

606020

606020 FIXED BASED OPERATOR GROUND LEASE
AND FUELING AGREEMENT

*Lessee, Clifford Holcomb
1000 E. 79th Place
Greenfield, Ind
Held for Plat*

14

THIS AGREEMENT, made and entered into this 24 day of SEPTEMBER, 1980, by and between the Gary Airport Authority District, 6100 Industrial Blvd., Gary, Lake County, Indiana, an Indiana Municipal Corporation, hereafter referred to as "Lessor" and FTI Aviation, Inc., Lansing, Illinois, an Illinois for Profit Corporation, herein after referred to as "Lessee".

WITNESSETH:

Whereas, Lessor is the owner of the lands and buildings which constitute what is commonly known as the Gary Municipal Airport, and

Whereas, Lessor is interested in facilitating the development of aircraft services available to the flying public at the Gary Municipal Airport, and

Whereas, Lessor is authorized pursuant to the laws of the State of Indiana to enter into agreements wherein the lands and buildings which it owns may be leased and to grant certain privileges, rights and interest therein, and

Whereas, Lessee desires to establish a fixed based operation at the Gary Municipal Airport.

NOW, THEREFORE, for the reasons heretofore stated and in consideration of the mutual promises and agreements hereinafter set forth, the parties agree as follows:

ARTICLE ONE

PREMISES

Lessor, in consideration of the rent and various covenants and agreements set herein to be kept and performed by the Lessee, does hereby and by these presents demise and lease for Lessee's exclusive use the property described in Exhibit "A": attached hereto and incorporated herein as though fully set forth.

ARTICLE TWO

FIX BASED OPERATION DEFINED

Lessee shall use the premises described in Exhibit "A" only for the following purposes:

- a. Aircraft Sales
- b. Aircraft Rental
- c. Aircraft Leasing
- d. Repair and Maintenance of Aircraft
- e. Sale of Aviation Fuel
- f. Sale of Aircraft Parts, Accessories, Pilot Supplies and Related Equipment
- g. Instruction and Training of Pilots and Mechanics
- h. Air Charter, Non-Scheduled Freight and Passenger Service
- i. Avionics Sale and Repair
- j. Storage of Aircraft

STATE OF INDIANA, S. NO
LAKE COUNTY,
FILED FOR RECORD
NOV 6 1 50 PM '80
WILLIAM BIELSKI JR
RECORDER

LIBER 052 PAGE 60

For Summary See Plat Book & Page

2050

506120

ARTICLE THREE

RIGHTS AND PRIVILEGES

The Lessor hereby grants to Lessee the following particular rights, privileges and uses:

- a. The maintenance, storing and servicing of aircraft, which may include but not limited to all types of maintenance and servicing with respect to power plants, air frames and all related accessories.
- b. The right to maintain a business which buys, sells, rents and leases aircraft, aviation equipment, aircraft parts and accessories, retail or wholesale or as a dealer holding a franchise.
- c. The use of airfield facilities and navigational aids and facilities relating thereto for the purpose of commercial and noncommercial landings, takeoffs and taxiing.
- d. The right of ingress and egress from the demised premises, which right shall extend to Lessee's officers, agents, servants, employees, patrons, invitees and suppliers of equipment and services.
- e. Use of all runways, taxiways, aprons, roadways, sidewalks, navigational and avigational aids, airfield and landing areas and appurtenances, facilities and improvements which are now or may hereafter be connected with or appurtenant to said Airport.
- f. The right to operate nonscheduled freight and passenger charter service.
- g. The right to operate flight and ground schools, together with the appropriate flight instructions.
- h. The right to perform all additional activities commonly performed by fixed based operations.

All privileges and rights granted herein shall be subject to Airport rules and regulations as enacted and promulgated by Lessor and state, federal and local governmental entities.

ARTICLE FOUR

USE OF PREMISES

Lessee shall use the demised premises for the purpose of establishing, conducting, maintaining and operating a fixed based aircraft operation as that term is set out and defined in Article Two hereof and for no other purpose whatsoever. Provided, however, that Lessee's fixed based operation is conducted in compliance with the rules and regulations promulgated by the United States Department of Transportation, Federal Aviation Administration, Aeronautics Commission of Indiana and any other properly constituted authority having jurisdiction over the activities engaged in by Lessee under the terms and conditions of this lease agreement at Lessee's expense.

60000000

Lessee: FTI Aviation, Inc.
Gary Municipal Airport
6100 Industrial Blvd.
Gary, Indiana 46407

ARTICLE TWENTY

NONDISCRIMINATION PROVISIONS

Lessee agrees during the term of this Lease and during the terms of any extensions hereof as follows:

1. To comply with all applicable rules and regulations (hereinafter referred to as Regulations) relating to nondiscrimination in federally assisted programs of the Department of Transportation as more specifically set forth in Title 49, Code of Federal Regulations, Part 21, and as said Regulations may be amended from time to time, which are herein incorporated by reference and made a part of this Lease agreement.
2. Not to discriminate against any person relative to the exercise of the rights and privileges granted under this Lease agreement, on the basis of race, color, national origin or sex in the selection and retention of contractors, subcontractors, including procurements of materials and leases of equipment.
3. Not to participate directly or indirectly in the discrimination prohibited by Section 21.5 of Regulations including employment practices when the contract covers a program set forth Appendix B of the Regulations.
4. In all solicitations either by competitive bidding or negotiation made by Lessee for work to be performed under a subcontract, including procurements of materials or Leases of equipment, each potential subcontractor or supplier shall be notified by Lessee of Lessee's obligations under this Lease and the regulations relative to nondiscrimination on the grounds of race, color, national origin or sex.

ARTICLE TWENTY ONE

ASSIGNMENT FOR COLLATERAL SECURITY

Notwithstanding the limitations of assignment of this Lease set forth in Article 13 herein, Lessee shall have the right to assign this Lease for collateral security purposes to the bank or financial institution (hereinafter "the Bank") providing the financing for the construction of the proposed building or hanger to be constructed on the leased ground. The assignment of this Lease for collateral security shall be for the purpose of protecting the Bank in the event of Lessee's default and enabling the bank or financial institution, or its designee, to operate pursuant to the terms of this Lease in order that payments can be made when due to reduce or pay off the indebtedness incurred by Lessee in the construction of the Building and other initial improvements to the leased ground. The parties hereto agree that in the event of default, the assignment shall authorize the Bank to exercise full and complete control over the property leased, fueling agreements, other operational agreements between the parties, and all other rights of Lessee.

ARTICLE TWENTY TWO

NOTICE TO ASSIGNEE

Within fifteen (15) days after knowledge of or discovery of any breach of the terms of this lease agreement or of any default or defalcation with respect to this lease agreement, Lessor shall give written notice to the Bank which receives the assignment of this Lease for collateral security purposes.

208120

ARTICLE TWENTY THREE

ASSIGNEE'S RIGHT TO TAKEOVER OPERATION UNDER LEASE AGREEMENT

In the event that Lessor shall terminate this Lease by reason of any breach or default on the part of Lessee, or in the event that this Lease is terminated prior to the expiration of its original twenty (20) year term for any reason whatever, the Bank receiving the assignment of this Lease for collateral security purposes, or its representative, shall have the absolute right to takeover the operations, rights and privileges under the terms of this fixed based operator ground lease and fueling agreement for purposes of protecting its security interest in the Building or hanger to be constructed and to effectuate the repayment of the loan enabling construction of said structure. In the event that said assignee or its representative shall elect to take over the operations under the terms of this Lease, it shall be responsible, pursuant to the terms of the Lease, for only those liabilities, duties and obligations coming due and occurring from and after the time that it actually assumes control over said operations. Said Bank or its representative shall not be responsible for any defaults, liabilities or defalcations of Lessee prior to the time of its takeover of operations and shall have no liability or responsibility whatever for delinquent rental payments, fuel flowage fees, or any other expenses or defaults that accrued prior to the time of its takeover.

In the event that the Bank elects to takeover operations under this Lease following termination of Lessee's interest herein, the said Bank shall give written notice of its intention to do so to Lessor within thirty (30) days from the time that the Bank is given written notice by Lessor that Lessee's rights under the Lease are terminated and Lessee is physically removed or has vacated the leased premises. Bank shall exercise its takeover rights within sixty (60) days of said notice from the Bank to Lessor.

If assignee takes over the operations under this Lease pursuant to the terms of this Article, said assignee shall be responsible to Lessor for any and all payments, rentals, fees, as well as all other obligations and duties accruing under the terms of said Lease, from and after the date of the takeover. This shall not be construed in such a manner as to release Lessee from its liability for all payments, rentals, and fees due under the terms of this Lease for the entire term hereof, and Lessee shall remain liable for all costs, expenses, damages, and payments due under the terms of this Lease, notwithstanding any such takeover by assignee bank.

In the event that Bank does not exercise its takeover rights under the assignment described in this paragraph within the time set out, then Lessee bank's right of takeover shall cease. Lessor shall, nevertheless, require any new or successor fixed base operator thereafter occupying the land and premises described in this Lease to assume and pay all sums that accrue and become due under the Bank's note, security agreements, and loan agreement during the time that such replacement fixed base operator shall occupy the leased premises and hanger facility. Said payments are to be paid as additional rental for the use of the hanger facility to be built under this Lease. Such replacement operator will not be liable for and will not be required to cure any defaults or payments due prior to its becoming such replacement operator and shall be responsible only for duties, obligations and payments coming due during the time it occupies the leased premises or during the term of any replacement fixed base operator ground lease, which is later. Further Lessor shall incorporate in any such new ground lease a provision specifically authorizing the Bank (Lender) to enforce this undertaking.

Notwithstanding any other provision herein, Bank shall have the right to take judgement on the notes and security agreements at any time they become in default according to their terms. In

506720

such case, any new or successor fixed base operator occupying the leased premises shall be required to make all payments as provided herein and have all the same duties and obligations to Bank under the terms of the note and security agreements as if there had been no default by or judgement against Lessee (FTI Aviation, Inc.) and all payments made shall be credited against said judgement..

The Bank (Lender) shall have all takeover rights described in this agreement each time a new or successor fixed base operator uses, occupies, operates or takes over the leased premises.

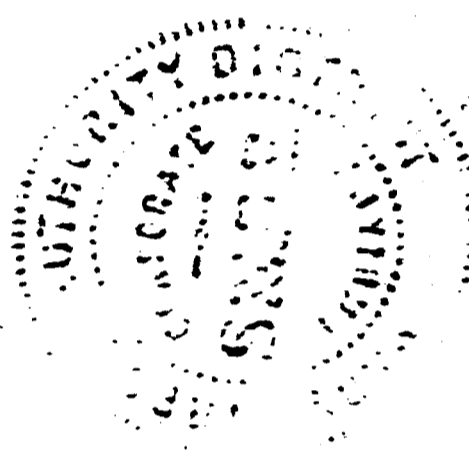
606120

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

GARY AIRPORT AUTHORITY DISTRICT
(LESSOR)

BY: Lawrence J. Rice
PRESIDENT

ATTEST: Elizabeth W. Williamson
SECRETARY



State of Indiana)
County of Lake)

Before me, a Notary Public in and for said County and State, personally appeared this 24th day of September, 1980, Lawrence J. Rice and Elizabeth W. Williamson, the President and Secretary respectively of the Gary Airport Authority District, who being first duly sworn, state that they are authorized to execute this Lease for and on behalf of said Municipal Corporation and hereby acknowledge that they have duly executed the within Lease as their voluntary act and as the voluntary act and deed of the Gary Airport Authority District.

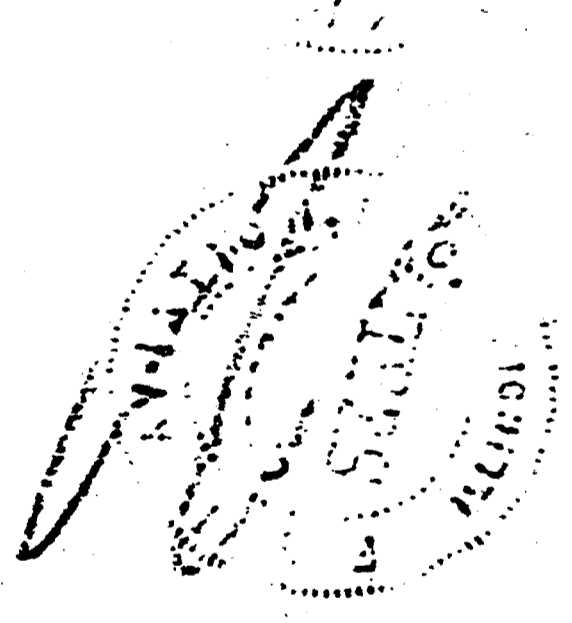
My Commission expires Nov. 29, 1983.
Resident of Lake County.

Joseph M. [Signature]
Notary Public

FTI AVIATION, INC.
(LESSEE)

BY: Joseph T. Herron
PRESIDENT

ATTEST: Allen Gerrard
SECRETARY

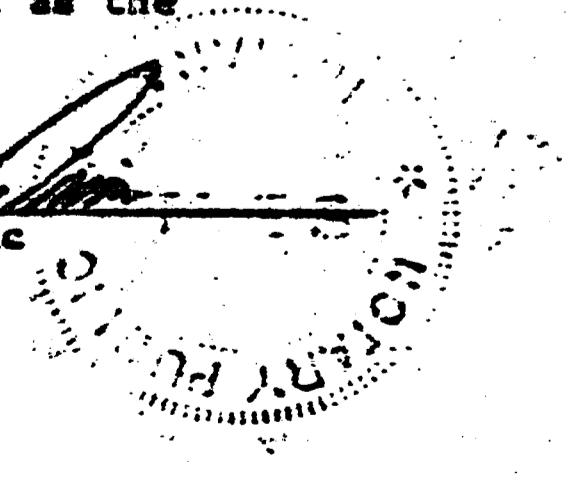


State of Indiana)
County of Lake)

Before me, a Notary Public in and for said County and State, personally appeared this 24th day of September, 1980, Joseph T. Herron and Allen Gerrard, who being first duly sworn, state that they are the President and Secretary respectively of FTI Aviation, Inc., an Illinois Corporation, and further state that they are authorized to execute this Lease for and on behalf of said Corporation and hereby acknowledge that they have duly executed the within Lease as their voluntary act and as the voluntary act and deed of FTI Aviation, Inc.

My Commission expires 11/29/83.
Resident of Lake County.

Joseph M. [Signature]
Notary Public



606020

606020

PLAT OF SURVEY

11 6 80

BOUNDARY SURVEY

GARY MUNICIPAL AIRPORT

PT SEC 36-37N-9W

52-60

505721

ARTICLE FIVE

TERM

The term of this lease and Lessee's obligation to pay rent hereunder shall commence on the 1st day of September, 1980, and shall end on the 31st day of August, 2000.

ARTICLE SIX

RENT

Lessee agrees to pay to Lessor without demand setoff or deduction on the 1st day of each month at the offices of Lessor located at the Gary Municipal Airport or other place designated by Lessor, rent for the leased premises as follows:

a. Fixed Minimum Rent

Ten Cents (\$.10) per square foot per annum as shown on Exhibit "A". Lessee waives and disclaims any right to apply any payment or part payment of rent against any obligations of Lessor. All payments and performances shall be without relief from valuation and appraisal laws, shall bear interest at ten (10%) percent per annum from the due date, or two (2%) percent over the prime rate charged in Gary, Lake County, Indiana, whichever is greater, and attorney fees.

b. Net Rent

It is the purpose and intent of the Lessor and Lessee that the fixed minimum rent and all forms of additional rent which Lessee is to pay Lessor under the provisions of this Lease shall be absolutely net to Lessor, so that this Lease shall yield on a net basis to Lessor all such fixed minimum rent and additional rent throughout the term of this Lease. It is therefore also the intent and purpose of Lessor and Lessee that all costs, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the leased premises which may arise or become due during or out of the term of this Lease shall be paid or discharged by Lessee; and that the Lessor shall be indemnified and saved harmless by Lessee from and against all such costs, fees, interest, charges, expenses, reimbursements and obligations.

c. Deposit

Lessee covenants and agrees concurrently with the delivery of this Lease to deposit with Lessor the sum of Twenty-Five Hundred Dollars (\$2,500.00) as a deposit to secure the full and faithful performance by Lessee of the covenants, conditions and agreements of this Lease on the part of Lessee to be performed (hereinafter called the "deposit"). Lessee agrees that if Lessee shall fail to pay any rent herein reserved promptly, when due, all or any part of said deposit may, at the option of Lessor be applied to any rent due and unpaid, and if Lessee violates any of the other covenants, conditions and agreements of this Lease, all or any part of said deposit shall be applied to any damages suffered by Lessor as a result of such default by Lessee. Lessee agrees, within five (5) days after receipt of written notice from Lessor of any such application of all or any part of said deposit, to pay Lessor an amount equal to the amount so applied in order to restore said full deposit and at all times keep it fully funded. Said funds shall be deposited with _____ and interest paid annually to Lessee.

The minimum square foot rental for the Leased ground shall be reviewed during the term of the Lease at five

0219120

year intervals commencing September 1, 1985. In no event shall the fixed minimum rent for the Leased ground be reduced during the term of this Lease.

ARTICLE SEVEN

CONSTRUCTION OF BUILDINGS

Subject to Lessor's written approval of plans and specifications, Lessor hereby specifically grants to Lessee the right to construct upon the leased ground a building, the size of which shall not be less than 21,600 square feet.

It is specifically agreed by the parties that said Building, after its construction, shall be deemed to be personal property and not real estate. Lessee shall have all ownership rights concerning said Building, and shall, for all purposes be the sole owner of the structure. It is further specifically agreed that Lessee's ownership of the Building to be constructed shall not effect the legal ownership of the leased ground upon which it is to be built. The leased ground is, and shall continue to be, the sole property of Lessor.

Upon expiration of the lease term hereunder, or upon the expiration of any option or renewal term hereunder, Lessee shall give and deliver a good and proper Bill of Sale to Lessor conveying any and all of Lessee's interest in said Building and its fixtures to Lessor. The granting of this Lease, together with the considerations stated herein, shall be the sole consideration for the described conveyance, and Lessor shall not be obligated to make any payment of any kind for said conveyance, unless specified herein.

ARTICLE EIGHT

UTILITIES

Lessor shall at its expense be responsible for bringing all gas, electricity and sewage connections to the property line of the leased ground by December 15, 1980, barring strikes or other unforeseen circumstances over which Lessor has no control.

Lessee shall pay all charges for all water, gas, electricity, sewage disposal and other utilities used or consumed by it in the operation of its business in the demised premises. Lessor shall not be liable for any interruptions in utility services.

ARTICLE NINE

LEASE OPTIONS

1. For good and valuable consideration in the sum of One Hundred Dollars (\$100.00) the receipt of which is hereby acknowledged the Lessor hereby grants to Lessee an option to extend the terms of the Lease, for the property described in Exhibit "A" for a period of ten (10) years beyond its original term of said Lease. Lessee shall give Lessor written notice 180 days prior to termination of the original Lease term of its intention to exercise said option or said option shall terminate without notice to Lessee.

2. For good and valuable consideration in the sum of Three Hundred Dollars (\$300.00) the receipt of which is hereby acknowledged the Lessor hereby grants to Lessee an option to lease adjacent land described in Exhibit "B" attached hereto and incorporated herein as though fully set forth for a period of three (3) years commencing September 1, 1980, and terminating on August 31, 1983. If said option is not exercised within said three (3) year period of the Lessor for good and valuable consideration hereby grants to Lessee a first right of refusal to lease said ground during the period September 1, 1983, thru August 31, 1985.

RECORDED

States to the City of Gary, Indiana, dated May 29, 1947, recorded in Deed Record Book 782, pages 309 to 311, inclusive, in the Recorder's Office of Lake County, Crown Point, Indiana, to all existing and future agreements entered into by and between the Gary Airport Authority District and the United States required as a condition precedent to the expenditure of Federal funds for Airport development, operation and maintenance.

It is further agreed that all grants, rights and privileges hereunder shall be subject to all present and future laws, rules and regulations of the local, state and federal government or of any lawful agencies thereof.

ARTICLE THIRTEEN

LIMITATIONS OF TENANCY

1. Lessee will not assign in whole or in part, nor sublet all or any part of the leased premises or term, without the prior express written consent of the Lessor in each instance. The consent by Lessor to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting by operation of law. If this Lease be assigned, or if the leased premises or any part thereof be underlet or occupied by anybody other than Lessee, Lessor may collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, under-tenant or occupant as Lessee, or a release of Lessee from the further performance by Lessee of the covenants and agreements on the part of Lessee herein contained. Notwithstanding any assignment or sublease, Lessee shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this lease.

ARTICLE FOURTEEN

FUEL FLOWAGE

Lessor hereby grants to Lessee during the term of this ground lease agreement the right to sell aviation fuel. Said fuel shall be stored in an area located on the airport designated by the Lessor and in tanks installed by Lessor for use by Lessee with a minimum capacity of 36,000 gallons. In the event that the Lessor has not installed said tanks by January 1, 1981, the Lessee shall install said tanks upon approval of plans and specifications by Lessor. The Lessor shall reimburse Lessee for the reasonable cost of the tanks, labor and material within one (1) year from date of installation with interest at the rate of one (1%) percent over prime prevailing at date of completion of installation.

ARTICLE FIFTEEN

FUEL FLOWAGE FEE

Lessee hereby agrees to pay to Lessor in consideration for said fuel sale privilege, additional rent in a sum equal to six cents (\$.06) for each gallon of fuel delivered from the bulk plant to the dispensing equipment. Said fee shall be paid by the 10th day of the month following the month of delivery from the bulk plant.

Said fuel flowage fee shall be subject to re-negotiation at five (5) year intervals commencing September 1, 1985.

506230

Rental terms for the ground described in Exhibit "B" shall be negotiated at the time the option or the first right of refusal is exercised.

ARTICLE TEN

RELATIONSHIP OF PARTIES

Lessor and Lessee agree and intend that the status of the Lessee for all purposes shall be that of an independent contractor.

ARTICLE ELEVEN

INDEMNIFICATION AND INSURANCE

1. Lessee agrees to indemnify and save Lessor harmless against any and all claims, demands, damages, costs and expenses, including reasonable attorney fees for the defense thereof, arising from or out of any occurrence in, upon or at the leased premises, or from or out of the conduct or management of the business conducted by Lessee in the leased premises or from any breach or default on the part of Lessee in the performance of any covenant or agreement on the part of Lessee to be performed pursuant to the terms of this Lease, or from any act, omission, or negligence of Lessee, its agents, contractors, servants, employees, sublessees, concessionaries or licensees, in or about the demised premises, the sidewalks adjoining the same, the common areas and any loading platform area allocated to the use of Lessee. In case of any action or proceedings brought against Lessor by reason of any such claim, upon notice from Lessor, Lessee covenants to defend such action or proceeding by counsel reasonably satisfactory to Lessor. Lessee hereby releases lessor from all claims and liabilities arising from or caused by any hazard covered by Lessee's insurance in connection with Lessee's property or activities on or about the leased premises, regardless of the cause of the damage or loss.

2. In any event, Lessee shall, during the entire term hereof keep in full force and effect a policy of comprehensive public liability and property damage insurance (including a contractual liability rider insuring the indemnification provisions of Article Eleven) with respect to the leased premises and the business operated by Lessee therein in which One Million (\$1,000,000.00) Dollars per person and Three Million (\$3,000,000.00) Dollars per accident, and in which the property damage liability shall be not less than Three Million (\$3,000,000.00) Dollars. The policy shall name the Lessor and Lessee as insured parties and shall contain a clause that the insurer will not cancel or change the insurance without first giving Lessor fifteen (15) days prior notice in writing. The insurance shall be in an insurance company approved by Lessor and a copy of the policy or a certificate of insurance shall be delivered to Lessor.

3. Lessor shall keep the Airport insured throughout the term of this Lease against the following:

- a. Loss or damage by fire and such other risks as may be included in the standard form of extended coverage endorsement in amounts sufficient to prevent the Lessor from becoming a co-insurer within the terms of the applicable policies.

ARTICLE TWELVE

RIGHTS OF THE UNITED STATES GOVERNMENT

It is specifically agreed and understood that all rights, grants or privileges hereunder shall be subject to all the terms, covenants and conditions of the Quit-Claim Deed from the United

606120

ARTICLE SIXTEEN

FUEL FLOWAGE AUDIT

Lessee agrees to provide Lessor by the 10th day of each month a statement certified by its chief financial officer as to fuel purchased by Lessee, the number of gallons of fuel delivered from bulk plant and the amount of revenue received or billed during said period from the sale of all aviation fuel.

Lessee further agrees to provide Lessor with copies of all fuel purchase invoices issued by Lessee's suppliers of fuel upon written request by Lessor. Lessee's failure to honor said request within forty-eight (48) hours after the request is made shall constitute an act of default and result in immediate cancellation of this agreement.

ARTICLE SEVENTEEN

ENCUMBRANCE OF IMPROVEMENTS

The parties agree that Lessee shall have the right to deliver a security agreement or other appropriate security instrument to secure financing for the initial improvements and the construction of the Building on the ground described in Exhibit "A"; provided, however, that said financing promissory notes and security instrument shall not have a maturity date which is later than the expiration date of the initial term of twenty (20) years. Lessee shall deliver copies of said security instruments to Lessor.

Except for the financing of the initial improvements to the leased ground, including the construction of the building, Lessee shall not encumber or allow said improvements to be encumbered without the express written consent of Lessor. Lessor shall not unreasonably withhold its consent.

Breach by Lessee of any provision in this Article shall be grounds for immediate cancellation and termination of this lease agreement upon discovery of said breach by Lessor, notwithstanding any other provision in this Agreement to the contrary.

ARTICLE EIGHTEEN

REMEDIES

1. All rights and remedies of Lessor herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. It is agreed that in the event:

- a. That the Lessee shall fail, neglect or refuse to pay within ten (10) days any installment of fixed minimum rent at the time and in the amount as herein provided or to pay within ten (10) days any other monies becoming due and payable under the terms hereof, or if Lessee shall vacate or abandon the leased premises during the term hereof; or
- b. That any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act shall be filed by or against Lessee, or any voluntary or involuntary proceedings in any court or tribunal shall be instituted to declare Lessee insolvent or unable to pay Lessee's debts, and in the case of involuntary proceedings if the same shall not be dismissed or discharged within ninety (90) days; or
- c. That the Lessee shall fail, neglect or refuse to keep and perform any of the other covenant, conditions, stipulations or agreements herein contained and covenanted and agreed to be kept and

505120

performed by it, and in the event any such default shall continue for a period of more than thirty (30) days after notice thereof in writing given to the Lessee by the Lessor; provided, however, that if the cause of giving such notices involves the making of repairs of other matters reasonably requiring a longer period of time than the period of such notice, the Lessee shall be deemed to have complied with such notice so long as it has commenced to comply with such notice within the period of time set forth in the notice and is diligently prosecuting the compliance with said notice, or has taken proper steps or proceedings, under the circumstances to prevent the seizure, destruction, alteration, or other interference with the leased premises by reason of non-compliance with the requirements of any law or ordinance or with the rules, regulations or directions of any governmental authority as the case may be; or

- d. That the Lessee makes any assignment of its property for the benefit of creditors or should the leased premises be taken under a levy of execution or attachment in an action against the Lessee and such levy, attachment or assignment is not dismissed and discharged with thirty (30) days;

The Lessee does hereby authorize and fully empower Lessor to cancel or annul this Lease at once and to re-enter and take possession of the leased ground and all improvements thereon immediately, without any previous notice of intention to re-enter and remove all persons and their property therefrom, and to use such assistance in effecting and perfecting such removal as Lessor may deem necessary and advisable to recover at once full and exclusive possession of all the leased ground and improvements thereon whether in possession of Lessee or other persons.

2. The Lessor, however, may at its option, at any time after such default or violation of condition or covenants, re-enter and take possession of the leased premises without such re-entering working a forfeiture of the rents to be paid and the covenants, agreements and conditions to be kept and performed by Lessee, for the full term of this Lease. In such event, the Lessor shall have the right, but not the obligation, to divide or subdivide the demised premises in any manner the Lessor may determine and the right but not the obligation, to lease or let the same or portions thereof for such periods of time and at such rentals and for such use and upon such covenants and conditions as Lessor may elect, applying the net rentals from such letting first to the payment of Lessor's expense incurred in dispossessing the Lessee and the costs and expenses of making such improvements in the demised premises as may be necessary in order to enable the Lessor to relet the same, and to the payment of any brokerage commissions or other necessary expenses of the Lessor in connection with such reletting. The balance, if any, shall be applied by the Lessor from time to time, but in any event no less than once each month on account of the payments due or payable by the Lessee hereunder, with the right reserved to Lessee to bring such actions or proceedings for the recovery of any deficits remaining unpaid as it may deem advisable from time to time, without being obligated to await the end of the term hereof for a final determination of the Lessee's account and the commencement or maintenance of one or more actions shall not bar the Lessor from bringing other or subsequent actions for further accruals pursuant to the provisions of this paragraph. Any balance remaining, however, after full payment and liquidation of Lessor's account as aforesaid, shall be paid to the Lessee from time to time with the rights reserved to the Lessor at any time to give notice in writing to the Lessee of Lessor's election to cancel and terminate this Lease and all Lessee's obligations hereunder and upon the giving of such notice and the

508120

simultaneous payment by Lessor to Lessee of any credit balance in Lessee's favor that may at the time be owing to Lessee shall constitute a final and effective cancellation and termination of this Lease and the obligations thereunder on the part of either party to the other.

3. In the event of any breach hereunder by Lessee, Lessor may also immediately or at any time thereafter, after reasonable notice to Lessee cure such breach for the account and at the expense of Lessee. If Lessor at any time, by reason of such breach by Lessee, is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense, including reasonable attorney fees, in instituting or prosecuting any action to enforce either Lessor's rights or Lessee's obligations hereunder, in each case after reasonable notice to Lessee, the sum or sums so paid by Lessor with interest thereon at the rate of nine (9%) percent per annum from the date of payment thereof, or two (2%) percent over the prime rate then charged in Gary, Indiana, whichever is higher, shall be deemed to be additional rent hereunder and shall be due from Lessee to Lessor on the first day of the month following the payment of such respective sums or expenses.

4. All sums due and payable by Lessee to Lessor under this Lease or as a result of a breach thereof by Lessee shall be without relief from valuation and appraisal laws, together with reasonable attorney fees, and interest at the rate of nine (9%) percent per annum or two (2%) percent over the prime rate then charged in Gary, Indiana, whichever is higher.

5. Lessor shall in no event be charged with default in the performance of any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days (Or such additional time as is reasonably required to correct any such defaults) after notice by Lessee to Lessor properly specifying wherein Lessor has failed to perform any such obligation.

6. The various rights and remedies herein contained and reserved to each of the parties shall not be considered as exclusive of any other right or remedy of such party, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay in exercising or omission of the right to exercise, any right or power by either party shall impair any such right or power, or shall be construed as a waiver of any breach or default or as acquiescence thereto. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a continuing or subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

ARTICLE NINETEEN

MISCELLANEOUS

1. All negotiations, considerations, representations and understandings between the parties are incorporated herein, and may be modified or altered only by agreement in writing between the parties.

2. The covenants, agreements and obligations herein contained shall extend to, bind and inure to the benefit not only of the parties hereto but to their respective personal representatives, heirs, successors and assigns.

3. In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act re-

606220

quired hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The provisions of this paragraph shall not operate to excuse Lessee from prompt payment of rent or any other payments required by the terms of this Lease.

4. This Lease may be executed in one or more duplicate counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

5. Nothing contained herein shall in any way diminish or be construed to waive any of the Lessor's other rights or remedies as elsewhere provided in this Lease, or by law or in equity, and said deposit shall in no event be applied to rental except at Lessor's sole option as herein provided. Said deposit shall be paid by Lessee to Lessor as security only and not as advance rental, and shall be returned to Lessee upon the expiration of the term hereof, provided Lessee be not then in default hereunder.

6. If the Lessee shall disclose the names of all officers and principal stockholders before execution of this agreement.

In the event of any change of officers or transfer of more than ten (10%) percent of any classification of stock of the corporation, Lessee agrees to notify Lessor immediately of any such change. It is agreed and understood that any substantial transfer of corporate stock whereby control of the corporation shall pass to others than those initially disclosed (their heirs, administrators or executors excepted), shall be cause for cancellation of this agreement by Lessor if Lessor shall determine that said transfer of control to others would not be to the best interests of the public and of the Gary Municipal Airport. Further, no agreement shall be entered into with any trustee without disclosure of the beneficiaries of the trust.

7. Any differences, claims, or matters in dispute arising between the parties out of this Lease or connected herewith, shall be submitted to arbitration by the American Arbitration Association or its successor and the determination of the American Arbitration Association or its successor shall be final and absolute. The arbitrator shall be governed by the duly promulgated rules and regulations of the American Arbitration Association or its successor, and the pertinent provisions of the laws of the State of Indiana, relating to arbitration. Each party shall each pay one half (1/2) of the total cost of said arbitration.

8. It is hereby agreed by the parties that the venue and situs for all causes of action arising under this agreement shall be Lake County, Indiana.

9. This agreement shall not be divisible and cancellation or termination for default under any article of this agreement shall and is intended to operate as a termination and cancellation of all provisions.

10. All notices required by this agreement shall be sent by registered mail to the following addresses:

Lessor: Gary Airport Authority District
Gary Municipal Airport
6100 Industrial Blvd.
Gary, Indiana 46407