

FORSYTH COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: APRIL 1, 2021 AGENDA ITEM NUMBER: 17

SUBJECT: RESOLUTION AUTHORIZING EXECUTION OF A CONSOLIDATED AND RESTATED LEASE AGREEMENT BETWEEN FORSYTH COUNTY AND SIGNATURE FLIGHT SUPPORT LLC FOR FULL SERVICE FIXED BASED OPERATION AT SMITH REYNOLDS AIRPORT

COUNTY MANAGER’S RECOMMENDATION OR COMMENTS:

SUMMARY OF INFORMATION:

The current Operating and Lease Agreement with Signature Flight Support LLC at Smith Reynolds Airport will terminate on December 31, 2040. Since it was formalized by the Airport Commission of Forsyth County in 1978, many changes in ownership and amendments have been executed. In order to update the language and allow for additional capital improvements, staff recommends terminating the old agreement and executing a new agreement. Signature Flight Support LLC concurs with this approach and the new twenty (20) year agreement would be effective January 1, 2021. The new agreement would include the most recent rent increase, as well as new rent for hangar construction and other planned improvements. Other updated language includes required investment by Signature Flight Support LLC and insurance minimums.

ATTACHMENTS: YES NO

SIGNATURE: _____ DATE: _____
COUNTY MANAGER

**RESOLUTION AUTHORIZING EXECUTION OF A CONSOLIDATED AND
RESTATED LEASE AGREEMENT BETWEEN FORSYTH COUNTY AND
SIGNATURE FLIGHT SUPPORT LLC FOR FULL SERVICE FIXED BASED
OPERATION AT SMITH REYNOLDS AIRPORT**

WHEREAS Forsyth County owns real property located at Smith Reynolds Airport, and proposes to execute a new Consolidated and Restated Lease Agreement to allow Signature Flight Support LLC to continue to conduct non-exclusive Fixed Base Operations (FBO) at Smith Reynolds Airport;

WHEREAS FBO services may include retail sales of fuels, lubricants, associated supplies, hangaring, parking, tie-down and associated line services, maintenance and repair of aircraft engines and airframes and all specialty services or other functions required of FBOs; and

WHEREAS the current lease with Signature Flight Support LLC will terminate on December 31, 2040, and County staff has developed a new consolidated and restated lease to allow for additional capital improvements, recent rent increases, new rent for hangar construction, and other planned improvements;

NOW, THEREFORE, BE IT RESOLVED, by the Forsyth County Board of Commissioners that the current lease will be terminated once the new lease has been executed to allow for the twenty (20) year term to continue; and

BE IT FURTHER RESOLVED, by the Forsyth County Board of Commissioners that the Chairman or County Manager and the Clerk to the Board are hereby authorized to execute the above-described Consolidated and Restated Lease Agreement, on behalf of Forsyth County, with Signature Flight Support LLC, subject to a pre-audit certificate thereon by the County Chief Financial Officer, if applicable, and approval as to form and legality by the County Attorney.

Adopted this 1st day of April 2021.

**CONSOLIDATED AND RESTATED
LEASE AGREEMENT**

THIS AGREEMENT, made and entered into effective January 1, 2021, by and between Forsyth County ("Landlord"), a political subdivision of the State of North Carolina, and Signature Flight Support LLC ("Tenant"), a Delaware limited liability company;

For the purpose and subject to the terms and conditions hereinafter set forth, the parties agree that Landlord shall lease to Tenant the properties hereinafter set forth.

I. PREMISES. Landlord, for and in consideration of rent, conditions, and consideration hereinafter mentioned, provided for and covenanted to be paid, kept and performed by Tenant, leases to the Tenant certain real property, facilities, and improvements located at 3821 North Liberty Street, Winston-Salem, NC, as further identified in Exhibit A attached hereto and incorporated by reference ("Premises"). Subject to this Agreement, Landlord will further lease to Tenant those facilities set forth in Exhibits B, and C upon their completion, as provided in this Agreement. The taxiways shall not be considered as part of the Premises. Landlord and its tenants and patrons shall have access to all taxiways without interference from Tenant. Landlord shall maintain all taxiways and gate access installed by Landlord to and from the Premises. Landlord further permits use of above- and below- ground fuel tanks owned by Landlord (except as noted) and listed in Exhibit A both inside and outside of the Premises for patrons and to improve airfield safety. The fuel tanks shall comply to the conditions of this Agreement.

2.TERM. Tenant shall have and hold the Premises for a term beginning on January 1, 2021, and ending on December 31, 2040, unless sooner terminated as hereinafter provided.

3.RENTAL.

a. *Initial Rental.* Tenant agrees to pay Landlord without demand, deduction or set off, but subject to CPI and FMRV adjustments and renovation adjustments set forth in subsection 3(b) and (c) below, an annual rental of \$1,173,396.00, payable in equal monthly installments of \$97,783.00 for the Premises due the first day of each month. Rental payments effective January 1, 2021 are detailed as follows:

	Square Footage	Base Rent Per Square Foot	Base Annual Rent
Land	967,904	\$0.25	\$241,976
Ramp Premium	364,790	\$0.10	\$36,479
Executive Terminal	11,640	\$8.00	\$93,120

Executive Facility GSE Shop	5,520	\$4.00	\$22,080
Executive Sales Hangar	20,700	\$5.00	\$103,500
First Hangar (PFT)	10,540	\$3.00	\$31,620
North Hangar (Quonset)	24,000	\$3.00	\$72,000
Corporate Hangar	12,700	\$5.00	\$63,500
Race Hangar	13,404	\$5.50	\$73,722
Piedmont Aircraft Sales (Brick Bldg)	2,210	\$3.00	\$6,630
North T-Hangars	10,080	\$2.50	\$25,200
Heritage Hangar	3,930	\$5.50	\$21,615
Technicair Hangar 1	33,360	\$6.00	\$200,160
Technicair Shop	9,100	\$4.50	\$40,950
Technicair Office	6,358	\$8.00	\$50,864
Paint Shed and Storage	1,260	\$3.00	\$3,780
	Gallons	Rate Per Gallon	
MRO Fuel Farm	80,000	\$0.60	\$48,000
North Fuel Farm	30,000	\$0.60	\$18,000
Avgas Farm	12,000	\$0.60	\$7,200
FBO South Fuel Farm	20,000	\$0.60	\$12,000
FBO South Fuel Farm - Unleaded	4,000	\$0.25	\$1,000
		Total Base Annual Rent	\$1,173,396

b. The base rent shall be adjusted annually effective on January 1 of each year through the year 2040 by the change from prior year in Consumer Price Index, All Urban Consumers (CPI-U), all items, not seasonally adjusted, as published by the Bureau of Labor Statistics. Additionally, the rental will be adjusted to fair market rent value ("FMRV") as of January 1, 2026, 2031, and 2036. In years of FMRV adjustments, the CPI-U adjustment will not apply.

FMRV shall be determined in accordance with the following procedures:

i. No earlier than June 1st nor later than December 1st in the year immediately prior to a FMRV year, the parties shall determine the FMRV of the Premises. If the parties can agree to FMRV at least by June 1st in the year immediately prior to a FMRV year, then such agreed FMRV shall become the Rent beginning January 1st of the FMRV year. If the parties cannot agree to FMRV, each party, at its cost and by giving notice to the other party, shall no later than July 1st in the year

immediately prior to a FMRV year appoint a real estate appraiser to appraise the Premises and determine the FMRV. If a party does not timely appoint a real estate appraiser, the single appraiser appointed by the other party shall be the sole appraiser and that appraiser's opinion of the FMRV of the Premises shall be the Rent beginning January 1st of the FMRV year.

- ii. The instructions to the appraisers shall be as follows: Each appraiser shall take into account in their determination of the FMRV the current business conditions and then prevailing market conditions for fixed base operations at the Airport, including: (1) an overview of the community, neighborhood and general area in which the Premises are situated; (2) a detailed description of the site and all buildings it contains; (3) a zoning analysis and an analysis of the use for the Premises as a fixed base operation; and (4) an in depth discussion of the Premises' value from several different valuation approaches. To the extent feasible, each appraiser shall also consider the following: (a) comparable property types and uses leased to fixed base operators at competing and comparable airports (b) recent resale prices of similar improvements at comparable airports; (c) adjustments to the rental rates of the comparable properties shall be made based on property condition, property usage, lease term offered, fuel flowage fees, rental rate inclusions such as utilities, insurance, maintenance, and taxes; (d) escalation clauses in comparable leases; (e) business conditions at each comparable airport including the availability of each type of property compared to that of the Airport; and (f) available capacities of comparable airports.
- iii. Each of the two appraisers shall, not later than August 31st in the year immediately prior to a FMRV year, submit a copy of their appraisal to each party documenting their opinion of the FMRV of the Premises. If the appraisals of FMRV differ by fifteen percent (15%) or less, the FMRV shall be the arithmetic average of the two (2) appraisals and shall be Rent beginning January 1st of the FMRV year.
- iv. If the appraisals differ by more than fifteen percent (15%) and the parties are unable to agree on FMRV by September 15th in the year immediately prior to a FMRV year, the President of the North Carolina Chapter of Appraisal Institute or its successor organization shall select a third appraiser that has not previously worked for either party. Said third appraiser shall have access to the two (2) prepared appraisals and shall prepare a third appraisal. The cost of the third appraisal shall be equally divided between the parties. The third appraiser shall complete his/her appraisal by November 15th in the year immediately prior to a FMRV year. FMRV shall then be determined by selecting the two appraisals that are closest in value, whether they are the two highest or two lowest appraisals, discarding the remaining appraisal and then taking the arithmetic average of the two selected appraisals as the FMRV and shall be Rent beginning January 1st of the FMRV year.

v. All appraisers appointed shall hold MAI designation of the American Institute of Real Estate Appraisers or its successor organization and have experience appraising fixed base operations.

c. *Renovations.* The Landlord may demolish and renovate certain facilities within the Premises during the Term and has notified the Tenant of such demolition and renovation plans. Exhibit D contains a diagram of the proposed demolition sites. Upon beginning of demolition and renovation of certain facilities, the Landlord agrees to reduce the current rental amount the Tenant owes as outlined below:

Facilities:	Monthly Reduction from Rental:	Annual Reductions from Rental:
Demolition of First Hangar (PFT) & Piedmont Aircraft Sales (Brick Bldg)	\$3,187.50	\$38,250
Renovation of North Hangar (Quonset)	\$6,000	\$72,000
Renovation of apron and auto parking (Approximately 94,000 square feet)	\$783.33	\$9,400
	Total Annual Reduction from Rental	\$119,650

Additionally, the Landlord may construct and renovate new facilities within the Premises during the Term. Upon delivery of the Certificate of Occupancy and delivery of facilities to the Tenant, the Tenant agrees to increase the current rental amount the Tenant owes as outlined below:

Facilities:	Monthly Increase of Rental:	Annual Increase of Rental:
Construction of one, 20,000 square foot hangar	\$18,333.33	\$220,000
Newly renovated North Hangar (Quonset)	\$12,000	\$144,000
Renovated apron and auto parking (This rate reimburses the Landlord for expenses related to the renovated apron, auto parking.)		
Increase of forty cents (\$0.40) /SF per yr (three-and-one-third cent (\$0.033) /SF per mo), based on the area of the completed apron and auto parking. The renovated space is proposed to be approximately 94,000 square feet.	\$3,133.33	\$37,600

	Total Annual Increase in Rentals	\$401,600
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d. The Landlord may construct or renovate a facility outside of the Tenant's leasehold south of the Fixed-Base Operator, Building 6 on Exhibit A. If the Landlord elects to make these capital improvements, Landlord shall have access to Taxilane Kilo between Building 6 and 7 on Exhibit A. If Building 7 is demolished, Landlord shall have access between Building 6 and the proposed Corporate Hangar depicted on Exhibit B.

e. The reductions and additions in rent set forth in subsection 3(c) shall be subject to annual CPI adjustments as set forth in 3(b) and running from the Effective Date of this Agreement. The new facilities set forth in 3(c) shall be subject to the first FMRV adjustment following completion of each such facility.

f. Schedule of Charges, Fees, and Rates. Tenant shall pay all charges, fees, and rates set forth on the Smith Reynolds Airport's Schedule of Charges, Fees, and Rents, as may from time to time be amended, except as specifically set forth in this Agreement.

4.LATE CHARGES. If rent payment is not postmarked or hand delivered within 15 days after it becomes due, Tenant shall pay Landlord, as additional rental, a late charge equal to five percent (5%) of the overdue amount, plus any actual bank fees incurred for returned or dishonored checks. The parties agree that such a late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of such late payment.

5.TAXES. Tenant shall be responsible for all sales, use, property, and other taxes and liens assessed, levied, exacted, or imposed by any governmental authority upon the Premises as may be related to the Tenant's business operations and/or use of the Premises.

6.UTILITIES. Tenant shall be responsible for providing all utilities to the Premises. Additionally, Tenant shall be responsible for all utility services to newly constructed and renovated facilities within the Premises upon delivery of facilities from the Landlord, to include all metering, hook-up fees or other miscellaneous charges associated with the installation and maintenance of such utility in Tenant's name.

7.USE OF PREMISES. The Premises shall be used solely for the purpose of operating a fixed base operation, which may include the following commercial aeronautical activities and associated non-aeronautical activities:

- a. Aircraft refueling;
- b. Sale of fuel and lubricants;
- c. Aircraft maintenance and repairs;

- d. Engine and accessory overhaul, maintenance, and repair;
- e. Flight and ground training for pilots, mechanics, flight crew, and flight attendants;
- f. Aircraft and accessory sales;
- g. Sales of pilot supplies, equipment, and tools;
- h. Avionics repair, sales, maintenance, and tools;
- i. Propeller overhaul and repair;
- j. Aircraft and accessory brokerage;
- k. Aircraft charters and rental;
- l. Within applicable rules and regulations of the FCC, operate and maintain a unicom station; provided, however, that if another fixed base operator shall establish an operation at the Airport, Tenant, subject to appropriate FCC approval, will take such as action as shall be requested by the Landlord to either permit the Landlord to obtain the applicable FCC license (in which event Tenant will be granted access to the use of the unicom station, which access shall be no less favorable than that granted to such other fixed base operator), or to cause Tenant to provide a unicom drop line in order to permit such other fixed base operator to have access to the unicom station;
- m. Painting and refinishing exteriors and interiors of aircraft;
- n. Aircraft storage, parking, and tiedown;
- o. Dispense food and beverages through vending machines; and
- p. Provide automobile parking on the Premises.

The Premises shall not be used for any illegal purposes, nor in any manner to create any nuisance or trespass, nor in any manner to vitiate the insurance or increase the rate of insurance on the Premises. This Agreement shall terminate immediately if the Premises are no longer used for one or more of the allowed uses set forth herein.

Tenant shall comply with all rules and regulations set forth by the airport management. Additionally, this Agreement is subject to FAA, NCDOT, and other local, state, and federal laws and regulations applicable to airports or County property. Tenant shall comply with all governmental laws and regulations set forth in Exhibit E.

This Agreement confers no right upon the Tenant to use any landing area or air navigation facility at the Airport. Nothing contained in this Agreement shall be construed to grant, or to authorize the granting of, an exclusive right for the use of any such landing area or air navigation facility in violation of Section 308 of the Federal Aviation Act of 1958, as amended.

8. INDEMNITY; INSURANCE. Tenant agrees to and hereby does indemnify and hold Landlord harmless against all claims for damages to persons or property by reason of Tenant's use or occupancy of the Premises, and all expenses incurred by Landlord because thereof, including attorney's fees and court costs. Supplementing the foregoing and in addition thereto, Tenant shall during the term of this Lease and any extension or renewal thereof, and at Tenant's expense, maintain in full force the following insurance coverage:

a. Commercial General Liability Insurance. The Tenant shall maintain occurrence version commercial general liability insurance or equivalent form with a limit of not less than \$1,000,000 each occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than three times the occurrence limit. Such insurance shall:

1. **Include the County, its officials, officers, and employees as additional insureds** with respect to performance of the Services. The coverage shall contain no special limitations on the scope of protection afforded to the above listed insureds.
2. Be primary with respect to any insurance or self-insured retention programs covering the County, its officials, officers, and employees.

b. Commercial Property Insurance. The Tenant is responsible for maintaining real property insurance for the Premises located at 3821 North Liberty Street, Winston-Salem, North Carolina and related facilities as outlined in Exhibit A, B, and C. The Tenant is solely responsible for maintaining insurance coverage for any improvements made to the Premises by the Tenant and any business personal property of the Tenant. In no event will the Landlord be required to repair or replace any improvements or personal property owned by the Tenant, its employees, or contractors.

c. Fire and Extended Coverage. Tenant shall purchase fire and extended insurance coverage in such form and amounts as Landlord may reasonably determine to be necessary.

d. Workers Compensation Insurance and Business Automobile Liability Insurance. To the extent required by North Carolina law, or by any other applicable federal, state, or local law or rule, Tenant shall maintain workers compensation insurance and business automobile liability insurance.

e. Business Interruption Insurance. Tenant shall, without expense to the Landlord, obtain and maintain throughout the term of this Agreement, for the benefit of the Landlord and any mortgagee as their interests may appear, business interruption insurance in an amount equivalent to twelve (12) months' Rent (excluding any applicable discounts). Prior to Lessee's execution of this Agreement and prior to the expiration or termination of the coverage provided under any prior policy, Tenant shall deposit certificates, endorsements, and such other evidence of the coverage required under this Article with the Landlord as the Landlord may reasonably request, listing Landlord as a loss payee. Tenant shall provide

such evidence at least thirty (30) days prior to the expiration or termination of coverage provided under such policy.

f. Environmental Insurance. Tenant shall purchase environmental and pollution insurance coverage in such form and amounts as Landlord may reasonably determine to be necessary.

g. Other Insurance Requirements. The Tenant shall:

1. Furnish the County with properly executed certificates of insurance which shall clearly evidence all insurance required in this section.
2. Provide certified copies of endorsements and evidence of policies, if requested by the County, in lieu of or in addition to certificates of insurance.
3. Replace certificates, policies, and endorsements for any such insurance expiring prior to completion of the services.
4. Maintain such insurance from the time the lease commences until the lease is terminated.
5. Place such insurance with insurers authorized to do business in North Carolina and having A. M. Best Company ratings of not less than A:VII. Any alternatives to this requirement shall require written approval of the County's Risk Manager.

The Tenant understands and acknowledges that these insurance coverage requirements are minimums and that they do not restrict or limit the hold harmless provisions of this agreement.

9. SERVICES BY LANDLORD. Landlord shall have no responsibility for the Premises beyond demolition, renovation, and construction as outlined in Section 4 and as set forth herein below. Landlord at its sole expense shall be responsible for maintenance and repair of:

- a) The non-exclusive taxiway and access areas within the Premises.
- b) The perimeter fencing around the Premises not installed by Tenant.
- c) The landing area of the Airport for the use by the public.

The Landlord shall have no liability for loss or damage to Tenant, its officers, agents, servants, or customers during periods of maintenance or repair, nor by reason of

its failure to perform the covenants of this paragraph, and Tenant's sole remedy shall be termination as set forth in this Agreement as provided herein.

10. SERVICES, REPAIRS, & CAPITAL IMPROVEMENTS BY TENANT. Tenant accepts the Premises in their present condition and as suited for the uses intended by Tenant. At the expiration of the Term, Tenant agrees to return the Premises to Landlord in as good condition and repair as when first received, natural wear and tear, damage by storm, fire, lightning, earthquake or other casualty alone excepted. Tenant shall indemnify and hold Landlord harmless from any liability, claim, demand or cause of action arising on account of Tenant's breach of the provisions of this paragraph.

a. Maintenance. Tenant shall be responsible for providing all services, maintenance, repairs, and replacements to the Premises, except those outlined in Section 9, including but not limited to:

a. Routine, preventative, emergency, and capital maintenance, repairs, and replacements to all buildings and improvements on the Premises

b. Grounds maintenance services, including:

i. Mowing

ii. Snow removal

iii. Repairs to washes and gullies

iv. Maintenance and repairs of paved areas

c. Routine maintenance and operation of above- and below-ground fuel tanks located on the Premises or otherwise listed in Exhibit A. Tenant shall be responsible for maintaining all licenses and complying with all regulations necessary for the operation of these fuel tanks, and shall be responsible for any environmental impact thereof.

b. Services.

a. Disposal of waste, debris, and recyclables, at all times complying with all applicable laws, rules, and regulations

b. Security to the Premises, at all times complying with FAA and TSA security regulations

c. Pest control to the Premises

c. Capital Improvements. Tenant shall make qualified capital improvements (the "Improvements") at the Premises in the aggregate expense amount of \$1,000,000 (the "Capital Commitment") to be paid and used as follows:

a. On or before June 30, 2021, Tenant shall make Improvements in the amount of at least \$400,000. Of this, an amount not to exceed \$50,000 may be used at the Heritage Hangar. The remainder must be used in

other FBO Areas, which shall be defined as all the leased Premises other than the Technicair hangar, shop, and office.

b. On or before December 31, 2035, Tenant shall make additional Improvements in the amount of at least \$300,000 in the FBO Areas.

c. On or before December 31, 2035, Tenant shall make Improvements in the amount of at least \$300,000 to be used at Technicair hangar, shop, and office facilities.

d. The Capital Commitment funds must be expended on Improvements that are permanent and increase the value of the Premises.

e. Failure to expend these Capital Commitment funds and make the Improvements as provided herein shall constitute a default under this Agreement.

All capital improvements constructed by Tenant shall be property of Landlord. Prior to commencement of any of the Improvements, Tenant shall submit a detailed description of the proposed work to the Landlord's designee, the Airport Director, for review and approval. If the Airport Director in his or her sole but reasonable discretion believes such Improvements may impair the value or affect the functionality or structure of any of the Premises, the Airport Director may at his or her option require Tenant to submit the plans and specifications therefor, prepared under the seal of a duly licensed architect or engineer (collectively, the "Plans") and such funds may be paid for with Capital Commitment funds to the extent available. The Airport Director's approval of any proposed Improvements or Plans submitted by Tenant shall not constitute the assumption of any liability by the Landlord for the compliance or conformity of the Plans with applicable building codes, zoning regulations or municipal, county, state, and federal laws, ordinances, and regulations, or for their accuracy or suitability for Tenant's intended purpose. Following completion of any of the Improvements, Tenant shall provide a certification executed by Tenant as to the cost of such Improvements, including copies of invoices and other documentation reasonably necessary for Landlord to confirm the expenditure of the Capital Commitment and copies of any warranties, surveys, engineering, or architectural reports or studies, and as-built plans associated with the Improvements in possession of the Tenant.

Tenant shall obtain, at its expense, all necessary licenses and permits to accomplish the Improvements, and shall pay any applicable impact fees relating thereto. Tenant shall diligently obtain all approvals required for the construction of any Improvements, and shall commence construction promptly after all such approvals have been obtained. Tenant

shall diligently pursue the construction and the Improvements shall be constructed in strict accordance with the approved Plans (if required) and all applicable building codes, zoning regulations, municipal, county, state, and federal laws, ordinances and regulations, unless a waiver or exemption has been obtained from the appropriate authority.

e. Tenant hereby warrants and covenants to the Landlord that all Improvements or other improvements now or hereafter erected on the Premises by Tenant shall be at all times free and clear of all liens, claims, and encumbrances arising in connection with the construction of such improvements, and hereby agrees to indemnify and hold Landlord harmless from and against any and all losses, damages, and costs, including reasonable attorneys' fees, relating to or arising out of any such lien, claim, or encumbrance. If any lien or notice of lien on account of the alleged debt of Tenant for work on the premises shall be filed against the Premises, Tenant's leasehold interest therein or in any of the Improvements, the Tenant shall, within thirty (30) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Unless such requirement is waived in writing by the Airport Director, no work hereunder shall be commenced until Tenant, at its sole cost and expense, has provided to the Landlord from a company reasonably acceptable to the Airport Director a policy of Builder's risk insurance or issued upon terms acceptable to the Airport Director. The Tenant shall indemnify and hold Landlord harmless for any costs, claims, injuries, liabilities, or any other matters associated with Tenant's construction of the Improvements.

All services, maintenance, repairs, replacements, and capital improvements to the Premises shall be to the Landlord's reasonable satisfaction.

11. ALTERATIONS. Except as permitted in this Agreement, Tenant shall not make any alterations, additions, or improvements to the Premises without Landlord's prior written consent. Tenant shall promptly remove any alterations, additions, or improvements constructed in violation of this Paragraph upon Landlord's written request. All approved alterations, additions, and improvements will be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor reasonably approved by Landlord, free of any liens or encumbrances. Landlord may require Tenant to remove any alterations, additions or improvements (whether or not made with Landlord's consent) at the termination of the Lease and to restore the Premises to its prior condition, all at Tenant's expense. All alterations, additions and improvements which Landlord has not required Tenant to remove shall become Landlord's property and shall be surrendered to Landlord upon the termination of this Lease, except that Tenant may remove any of Tenant's machinery or equipment which can be removed without material damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment.

12.DESTRUCTION OF OR DAMAGE TO PREMISES. This Agreement shall not be terminated by reason of damage to or destruction of any building on the Premises by storm, fire, lightning, earthquake or other casualty. The Tenant agrees to keep all structures on the property fully insured, as outlined herein in Section 8. If a building on the Premises at the date of the commencement of this Agreement, or any building hereafter constructed on the Premises, shall be destroyed or damaged by fire or other casualty, Tenant shall have the right within thirty (30) days after the occurrence of such fire or other casualty to give notice to the Landlord of its intention to repair or replace the said building at its own expense, in which event the proceeds of insurance on said building shall be made available to Tenant to the extent of the cost of such repairs or replacement. If the proceeds of the insurance shall exceed such cost, such excess shall belong to the Landlord. If Tenant elects to make such repair or replacement, the work will be done promptly and completed within a reasonable time. Repairs and replacements made by Tenant shall be made in conformity with the structure and condition of the building prior to the loss or damage and shall place the building in substantially the same condition that it was before such fire or other casualty. If Tenant shall not elect to make such repair or replacement, the Landlord shall have the right upon notice to Tenant within sixty (60) days after the occurrence of such fire or other casualty to make such repair or replacement at its own expense and it shall be entitled to all of the proceeds of insurance on the property. If the Landlord makes such election, it shall have the same duty in regard to the time and manner of repair and replacement as Tenant would have had in accordance with the foregoing provisions if it had elected to repair or replace the said building. If neither the Landlord nor Tenant elects to make such repair or replacement in accordance with the foregoing provisions, the Landlord will be entitled to all of the proceeds of insurance on the said building and to all salvage therefrom.

13.GOVERNMENTAL ORDERS. Tenant agrees, at its own expense, to comply promptly with all requirements of any legally constituted public authority made necessary by reason of Tenant's occupancy or intended use of the Premises. Landlord agrees to comply promptly with any such requirements if not made necessary by reason of Tenant's occupancy. Tenant agrees, at its own expense, to comply promptly with rules, regulations, policies, and standards adopted by the Landlord, as may be amended from time to time, including Rules and Regulations (adopted November 15, 2011) and Minimum Standards for Commercial Aeronautical Activities (adopted November 15, 2011), which may be from time to time amended, and links to which may be found in Exhibit F.

If the Airport, including the Premises, shall be closed by lawful authority or if the use thereof shall be restricted in such manner as to interfere substantially with the use by Tenant for its business operations, this Agreement shall terminate and rental shall be accounted for as between Landlord and Tenant as of that date. The Landlord shall not be responsible for any consequential damages to Tenant's business due to closure of the Airport by lawful authority or restricted use in such manner that includes the Premises.

14.CONDEMNATION. If the whole of the Premises, or such portion thereof as will make the Premises unusable for the purposes herein leased, is condemned by any legally constituted authority for any public use or purpose, then in either of said events the term hereby granted shall cease from the date when possession thereof is taken by public authorities, and rental shall be accounted for as between Landlord and Tenant as of said date. Such termination, however, shall be without prejudice to the rights of either Landlord or Tenant to recover compensation and damage caused by condemnation from the condemner. It is further understood and agreed that Tenant shall not have any rights in any award made to Landlord by any condemnation authority.

15.ASSIGNMENT AND SUBLETTING. Tenant shall not, without the prior written consent of Landlord, assign this Lease or any interest hereunder. Tenant may enter into short term subleases, of a duration not to exceed one (1) year, without the written consent of Landlord.

16.EVENTS OF DEFAULT. To the extent allowed by law, the happening of any one or more of the following events (hereinafter any one of which may be referred to as an "Event of Default") during the term of this Lease or any renewal or extension thereof, shall constitute a breach of this Lease on the part of the Tenant: (a) Tenant fails to pay the rental as provided for herein; (b) Tenant abandons the Premises; (c) Tenant fails to comply with or abide by and perform any other obligation imposed upon Tenant under this Lease; (d) Tenant is adjudicated bankrupt; (e) A permanent receiver is appointed for Tenant's property and such receiver is not removed within sixty (60) days after written notice from Landlord to Tenant to obtain such removal; (f) Tenant, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present or future law, whereby the rent or any part thereof is, or is proposed to be reduced or payment thereof deferred; (g) Tenant makes an assignment for benefit of creditors; (h) Tenant's effects are levied upon or attached under process against Tenant, which is not satisfied or dissolved within thirty (30) days after written notice from Landlord to Tenant to obtain satisfaction thereof.

17.REMEDIES UPON DEFAULT. Upon the occurrence of Event of Default, Landlord may pursue any one or more of the following remedies separately or concurrently, without prejudice to any other remedy herein provided or provided by law; (a) if the Event of Default involves nonpayment of rental and Tenant fails to cure such default with five (5) days after receipt of written notice thereof from Landlord, or if the Event of Default involves a default in performing any of the terms or provisions of this Lease other than the payment of rental and Tenant fails to cure such default within thirty (30) days after receipt of written notice of default from Landlord, Landlord may terminate this Lease (if Tenant has failed to cure such default after receiving 30 days written notice) by giving written notice to Tenant and upon such termination shall be entitled to recover from Tenant damages as may be permitted under applicable law; or (b) if the Event of Default involves any matter other than those set forth in item (a) of this paragraph, Landlord may terminate this Lease by giving written notice to Tenant and, upon such termination, shall be entitled to recover from the Tenant damages in an amount equal to all rental which is due and all rental which would otherwise have become due throughout

the remaining term of this Lease, or any renewal or extension thereof (as if this Lease had not been terminated); or (c) upon any Event of Default (if Tenant has failed to cure such default after 30 days written notice), Landlord may, without terminating this Lease, re-let the Premises, in whole or in part, at the best price obtainable by reasonable effort, without advertisement and by private negotiations and for any term Landlord deems proper, with Tenant being liable to Landlords for the deficiency, if any, between Tenant's rent hereunder and the price obtained by Landlord on reletting, provided however, that Landlord shall not be considered to be under any duty by reason of this provision to take any action to mitigate damages by reason of Tenant's default. In the event Landlord hires an attorney to enforce its rights upon default, Tenant shall in addition be liable for reasonable attorney's fees and all costs of collection.

18. EXTERIOR SIGNS. Tenant shall place no signs upon the outside walls or roof of the Premises, except with the express written consent of the Landlord or its representative. Any and all signs placed on the Premises by Tenant shall be maintained in compliance with governmental rules and regulations governing such signs and Tenant shall be responsible to Landlord for any damage caused by installation, use or maintenance of said signs, and all damage incident to removal thereof.

19. PARKING. Tenant shall be entitled to use parking spaces as available and as assigned by Landlord in the lots serving the Premises.

20. LANDLORD'S ENTRY OF PREMISES. Landlord may advertise the Premises for rent or for sale. Landlord may access the Premises at any time reasonably necessary to exhibit the Premises to prospective purchasers or tenants, to inspect the Premises and to make repairs required of Landlord or to provide services under the terms hereof or to make repairs to Landlord's adjoining property, if any.

21. EFFECT OF TERMINATION OF LEASE. No termination of this Lease prior to the normal ending thereof, by lapse of time or otherwise, shall affect Landlord's right to collect rent for the period prior to termination thereof.

22. MORTGAGEE'S RIGHTS. Tenant's rights shall be subject to any bona fide mortgage, deed of trust or other security interest which is now or may hereafter be placed upon the Premises by Landlord. Tenant shall, if requested by Landlord, execute a separate agreement reflecting such subordination, and shall be obligated to execute such documentation as may facilitate Landlord's sale or refinancing of the Premises, including, but not limited to estoppel certificates, subordination or attornment agreements.

23. QUIET ENJOYMENT. So long as Tenant observes and performs the covenants and agreements contained herein, it shall at all times during the Lease term peacefully and quietly have and enjoy possession of the Premises, but always subject to the terms hereof. Notwithstanding anything to the contrary herein, in the event Landlord shall sell or otherwise transfer its interest in the Premises, Tenant agrees to attorn to any new owner or interest holder and shall, if requested by Landlord, execute a separate

agreement reflecting such attornment, provided that said agreement requires the new owner or interest holder to recognize its obligations and Tenant's rights hereunder.

24.HOLDING OVER. If Tenant remains in possession of the Premises after expiration of the term hereof, with Landlord's acquiescence and without any express agreement of the parties, Tenant shall be a tenant at will and there shall be no renewal of this Lease by operation of law. If Tenant remains in possession of the Premises after expiration of the term hereof without Landlord's acquiescence, Tenant shall be a tenant at sufferance and commencing on the fraction thereof during which Tenant so remains in possession of the premises, be twice the monthly rental otherwise payable under Paragraph 3 above.

25.RIGHTS CUMULATIVE. All rights, powers and privileges conferred hereunder upon parties hereto shall be cumulative and not restrictive of those given by law.

26.WAIVER OF RIGHTS. No failure of Landlord or Tenant to exercise any power given hereunder or to insist upon strict compliance of its obligations hereunder and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Landlord's or Tenant's right to demand exact compliance with the terms hereof.

27.ENVIRONMENTAL LAWS. Tenant shall be liable for all environmental damage, liability or cost, including reasonable attorney's fees, arising out of Tenant's use of the Premises and shall defend and hold Landlord harmless from any claims or actions relating to environmental damage, spills, exposure or other effects caused by Tenant within the Premises. Tenant shall comply with all federal, state, and local laws, ordinances, and regulations. Tenant shall not bring unto the Premises any Hazardous Materials without the prior written approval by Landlord. Any approval must be preceded by submission to Landlord of appropriate Material Safety Data Sheets (MSDS Sheets). In the event of approval by Landlord, Tenant covenants that it comply with all requirements of any constituted public authority and all federal, state, and local codes, statutes, rules and regulations, and laws, whether now in force or hereafter adopted relating to Tenant's use of the Premises, or relating to the storage, use, disposal, processing, distribution, shipping or sales of any hazardous, flammable, toxic or dangerous materials, waste or substance, the presence of which is regulated by a federal, state, or local law, ruling, rule or regulation (hereafter collectively referred to as "Hazardous Materials"); (2) comply with any reasonable recommendations by the insurance carrier of either Landlord or Tenant relating to the use by Tenant on the Premises of such Hazardous Materials; (3) refrain from unlawfully disposing of or allowing the disposal of any Hazardous Materials upon, within, about or under the Premises; and (4) remove all Hazardous Materials from the Premises placed upon, released into or introduced to the Premises by Tenant, its agents, contractors, employees, clients, or invitees, either after their use by Tenant or upon the expiration or earlier termination of this Lease, in compliance with all applicable laws.

28.TIME OF ESSENCE. Time is of the essence in this Lease.

29.ABANDONMENT. Tenant shall not abandon the Premises at any time during the Lease term. If Tenant shall abandon the Premises or be dispossessed by process of law, any personal property belonging to Tenant and left on the Premises shall, at the option of Landlord, be deemed abandoned, and available to Landlord to use or sell to offset any rent due or any expenses incurred by removing same and restoring the Premises.

30.DEFINITIONS. "Landlord" as used in this Lease shall include the undersigned, its representatives, assigns, and successors in title to the Premises. "Tenant" shall include the undersigned and its representatives, assigns and successors, and if this lease shall be validly assigned or sublet, shall include also Tenant's assignees or sublease as to the Premises covered by such assignment or sublease. "Landlord", "Tenant", and "Agent" include male and female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

31.NOTICES. All notices required or permitted under this Lease shall be in writing and shall be personally delivered or sent by United States certified mail, return receipt requested, postage prepaid to individuals listed below:

Notice to Tenant:

Signature Flight Support LLC
Attn: General Manager
3821 North Liberty Street
Winston-Salem, NC 27105

With a copy to:

Signature Flight Support LLC
Attn: General Counsel
13485 Veterans Way, Suite 600
Orlando, FL 32827

Notice to Landlord:

Dudley Watts
County Manager
Forsyth County Government Center
201 N. Chestnut St.
Winston-Salem, NC 27101

With a copy to:

Airport Director
Smith Reynolds Airport
3801 Liberty St.
Winston-Salem, NC 27105

All notices shall be effective upon delivery. Any party may change its notice address upon notice to the other parties, given as provided herein.

32.ENTIRE AGREEMENT. The express purpose of this agreement is to consolidate all contractual documents between the Parties relating to the operation of facilities at the Smith Reynolds Airport into one Agreement. This Agreement contains the entire agreement of the parties hereto with respect to the Premises, and no representations, inducements, promises or agreements, oral or otherwise, between the parties, not embodied herein shall be of any force or effect. This Lease may not be modified except by a writing signed by all the parties hereto. The following contracts are terminated pursuant to this Agreement: The Agreement originally between the Forsyth County Airport Commission and Piedmont Hawthorne Aviation, LLC, effective January 1, 1985, as amended, which has been assigned to Landlord and Tenant, respectively; The Lease Agreement made effective January 1, 1980, by and between the Airport Commission of Forsyth County and R.J. Reynolds Industries, Inc., as amended, which has been assigned to Landlord and Tenant, respectively; and the Lease Agreement originally between Piedmont Hawthorne Aviation, LLC and the Forsyth County Airport Commission dated September 1, 1997, as amended, which has been assigned to Landlord and Tenant, respectively.

33.AUTHORIZED LEASE EXECUTION. Each individual executing this Lease as director, officer, partner, member or agent of a corporation, limited liability company, or partnership represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of such corporation, limited liability company, or partnership.

34.TRANSFER OF LANDLORD'S INTEREST. In the event of the sale, assignment or transfer by Landlord of its interest in the Premises or in this Lease (other than a collateral assignment to secure a debt of Landlord) to a successor in interest who expressly assumes the obligations of Landlord under this Lease, Landlord shall thereupon be released and discharged from all its covenants and obligations under this Lease, except those obligations that have accrued prior such sale, assignment or transfer. Landlord's assignment of this Lease, or of any or all of its rights in this Lease, shall not affect Tenant's obligations hereunder, and Tenant shall attorn and look to the assignee as Landlord, provided Tenant has first received written notice of the assignment of Landlord's interest.

35.MEMORANDUM OF LEASE. Upon request by either Landlord or Tenant, the parties hereto shall execute a short form lease (Memorandum of Lease) in recordable form, setting forth such provisions hereof (other than the amount of Rent and other sums due) as either party may wish to incorporate. The cost of recording such Memorandum of Lease shall be borne by the party requesting execution of same.

36.GOVERNING LAW. This Agreement is governed by the laws of North Carolina, except that provisions relating to conflict of laws shall not apply.

37.EXHIBITS. Exhibit A, a drawing depicting the Premises as described in Section 1 hereinabove, is incorporated by reference. Exhibits B, C and D are drawings depicting the proposed demolition and future additional Premises. **The drawings in Exhibits A, B, C and D are not a formal surveys and are only a general representation of boundaries.** Exhibit E, an outline of governmental laws and regulations as referenced in Section 7 hereinabove, is incorporated by reference. Exhibit F, an outline of the Minimum Standards for Commercial Aeronautical Activities and Airport Rules and Regulations administered by Smith Reynolds Airport, hereinabove, is incorporated by reference. **If there is any discrepancy between an Exhibit and any other provision of this Agreement, such other provision of this Agreement shall govern, unless otherwise required by law.**

38. Landlord represents and warrants to Tenant that all action required to authorize Landlord's execution, delivery and performance of this Agreement has been taken, and that this Agreement constitutes Landlord's binding and enforceable obligation.

39. ADDITIONAL FIXED BASE OPERATION. In the event the Landlord desires to establish one or more other fixed base operations at the Airport, the terms and conditions of any agreement entered into with respect to such operation shall be of such a nature that Tenant will not be placed at a competitive disadvantage in operating under this Agreement. Landlord shall not be considered to have violated this Paragraph 39 by reason of extending a lease or rental terms that conform to prevailing fair market values or commercial norms.

IN WITNESS WHEREOF, Landlord and Tenant have set their hands and seals of the day and year first above written.

FORSYTH COUNTY, NORTH CAROLINA

By: _____
J. Dudley Watts, Jr., County Manager

Date: _____

ATTEST:

Ashleigh Sloop, Clerk to the Board

Date: _____

(SEAL)

SIGNATURE FLIGHT SUPPORT LLC

By:
Printed Name: _____
Title: _____
Date: _____

Exhibit A: Premises



Notes:

1. Technicair includes the following: Technicair Hangar 1, Technicair Shop, Technicair Office, Paint Shed and Storage.
2. Fixed-Base Operation includes the following: Executive Terminal, Executive Facility GSE Shop, Executive Sales Hangar.

(Exhibit A Continued)

Fuel Tanks



Note: The 6,000 gallon Self-Serve Fuel Farm is not owned by Landlord and is included for reference only.

Exhibit B – Proposed Renovated/New Facilities

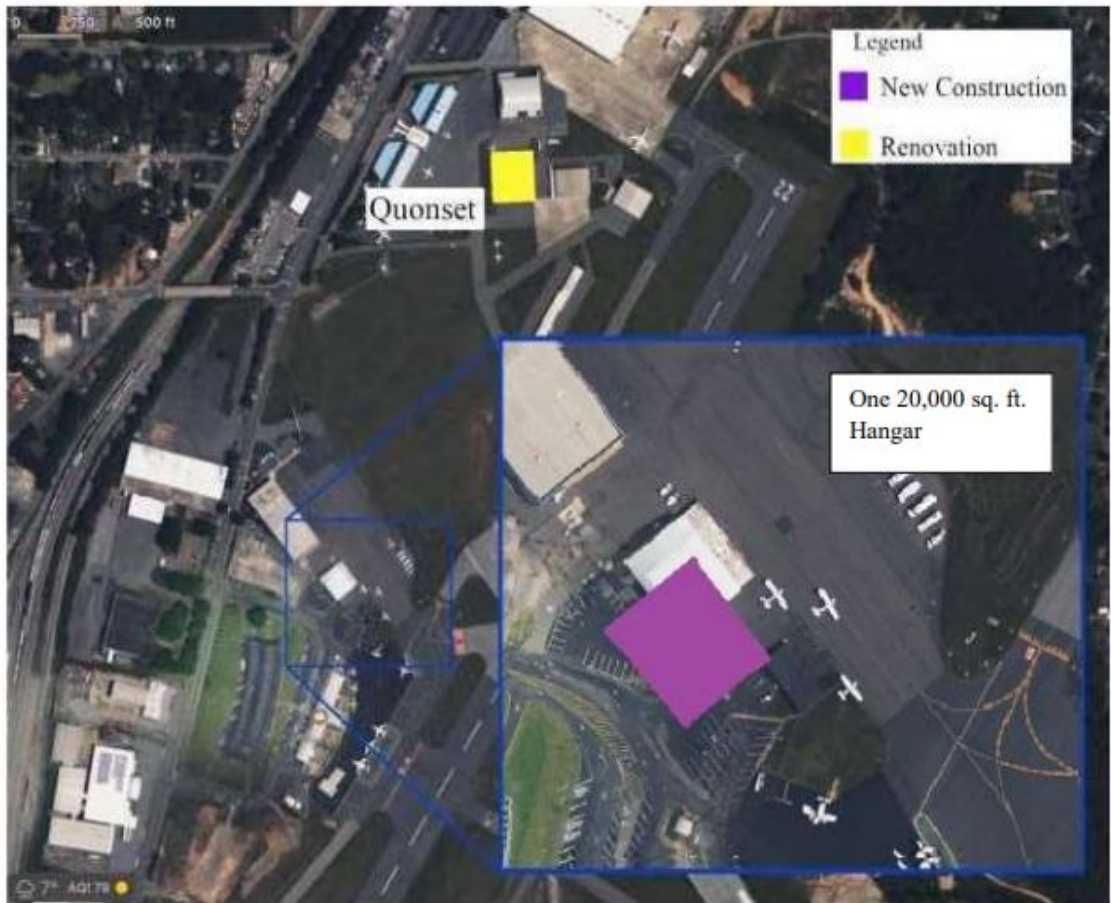


Exhibit C - Proposed New Apron and Parking Lot Improvement



Exhibit D – Demolition Structures



Exhibit E: Compliance with Laws & Regulations

Tenant acknowledges that certain Federal, State of North Carolina, Forsyth County and City of Winston-Salem laws, regulations or guidelines affecting and concerning the Leased Premises and Tenant's use and occupancy thereof, are now or may in the future become, in effect and binding upon the Landlord and Tenant. Tenant shall comply with all applicable laws and regulations pertaining to Tenant's Business at or specific use of the Leased Premises. Tenant also agrees and covenants that it will not cause or permit to be caused, any act or practice, by negligence, omission or otherwise, or do anything or permit anything to be done that would materially violate any such laws, regulations or guidelines. Breach of this covenant shall be an event of default under this Agreement. Tenant hereby agrees to indemnify the Landlord, its Commissioners, officers and employees and hold the same harmless from any penalty, damage, loss, cost or expense including attorneys' fees and the costs of litigation which the Landlord may suffer as result of such breach by the Tenant. Tenant shall have no claim against the Landlord nor any right to terminate this Agreement nor abate the rental due hereunder by reason of any such laws, regulations or guidelines as may exist now or may be enacted or promulgated in the future.

1. **Subordination to Agreements with the United States Government.** This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between County and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to County for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. In the event that the FAA or its successors require modifications or changes in this Agreement, as a condition precedent to the granting of funds for the improvement of the Leased Premises, the Airport, or otherwise, Tenant shall make such amendments, modifications, revisions, supplements, or deletions to any of the terms, conditions, or requirements of this Agreement as may be reasonably required.
2. **Nondiscrimination.** This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23, Subpart F. The Tenant agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any agreement covered by 49 CFR Part 23, Subpart F. Tenant agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements.
 - a. Tenant, for itself, its successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained or otherwise operated on the Premises described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant 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, and as said regulations may be amended.

- b. Tenant covenants and agrees for itself, its successors in interest and assigns, as a part of the consideration hereof does hereby covenant that: (1) no person on the grounds of age, race, sex, color, creed, or national origin 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 improvement on, over or under the Airport property, and the furnishing of services thereon, no person on the grounds of age, race, sex, color, creed or national origin shall be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination; (3) that Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49 Code of Federal Regulations, Department of Transportation, Subtitle A, Office of Secretary, Part 21 Non- Discrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964 and amendments thereto.
 - c. In the event of breach of any nondiscrimination covenants, the County shall have the right to terminate this Agreement and to re-enter and re-possess the Premises and the facilities thereon and hold the same as if said Agreement had never been made or issued.
3. **Subordination to Grant Assurances.** This Agreement shall be subordinate to the provisions of any existing or future agreements between County and the United States of America, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to County of federal funds for the development of the Airport ("Grant Assurances"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates any such Grant Assurances, County has the right to amend, alter or otherwise modify the terms of this Agreement in order to resolve such conflict or violation.
4. **Non-Interference with Operations of the Airport.** Tenant expressly agrees for itself, its successors and assigns that Tenant will not conduct operations in or on the Leased Premises in a manner that in the reasonable judgment of County, (i) interferes or might interfere with the reasonable use by others of common facilities at the Airport, (ii) hinders or might hinder police, fire fighting or other emergency personnel in the discharge of their duties, (iii) would or would be likely to constitute a hazardous condition at the Airport, (iv) would or would be likely to increase the premiums for insurance policies maintained by County unless such operations are not otherwise prohibited hereunder and Tenant pays the increase in insurance premiums occasioned by such operations, (v) is contrary to any applicable federal Grant Assurance; (vi) is in contradiction to any rule, regulation, directive or similar restriction issued by agencies having jurisdiction over the Airport including the FAA, Homeland Security, the Transportation Security Administration and Customs and Border Patrol, or (vii) would involve any illegal purposes. In the event this covenant is breached, County reserves the right, after prior written notice to Tenant, to enter upon the Leased Premises and cause the abatement of such interference at the expense of Tenant. In the event of a breach in Airport security caused by Tenant, resulting in fine or penalty to County of which Tenant has received prior written notice, such fine or penalty will be charged to Tenant.
5. **Emergency Closures.** During time of war or national emergency, County shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the

landing area, the publicly-owned air navigation facilities and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with provisions of the agreement with the Government, will be suspended.

6. **Required Federal Clauses.** Tenant and Tenant's Associates shall comply with all Laws and Regulations including Federal Clauses.
- a. It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by the Grant Assurances, and County reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature. (Grant Assurance 23)
 - b. County 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 Tenant, and without interference or hindrance. (FAA Order 5190.6B)
 - c. County reserves the right, but shall not be obligated to Tenant, 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 Tenant in this regard. (FAA Order 5190.6B)
 - d. This Agreement shall be subordinate to the provisions of and requirements of any existing or future agreement between County and the United States, relative to the development, operation, or maintenance of the Airport. (FAA Order 5190.6B)
 - e. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises. (FAA Order 5190.6B)
 - f. It is clearly understood by Tenant that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the Airport from performing any services on its own aircraft with its own regular employees (including but not limited to, maintenance and repair) that it may choose to perform. (Grant Assurance 22(f))