

## **AIRPORT LEASE AGREEMENT**

This Airport Lease Agreement ("Agreement" or "Lease") is made and entered into with an effective date of January 1, 2019 (the "effective date"), by and between the City of Page, a municipal corporation organized and existing under the laws of the State of Arizona ("Lessor"), and ARINC Incorporated ("Lessee").

### **RECITALS**

A. Lessor owns, operates, and regulates the Page Municipal Airport located in the City of Page, County of Coconino, State of Arizona, including all real property, facilities, public services, and public utilities thereon ("Airport").

B. Lessee has identified specific areas of the Airport as desirable and suitable for the location and conduct of certain operations and activities.

C. Lessor desires to lease a portion of the Airport to Lessee for the purpose of installation and operation of ACARS radio equipment.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **ARTICLE I DEFINITIONS**

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise.

1.1 City. The term "City" shall refer to the City of Page, Arizona, an Arizona municipal corporation.

1.2 Improvements. The term "Improvements" shall mean and refer to all structures, buildings, facilities, walls, landscaping and improvements of any type or kind constructed or built on the Premises.

1.3 FAA. The term "FAA" shall mean and refer to the Federal Aviation Administration of the United States Government or any federal agency succeeding to the jurisdiction of the Federal Aviation Administration.

1.4 Premises. The term "Premises" shall mean and refer to that portion of the City of Page Airport property known as 10 square feet of the northeast corner of Suite 16 on the Second Floor of the Airport Terminal Building and 10 square feet in the second floor utility closet in the Maintenance Hangar at 235 10<sup>th</sup> Ave., that is provided to Lessee for Lessee's use pursuant to the terms of this Agreement.

1.5 Property. The term "Property" shall mean and refer to that portion of the Airport property that is leased to Lessor by the City.

1.6 Public Airport Facilities. The term "Public Airport Facilities" shall mean and refer to all public airport facilities and appurtenances including, but not limited to, approach areas, runways, taxiways, aprons, aircraft and automobile parking areas, roadways, sidewalks, navigational and navigational aides, lighting facilities, and other public facilities of the Airport exclusive of the Premises as defined herein.

## ARTICLE II PREMISES AND PRIVILEGES

2.1 Premises. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the Premises described above for Lessee's non-exclusive use, according to the terms and conditions set forth herein. Lessor makes no warranty, express or implied, has not assumed and shall not have any liability whatsoever, regarding the social, economic, or environmental aspects of the Premises, including, without limitation, water drainage, access, natural or artificial hazards that may exist, or the merchantability, profitability, or suitability of the Premises for any particular purpose and authorizes use of the Premises without any warranty for fitness of use. The Lessee represents that it has had a full opportunity to inspect the Premises and has determined that the Premises are suitable for the intended use and accepts the Premises "as is" and "where is" with all faults.

2.2 Use of Airport. The Premises shall be used by the Lessee only for conducting the aviation related business activities specified in this Agreement and shall be used for no other purposes unless the Lessor otherwise agrees in writing in advance. Lessor hereby grants the Lessee the following general privileges, uses and rights, all of which are subject to the terms, conditions, and covenants hereinafter set forth and all of which are non-exclusive relative to the Public Airport Facilities.

2.3 Use of Airport Public Facilities. Lessee shall be allowed the general use of all Public Airport Facilities and improvements which are now or may hereafter be constructed and are appurtenant to the Airport, except as hereinafter provided, to be used by the Lessee for the operation herein defined. The right of ingress and egress from the Premises over and across the public roadways serving the Airport may be utilized by Lessee, its agents, patrons, and invitees, subject to the City's ordinances, rules and regulations as now or may hereinafter be applicable to the Airport. Use of the Premises including any hangars, tie-downs and movable or portable hangars for repair, maintenance, or storage of automobiles, boats travel trailers, recreational vehicles, or other property not related to aircraft or air aviation is expressly prohibited.

2.4 Scope of Grant of Privileges Lessor hereby grants to Lessee the general privileges, uses, and rights set forth in this Article II, all of which are further subject to the terms, conditions, and covenants of this Agreement, and all of which will be non-exclusive relative to the Airport.

2.5 Permitted Uses. Lessee shall be entitled to use of the Premises, Public Airport Facilities and Airport for the non-exclusive right to install and operate ACARS radio equipment. The Premises, Public Airport Facilities and Airport shall not be utilized by Lessee for any purpose other than the conduct of Lessee's business unless the Lessor otherwise agrees in writing in advance. Lessee further represents that Lessee's business does not require that the public access the Premises, nor will the Lessee invite the public onto the Premises.

2.6 Use of Airport Parking Lot. Provided that Lessee is not in default, Lessor agrees to provide Lessee with general non-exclusive use of the parking lot on the 10<sup>th</sup> Street side of the Premises during the term of this Agreement, unless such use of the Airport Parking Lot is restricted by the Federal Aviation Administration ("FAA") or Transportation Security Administration ("TSA") for security purposes, or as such use may be otherwise restricted by any governmental agency having jurisdiction over the Airport.

### ARTICLE III TERM

3.1 Initial Term. This Lease shall commence on the effective date of this Agreement and shall, subject to the terms hereof, including the renewal options described in Section 3.2, remain in full force and effect until January 1, 2020 (the "Initial Term"), unless terminated earlier by either or both of the parties pursuant to the provisions of this Agreement.

3.2 Option to Renew. In the event that this Lease is in full force and effect and the Lessee shall not be in default hereunder, the lease will renew annually for additional one (1) year terms. Upon renewal, the Lessee shall pay rents and fees at the then existing rates.

### ARTICLE IV LEASE RATES AND FEES

4.1 Lease Rates and Fees. As consideration for the use and enjoyment of the Premises, Property, Public Airport Facilities, rights, licenses, services, and privileges granted hereunder, Lessee agrees to pay Lessor the following lease rates, fees, and charges.

4.1.1 Base Lease Rate. Lessee agrees to pay an annual Base Lease Rate of \$500.00 plus tax per year. Each annual rental payment, together with any additional fees as provided herein, shall be due and payable in advance on the first day of January each calendar year. Any payments not received by Lessor as of the first day of each calendar year will be subject to the imposition of late charges pursuant to Section 4.1.2 herein below. Additionally, upon Lessee's exercise of the option to renew the Lease, the monthly Base Lease Rate shall be renegotiated by Lessor and Lessee ("the New Base Lease Rate"). The New Base Lease Rate shall be effective as of the

beginning of the renewal period. In no event shall the New Base Lease Rate for the renewal period be less than the Base Lease Rate established for the second year of this Agreement.

4.1.2 Late Payment. If any installment of rents or any other sums due from Lessee shall not be received by Lessor or Lessor's designee on or before the date that such amount shall be due, Lessee shall pay to Lessor a late charge equal to 10% of the amount due. Acceptance of such late charge by Lessor shall neither constitute a waiver of Lessee's default with respect to such overdue amount nor prevent Lessor from exercising any of the other rights and remedies granted to Lessor hereunder.

4.1.3. Payment Bond. Upon the execution of this Agreement, Lessee shall furnish to Lessor a payment bond or cash deposit conditioned upon the faithful and true performance, observation and compliance with all of the terms, conditions, and provisions of this Agreement. The payment bond or cash deposit shall be in an amount equal to \$500.00.

4.1.4 Taxes. Lessee shall pay all taxes, assessments, and charges of a like nature, if any, which at any time during the term of this Lease may be levied against Lessee by the United States Government, the State of Arizona, any municipal corporation, or any other governmental tax assessment body, upon or in respect to the Premises or any of Lessee's personal property situated on the Premises. Lessee shall also pay the 3% Transaction Privilege Tax monthly to the City of Page based upon the Base Lease Rate.

4.1.5 Adjustment to Base Lease Rate. If upon renewal, the Consumer Price Index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics, All Urban Consumers, Flagstaff, Arizona (Western Urban), shows a rise in the cost of living index for all products for the prior year, the Lessees shall pay to the Lessor, as additional base fee, such percentage of the fee as is proportional to the rise in such index from the prior year for each subsequent term under this Agreement. The sum so calculated shall constitute the new Base Lease Rate. In no event shall the new Base Lease Rate be less than the Base Lease Rate payable for the month immediately preceding the applicable CPI Adjustment Date. If the Index is discontinued during the Term, such other governmental index or replacement index or computation shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued.

## ARTICLE V MAINTENANCE SERVICES PROVIDED BY LESSOR

5.1 Custodial Services. Lessor shall provide custodial services to the Public Airport Facilities building. Lessee shall maintain and provide all necessary custodial services to the Premises.

5.2 Maintenance Provided by Lessor. Lessor shall maintain the Public Airport Facilities, however Lessee shall be responsible for repairs to Public Airport Facilities

that are caused by Lessee, its agents, guests or employees that are in excess of ordinary wear and tear.

5.3 Maintenance of Airport. Lessor or the City shall maintain or cause to be maintained and repaired in good condition all areas of the Public Airport Facilities, including, but not limited to, the Airport Main Terminal, other Airport buildings, vehicular parking areas, runways, field lighting, taxi strips, roadways, parking aprons, and all appurtenances, facilities, and services now or hereafter connected with the foregoing.

5.4 Utilities. In addition to any rental or other fee amounts due, the Lessee shall be responsible for all utilities for the Premises and any other fees as set forth in the City of Page Master Fee Schedule.

Lessee shall be responsible to pay for its own telephone, television, or other such services, if applicable.

#### **ARTICLE VI MAINTENANCE BY LESSEE**

6.1 Maintenance by Lessee. Lessee agrees to maintain the Premises in a reasonably safe, clean and orderly condition and to keep the Premises and immediate grounds reasonably free from trash and litter.

6.2 Reimbursement for Damages to Public Airport Facilities. Lessee shall, upon presentation of invoices sufficiently describing any repairs performed, reimburse Lessor for all reasonable and necessary expenses actually incurred by Lessor in repairing any damage to the Public Airport Facilities where such damage was the result of any willful misconduct or gross negligence by Lessee or Lessee's employees, guests, or agents.

#### **ARTICLE VII CONSTRUCTION AND INSTALLATIONS BY LESSEE**

7.1 Permission of Lessor Required. Except as provided for herein, Lessee shall not construct or make any alterations, additions, improvements to, or installations upon the Premises without the prior written permission of the Lessor. Notwithstanding anything to the contrary, and as set forth more fully in Article VIII of this Agreement, Lessee shall not be entitled to impose a mortgage or other encumbrance on the improvements without obtaining the prior written consent of the Lessor; provided, however, that any such mortgage or lien may only be imposed for the purpose of obtaining financing associated with the development of the Premises.

7.2 Construction of Improvements. Any construction that may be performed by the Lessee pursuant to the written permission of the Lessor shall be done at Lessee's sole expense. The plans and specifications for the location, design, type of construction, dimensions and other features of any improvements to be constructed on the Premises by the Lessee shall be submitted to Lessor for Lessor's reasonable review

and approval prior to commencement of construction.

#### **ARTICLE VIII ENCUMBRANCES UPON PROPERTY**

8.1 Limitations on Right to Encumber. Except as provided in Section 9.2 below, neither the Lessee nor any successors-in-interest to the Lessee shall (i) engage in any financing or any other transaction which creates any general leasehold mortgage, encumbrance or lien upon the Property, or (ii) suffer any encumbrance or lien to be made against or attached to the Property without the prior written consent of the Lessor. In the event any mortgagee of Lessee requests confirmation that any proposed encumbrance or lien is authorized by this Agreement, the City Manager shall be authorized to provide such written confirmation as may be required.

8.2 Delivery of Notice. Lessee shall notify Lessor in writing prior to executing any leasehold deed of trust or other similar lien or security instrument that Lessee proposes to enter into with respect to the Premises. The notice shall set forth the name and address of the proposed mortgagee or lienor, as well as the general terms and conditions of the mortgage or lien. Failure by Lessee to notify the Lessor in writing in advance of Lessee's execution of any such instrument that will impose a leasehold mortgage, encumbrance or lien on the Premises shall be considered a material breach of this Lease.

#### **ARTICLE IX CONSTRUCTION LIEN INDEMNITY**

9.1 Construction in Compliance with Applicable Law. Any and all construction activity occurring on the Property by Lessee with written permission by Lessor shall be conducted in accordance with all applicable laws, rules, and regulations of the City of Page, the State of Arizona, and the United States Government. During the course of construction, Lessee will comply, or will cause Lessee's contractors and sub-contractors to comply, with all applicable Worker's Compensation and other labor laws.

9.2 Construction Lien Indemnity. Lessee shall not permit any improvements under construction or constructed on the Premises, or Lessee's interest therein, at any time during the term of this Lease to become subject to any lien, charge or encumbrance whatsoever, other than a mortgage, deed of trust, easement, or similar encumbrance in connection with the financing thereof, or liens of non-delinquent taxes or assessments for local improvements. Lessor reserves the right to pay funds on behalf of the Lessee to remove liens in violation of this Lease and Lessee will reimburse Lessor for such payments. Lessee shall pay and discharge all claims for labor and materials prior to the expiration of the time provided for filing of liens for claims of such nature.

**ARTICLE X  
INDEMNITY AND INSURANCE**

10.1 Indemnity by Lessee. Lessee shall defend, indemnify and hold the Lessor City of Page, its employees, agents, volunteers, officials, and other representatives harmless from and against any and all damages, fines, suits, claims, demands, actions, causes of action or costs and expenses incidental thereto of every kind and description, including attorney fees and expert witness fees, brought by any person or corporation that is not a party to this Agreement pertaining to any bodily injury, death, or tangible property damage which arises out of or is in connection with the business operations of Lessee either on or off of the Premises or in connection with Lessee's use of the Premises regardless of whether or not it is caused in part by Lessor. Lessee shall include the City of Page and its employees, agents, volunteers, officials, and other representatives on Lessee's release of liability, waiver and assumption of risk documents, if applicable. Lessee shall give Lessor prompt and timely notice of any claim or suits instituted which in any way, directly or indirectly, contingently or otherwise, affects or might affect Lessor. The amount and type of insurance coverage requirements set forth within this Agreement shall in no way be construed as limiting the scope of the indemnity as set forth herein.

10.1.1 Lessee shall indemnify and hold Lessor harmless from and against any liability, loss, damage, costs, or expenses (including reasonable attorney fees and court costs) arising from any Worker's Compensation claims except as set forth in 10.2.1, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of Lessee and/or Lessee's contractors and subcontractors, or claims under similar such laws and obligations.

10.2.1 Lessor shall not be liable for any injury to Lessee's business, for any loss of income or for damage to the goods, wares, merchandise, or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises, or for any injury to the person of any of Lessee's employees, agents, or contractors unless such damage, loss, or injury is caused by, or is the result of, any negligence or willful misconduct of Lessor, its employees or agents. Lessor shall not be liable for any damages arising from any act of any other Airport tenant, unless Lessor has ordered, approved, or in any way acquiesced to such act.

10.3 Insurance. In addition to the indemnities required in this Article X, Lessee shall maintain policies of insurance in the following types and amounts of coverage. Failure of Lessee to procure or maintain the required insurance as well as name the Lessor, its officers, agents, boards, and employees as Additional Insureds on the subject policies shall constitute a material breach upon which the Lessor may immediately terminate this Agreement.

10.3.1 Liability. Lessee shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Annual Aggregate Limit, covering all claims and all legal liability for personal injury, bodily injury, death, and property damage (including the loss of use thereof) arising out

of, or occasioned in any way by, directly or indirectly, Lessee's or Lessee's invitees activities under this Lease or Lessee's or Lessee's invitees occupation and use of, or activities at the airport. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision, which would serve to limit third party action over claims.

10.3.2 Automobile Liability. Lessee shall provide Lessor with evidence of current Automobile Liability Insurance. Such coverage shall not be less than a Combined Single Limit of One Million Dollars (\$1,000,000) per accident.

10.3.3 Worker's Compensation and Employees Liability. Lessee shall provide and keep in full force and effect during the term of this Lease a policy of Worker's Compensation insurance in an amount not less than of \$500,000 for each accident, \$500,000 each employee, and \$500,000 per disease covering those employees of Lessee who are employed by Lessee at the Premises. A waiver of Subrogation Endorsement shall also be provided.

10.4 Certificates of Insurance. Each Certificate of Insurance for the policies of insurance described herein shall name Lessor and the City as additional insureds and a copy of each Certificate of Insurance shall be filed with the City Clerk and City Risk Manager before Lessee undertakes any commercial activity at the airport. Each Certificate of Insurance will state that the insurer shall endeavor to provide that insurance coverage for such policy of insurance will not be canceled or reduced without at least thirty (30) days prior written notice to Lessor and the City.

10.5 Insurance Companies Acceptable to Lessor and the City. Each policy of insurance described herein shall be issued by an insurer rated A-(VII) by A.M. Best or other rating agency equivalent.

The insurance requirements established herein are minimums only, and the Lessor reserves the right to require higher limits of liability insurance, if in its sole discretion, it determines that such higher limits are necessary and in accordance with industry standards.

## ARTICLE XI RULES AND REGULATIONS

11.1 Compliance with Law. Lessee shall observe and comply with all laws, ordinances, rules, and regulations, now in effect or hereafter promulgated, of the United States Government, the State of Arizona, the County of Coconino, and the City of Page, and all governmental agencies which have jurisdiction over the Airport or the operation, management, maintenance, or administration of the Airport. Upon written request by Lessor, Lessee shall provide to Lessor copies of permits, licenses, or other documents which evidence Lessee's compliance with such applicable laws. Lessee shall, at Lessee's sole expense, obtain the licenses and/or permits required in connection with the operation of Lessee's air transportation services business on the Premises or Property.

11.2 Compliance with FAA Regulations. Lessee agrees to comply with the following Federal Aviation Administration regulations:

11.2.1 Non-Discrimination for Another Similar Service. Lessee covenants and agrees that in the event facilities are constructed, maintained, or otherwise operated on said Property described in this Lease Agreement for a purpose for which U.S. Department of Transportation ("USDOT") programs or activity is extended for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, USDOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the U.S. Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

11.2.2 Non-Discrimination in Construction and Use of Premises. Lessee covenants and agrees that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in (i) the use of the Premises, (ii) the construction of any improvements on, over, or under the land occupied by the Premises, or (iii) the furnishing of services on the Premises, and (2) Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the U.S. Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

11.2.3 Non-Discrimination Breach. In the event of breach of the above nondiscrimination covenants set forth Sections 11.2.1 and 11.2.2, Lessor shall have the right to terminate this Agreement in accordance with the notice, appeal, and other required procedures of Title 49, Code of Federal Regulations, Part 21.

11.2.4 Affirmative Action Program. Lessee agrees to undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex shall be excluded from participating in any employment activities covered in Title 14, Code of Federal Regulations, Part 152, Subpart E.

11.2.5 Non-Discriminatory Pricing. Lessee agrees to furnish Lessee's accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and Lessee agrees to charge fair, reasonable and not unjustly discriminatory prices for services provided by Lessee; provided, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type price reductions to volume purchasers.

11.3 Right to Improve Landing Area. The City reserves the right to further develop or improve the landing area of the Airport as the City sees fit, regardless of the

desires or opinions of the Lessee and without hindrance or interference. In connection with this right, Lessor reserves the right to reasonably direct and control all of the Lessee's activities in such regard.

11.4 Right to Maintain the Airport. City reserves the right to maintain and keep in repair the landing areas of the Airport and all Public Airport Facilities. Lessee shall not, without the prior written consent of the City, commence or engage in any repair or maintenance activities with regard to the landing areas of the Airport or the Public Airport Facilities.

11.5 Subordination. This Lease Agreement shall be subordinate to the provisions and requirements of any existing or future Agreement between the City and the United States Government relative to the development, operation, or maintenance of the Airport.

11.6 Reservation of Airspace. There is hereby reserved to City, its successors and assigns, for the use and benefit of the whole public, a right of passage of aircraft in the airspace above the surface of the Premises herein leased. 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 or flight through the said airspace or landing at, taking off from, or operation on the Page Municipal Airport.

11.7 Airspace Notice of Construction. Lessee agrees to comply with the Airport Master Plan, Airport Layout Plan and the notification and review requirements covered in Part 77 of the Federal Aviation Administration Regulations in the event future construction of a building is planned for the Property or Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Property or Premises. Upon written request from Lessee, Lessor agrees to provide to Lessee with a copy of the then current Airport Master Plan and Airport Layout Plan, as amended. Lessee agrees to reimburse Lessor for all reasonable costs actually incurred by Lessor in providing such copies to Lessee.

11.8 Limitation on Structures. Except as otherwise permitted by Article VI of this Agreement or as permitted in writing by Lessor, Lessee may not erect or grow, nor permit the erection or growth of, any structure or object on the Property.

11.9 No Interference with Airport Operations. Lessee shall not use the Premises in any manner that either (i) interferes with the landing and taking off of aircraft from the Page Municipal Airport or (ii) otherwise constitutes an unreasonably hazardous condition. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

11.10 No Exclusive Right. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right

within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

11.11 War or National Emergency. This Agreement shall be subject to any right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation, and take over of the Airport or the exclusive use or nonexclusive use of the Airport by the United States during time of declared or undeclared war, national emergency, or pursuant to acts of terrorism.

11.12 Subletting and Assignment.

11.12.1 Lessee shall not let, sublet, or assign the Premises in whole or part, without the prior written consent of the City through its City Manager.

**ARTICLE XII  
TOTAL OR PARTIAL DESTRUCTION OF PREMISES**

12.1 Total or Partial Destruction of Improvements. If at any time during the term of this Agreement, the Premises, or the improvements thereon, shall be destroyed by fire, earthquake, or other calamity, and if the destruction or damage is of such nature as to render the Premises unsuitable for the conduct of air transportation operations by the Lessee as determined jointly by the City, Lessor and Lessee, then Lessee may, within ninety (90) days following such damage or destruction, give written notice of termination to Lessor and this Agreement shall terminate.

**ARTICLE XIII  
TERMINATION**

13.1 Termination by Either Party. Lessor or Lessee may cancel this Agreement by giving ninety (90) days advance written notice to the other party to be served as hereinafter provided.

13.2 Termination of Lease Due to Conflict of Interest (A.R.S. §38-511). Pursuant to ARS §38.511, the Lessor may, within three years after the execution of this Agreement, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the Lessor, is at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. Lessor further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Lessor from any other party to the Agreement, arising as a result of the Agreement.

13.3 Termination by Lessor. The Lessor may terminate this Agreement immediately, upon thirty (30) days written notice to be served as hereinafter provided, in

the event Lessee fails to comply with any obligation, provision, or condition as set forth within this Agreement. In the event the breach is for failure to pay rent or any other monetary sum owed to the Lessor under this Agreement, the Lessor may terminate this Agreement upon ten (10) days written notice.

13.4 Holdover. In the event Lessee remains in possession of the Premises after the expiration of this Agreement, it shall be deemed to be occupying said premises as a Lessee from month to month at a rate equal to the rate herein provided, and otherwise subject to all the conditions, provisions and obligations of this Agreement insofar as the same are applicable to a month to month tenancy.

#### **ARTICLE XIV EXPIRATION OF LEASE**

14.1 Removal of Property. Upon the termination of this Agreement, and provided Lessee is not in default of this Agreement, Lessee shall have the right to remove all of Lessee's machinery, equipment, and property located on the Premises which are capable of being removed without injury or damage to the Premises.

14.2 Ownership of Improvements. Upon the termination of this Agreement, any permanent improvements to the Premises shall become the property of the Lessor unless the Lessor determines that it would not be in Lessor's best interest to own such improvements. In the event Lessor elects not to exercise its right to retain any or all of permanent improvements to the Premises, Lessee may, within sixty (60) days of the termination of the lease and at Lessee's sole expense, remove such permanent improvements.

#### **ARTICLE XV MISCELLANEOUS**

15.1 Landlord-Tenant Relationship. Nothing contained in this Lease shall be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the computation of rent nor any other provisions contained in this Lease, nor any act or acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

15.2 Notices. Any notice desired or required to be served by either party upon the other or any notice provided for in this Agreement shall be in writing and shall be deemed given upon hand-delivery, by courier, or, if mailed, three (3) business days after being deposited in the United States mail, certified, return receipt requested, to the party to whom addressed, as set forth herein below.

Lessor:       City of Page  
                  P.O. Box 1180

Page, Arizona 86040

Lessee: ARINC Incorporated  
2551 Riva Road  
Annapolis, Maryland 21401  
Attention: Real Estate, Mailstop 5-1B-35

Any party may change the address to which notice shall be delivered or mailed by notice duly given.

15.3 Applicable Law and Venue. This Agreement shall be interpreted and enforced according to laws of the State of Arizona, except when pre-empted by Federal Law. Any State actions or proceedings between the parties arising from or related to this Agreement shall be brought and maintained in Coconino County, Arizona, Superior Court.

15.4 Attorney Fees. In the event that either party shall institute and prevail in any action or suit for the enforcement of any of such party's rights hereunder, the prevailing party in said action shall be entitled to collect reasonable attorney fees and costs arising therefrom.

15.5 Severability. In the event any provision of the Agreement is held invalid and unenforceable, the other provisions of this Agreement shall be valid and binding on the parties hereto.

15.6 Good Faith. The parties agree to operate under this Agreement in good faith.

15.7 Waiver. No waiver of default by either party of any of the terms, covenants or conditions hereof shall be construed as a waiver of any subsequent default.

15.8 Headings. The paragraph heading used herein are for convenience only and shall not affect the construction hereof.

15.9 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original.

15.10 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of Lessor and Lessee and their respective successors and assigns.

15.11 Entire Agreement. This Agreement constitutes the complete Agreement and understanding between the parties and supersedes all prior oral and written

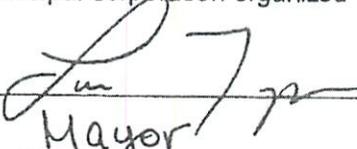
understandings. This Agreement shall not be modified, amended, or changed except in a writing executed by both parties.

IN WITNESS WHEREOF, the parties hereto have entered into this Airport Lease Agreement effective as of the day and year first herein above written.

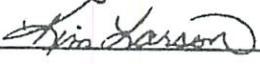
**LESSOR:**

**CITY OF PAGE,**

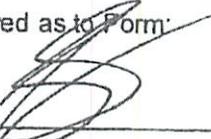
a municipal corporation organized and existing under the laws of the State of Arizona

By:  \_\_\_\_\_

Its: Mayor \_\_\_\_\_

Attest:  \_\_\_\_\_

Approved as to Form:

  
\_\_\_\_\_  
City Attorney

**LESSEE:**

**ARINC INCORPORATED**

  
\_\_\_\_\_

~~Lisa M. Groat, Vice President~~  
David B. Gorman, Vice President  
United Technologies Realty, Inc.  
Authorized Agent