), LESSEE certifies that it is not listed on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C.G.S. 143C-6A-4. LESSEE further certifies that in accordance with N.C.G.S. 143C-6A-5(b) that it shall not utilize any subcontractor found on the State Treasurer's Final Divestment List. LESSEE certifies that the signatory to this Agreement is authorized by the LESSEE to make the foregoing statement.

Article 19. E-Verify.

LESSEE hereby acknowledges that "E-Verify" is the federal E-Verify program operated by the US Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes. LESSEE further acknowledges that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a). LESSEE hereby pledges, attests and warrants through execution of this contract that LESSEE complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledges, attests and warrants that any subcontractors currently employed by or subsequently hired by LESSEE shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized parties, as of the day and year first above written.

CITY OF FAYETTEVILLE

BY: _____
City Manager

ATTEST:

Secretary

SIERRA NEVADA CORPORATION

BY: _____
Vice President Corporate Real Estate

ATTEST:

_____
CRE Business Manager

APPROVED AS TO FORM:

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

Paul Allen, Assistant City Attorney

Chief Financial Officer

**STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND**

I, _____, a Notary Public for _____ County, North Carolina, certify that *Pamela Megill* personally came before me this day and acknowledged that she is the *City Clerk* of *City of Fayetteville*, a North Carolina Municipal Corporation, and that by authority duly given and as the act of the Corporation, the foregoing instrument was signed in its name by its City Manager, sealed with its corporate seal and attested by herself as its *City Clerk*.

Witness my hand and notarial seal, this the _____ day of _____, 2022.

Place seal here ↓

NOTARY PUBLIC

My commission expires: _____

**STATE OF NEVADA
COUNTY OF WASHOE**

I, CATHERINE A. ALVIN Notary Public of said County and State, do hereby certify that Brandon Main, personally appeared before me this day and acknowledged that he/she is VP of CRE of SIERRA NEVADA CORPORATION and being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal, this the 19 day of April, 2022.

Place seal here ↓



Catherine Alvin
NOTARY PUBLIC

My commission expires: 11/9/24

Exhibit "A"

AUTHORIZED SERVICE ACTIVITIES

1. Depot maintenance and repair for customer(s) equipment.
2. Business related equipment storage
3. Customer training
4. Equipment Installation

Exhibit "B"

REQUIRED AERONAUTICAL SERVICES ACTIVITIES

1. **Customer Service Operations** (based on Airport Commission Approved Minimum Standards) if applicable -

2. **Land** (based on Airport Commission Approved Minimum Standards; if applicable -

3. **Buildings** (based on Airport Commission Approved Minimum Standards); if applicable –

a.

b.

c.

4. **Personnel** (based on Airport Commission Approved Minimum Standards); if applicable -

5. **Hours of Operation** (based on Airport Commission Approved Minimum Standards); if applicable –

6. **Insurance Requirements** (based on Airport Commission Approved Minimum Standards); if applicable -
