



PORTLAND INTERNATIONAL JETPORT
AMENDED AND RESTATED
USE AND LEASE AGREEMENT

THIS AGREEMENT is made and entered into as of the 8th day of December, 1994 by and between the CITY OF PORTLAND, a body politic and corporate, located in the County of Cumberland, State of Maine, (hereinafter "City"), and HANGAR ASSOCIATES, a Maine general partnership.

W I T N E S S E T H:

WHEREAS, City owns and operates the Portland International Jetport (hereinafter referred to as "Jetport"); and

WHEREAS, City has the right to lease premises and facilities at the Jetport and to grant rights, licenses and privileges on and in connection therewith, and has full power and authority to enter into this Agreement; and

WHEREAS, Hangar Associates leases a portion of the Jetport (the "Original Premises") from the City pursuant to Use and Lease Agreement dated April 15, 1987, as amended (the "Original Lease"); and

WHEREAS, Hangar Associates has developed and constructed a hangar/office facility at the Jetport and has sold the hangar portion of such facility to Colonial Companies, Inc., a Delaware corporation and affiliate of UNUM Corporation (hereinafter, "Colonial"); and



WHEREAS, Hangar Associates desires to terminate the Original Lease as to a portion of the Original Premises and amend and restate the Original Lease in its entirety;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants, agreements and conditions contained herein, it is agreed and understood by and between the City and Hangar Associates that the Original Lease is hereby amended and restated in its entirety to read as follows:

ARTICLE I

DEFINITIONS

Section 101. Meanings and Construction. The terms defined in this Section for all purposes of this Agreement and of any instrument supplemental hereto, or relating hereto, shall have the following meanings, except where the context or clear implication requires otherwise:

(1) "Department" means the City's Department of Transportation and Waterfront Facilities or any successor agency thereto charged with the responsibility of the management, operation, maintenance and control of the Airport.

(2) "Council" means the legislative governing body of the City, also known as the City Council.

(3) "Director" means the Director of the City's Department of Transportation and Waterfront Facilities, or his successor in functions.



ARTICLE II

USE OF PREMISES

Section 201. Use of Jetport. Hangar Associates, for itself and its permitted tenants shall have the use, in common with others so authorized, of the Jetport and appurtenances, as now or hereafter constituted, together with all facilities, equipment, improvements, rights, licenses, services and privileges which have been, or may hereafter be, provided at or in connection with the Jetport from time to time, including, without limiting the generality hereof, the Landing Field and any extensions thereof, or additions thereto, roadways, runways, aprons, taxiways, and water facilities, field lights, landing lights, beacons, control tower, signals, radio aids, and all other conveniences for flying, landings and take-offs of aircraft, said uses to be solely for the following purposes:

(1) The operating of an office building of approximately 10,000 square feet; provided, however, that so long as it is financially feasible to do so, such building shall only be used for aviation-related businesses which are dependent upon close proximity to air operations areas for efficient conduct of their business, and provided, further, the Director shall have the right of approval with respect to all tenants.

(2) The right to use all public areas for non-commercial uses (except as other leases or agreements between Hangar Associates and City may specially provide), inside or outside the



Terminal Building, which may exist from time to time, which use shall be non-exclusive and in common with others, and shall be subject to reasonable rules and regulations of City.

(3) The right of free ingress to and egress from the premises and facilities referred to above for Hangar Associates, its permitted assignees and sublessees, and their respective employees, agents, shippers, consignees, material suppliers and service providers, its equipment, vehicles, machinery and other property, without charge to them, or their employees, agents, shippers, consignees, material suppliers and service providers, and their said property, subject to reasonable rules and regulations by the City and except as herein otherwise provided; and provided further that nothing herein contained shall be deemed to limit City's right to impose fair, reasonable and non-discriminatory charges upon public ground transportation services or upon the users of parking services, sightseeing and observation deck(s) or upon other tenants or Terminal Building concessionaires which may furnish them with materials, supplies or services.

Section 202. Demised Premises.

City hereby demises and leases to Hangar Associates, and Hangar Associates hereby accepts a certain lot or parcel of land at the Jetport situated on the southerly side of Taxiway H and being more particularly described in Schedule A, attached hereto and made a part hereof. By their execution hereof, the parties



terminate the Original Lease as to the portion of the Original Premises not included on Schedule A.

Section 202-A. Access. Hangar Associates shall have a right of access over Yellow Bird Road and Al McKay Road.

ARTICLE III

LEASE TERM

Section 301. Term. This Agreement and all rights herein granted shall vest on the date and year first above written and shall terminate twenty (20) years thereafter, unless sooner terminated earlier as hereinafter provided; provided that Hangar Associates shall be construed to have extended the term hereof for each of two (2) additional successive twenty (20) year periods, unless Hangar Associates shall have given written notice to the Director at least ninety (90) days next prior to the termination of the original term, or at least ninety (90) days prior to the expiration of a twenty (20) year period which constitutes such extension. Notwithstanding the foregoing, Hangar Associates shall not be entitled to any or all extensions of term unless, within the sole discretion of the Director, Hangar Associates' use of the Premises is consistent with the Jetport master plan.

Section 302. Surrender of Possession. No notice to quit possession at the expiration date of the term of this Agreement shall be given by the City, and Hangar Associates covenants and agrees that upon expiration of the term of this Agreement, or



upon earlier termination as hereinafter provided, it will peaceably surrender possession of the premises leased hereunder in as good condition as at the beginning of the term hereof, reasonable wear and tear, acts of God, fire, public enemy, and other casualties over which Hangar Associates has no control excepted, and City shall have the right to take possession of said premises. Hangar Associates shall have the right, at any time during the term of this Agreement, or upon termination and within one hundred twenty (120) days thereafter, to remove its office building, all trade fixtures and equipment and other personal property installed or placed by it at its expense, in, on, or about the leased premises and the said Jetport, subject, however, to any valid lien which the City may have thereon for unpaid rents or fees. Any and all property not removed by Hangar Associates within the said one hundred twenty (120) day period shall thereupon vest in the City. All City property damaged by or as the result of the removal of Hangar Associates' property shall be restored by Hangar Associates at its expense to the condition existing prior to such damage.

ARTICLE IV

RENTALS AND USE FEES

Section 401. Rent.

(1) During the first Rental Year, Hangar Associates shall pay to the City for rent of the Premises a sum equal to \$8,172.50, said sum being herein referred to as the "base



rental". Said rent is based on a square footage rental of \$0.2157 and a total square footage of 37,886.

(2) At the start of the second (2nd) Rental Year, the annual rental (and, therefore, the monthly installments attributable thereto) shall be increased for and at the beginning of each successive lease year during the term hereof by an amount determined by the increase in the cost of living, if any, over that reflected by the Consumers' Price Index hereinafter referred to for the first full calendar month of the term of this Lease. Computation of the increase shall be made as follows:

- (a) The basis of such computations shall be the "Consumers' Price Index for urban wage earners (CPI-W), Boston, Mass. average", all items - (1982-84 = 100), hereinafter called "the Index", published by the Bureau of Labor Statistics of the United States Department of Labor, or the successor to such Index;
- (b) The Index for the first full calendar month of the term of this Lease shall be the "base index number" and the corresponding index for the last full calendar month of the first and subsequent lease years shall be the current index number for use in determining the increase for the next following lease year.
- (c) The increase in the cost of living shall be determined by dividing the current index number by



the base index number in accordance with the following formula:

$$\frac{\text{increase in cost of living}}{\text{base index number}} = \frac{\text{current index number}}{\text{base index number}} = \% \text{ multiplier}$$

% multiplier x base rental = succeeding year annual rental.

(d) The foregoing increase shall be payable by Hangar Associates to City only upon City's notifying TENANT of the amount thereof, and to the extent that such notification shall not be sent to Hangar Associates in advance of the first rent payment date to which such increase shall be applicable, then Hangar Associates shall pay on each rent date, the monthly installment of annual rental next previously provided for, until such notice is sent, and thereupon, shall pay the accrued increase and thereafter, pay such increased monthly rental.

(e) The percentage increase in the annual rental shall not, for any lease year, be less than 4% nor greater than 7% of the annual rental for the preceding lease year, regardless of the foregoing formula.

(3) Rental payments shall be paid in advance in equal monthly installments on the first day of each month.

Section 402. Timely Payments and Reporting; Interest.

Hangar Associates shall make prompt and timely payment of all rentals, fees, and other charges due hereunder as the same may



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from time to time come due. In the event that any such payment is not made within the time specified in this Agreement, interest at a rate of one and one-half (1-1/2%) percent per month (18% per annum) shall be assessed and paid as additional rent on all such amounts outstanding. Such interest is compensatory and payment thereof shall not estop the City from pursuing any other remedies it may have for failure to pay rental fees, or other charges.

ARTICLE V

CONSTRUCTION, USE AND MAINTENANCE OF AIRPORT

Section 501. Maintenance. All maintenance and repair of the Premises, major, minor, custodial and otherwise, shall be the responsibility of Hangar Associates. Hangar Associates shall be responsible for the plowing and removal of snow from the Premises and shall do so in a manner which does not result in the deposit of snow on any taxiway or ramp, or any other location off of the Premises without the written permission of the Director.

Section 502. Right to Enter, Inspect and Make Repairs. The City, by its authorized officers, employees, agents, contractors, subcontractors and other representatives, shall have the right (at such times as may be reasonable under the circumstances and with as little interruption of Hangar Associates' and its tenants' operations as is reasonably practicable) to enter upon and in the demised premises without charge for the following purposes:



(1) Inspection. To inspect such premises to determine whether Hangar Associates have complied and are complying with the terms and conditions of this Agreement.

(2) Maintenance. To perform maintenance and make repairs in any case where Hangar Associates has failed to carry out its obligations to do so, but only after the City has given reasonable notice to perform its maintenance obligation. In that event, Hangar Associates shall promptly, upon demand, reimburse the City for the reasonable cost of the City's performing its maintenance obligations.

Section 503. Signs and Lighting. Hangar Associates agrees that no exterior signs, advertising displays, or exterior lighting shall be painted on, created, or erected in any manner upon the areas of the Premises exposed to the public without the prior written approval of the Director, and that such signs shall conform to reasonable standards established by the Director with respect to wording, type, size, design, color and location.

Section 504. Operation of Jetport. City agrees to operate the Jetport, its facilities and concessions, in a sound and prudent fashion, including, without limitation, the maintenance and repair of areas and facilities provided by City for the common use of the airlines and the public. City agrees to use its best efforts to keep the Jetport free from obstructions and to do all things reasonably necessary for the safe, convenient and proper use of the Jetport by those who are authorized to use



the same. City agrees to maintain and operate the Jetport in accordance with all applicable standards, rules and regulations of the Federal Aviation Administration.

Section 505. Compliance with Laws, Payment of Taxes, Etc. Hangar Associates and the City covenant and agree to observe and obey all Federal, State and City laws and ordinances and Jetport rules and regulations; provided, however, that such City laws and ordinances and Jetport rules and regulations have not been determined by a court of competent jurisdiction to be in conflict with this Agreement or the rules of any Federal agency having jurisdiction thereover. Hangar Associates further agrees to pay promptly, and not to permit to become delinquent, its non-discriminatory and lawful general taxes, assessments, excises, permit fees, license fees, and utility service charges which would be valid and applicable to it, irrespective of this Section, provided that nothing herein contained shall be construed as estopping or preventing Hangar Associates from contesting in good faith, the validity or applicability to its operations hereunder, of any such law, ordinance, rule, regulation, tax, assessment, excise fee or charge, including the exhaustion of all appeal rights.

Section 506. Covenant Against Liens. Hangar Associates shall not cause or permit any lien against the Premises or any improvements thereto to become perfected as a result of any action or use thereof by them; provided, however, that:



(1) They may in good faith contest the validity of any alleged lien provided a bond or other security is posted against the alleged lien within seventy-five (75) days of its being asserted, which bond shall be in lieu of any obligation asserted against City as owner.

(2) Hangar Associates may grant a first mortgage interest and/or security interest in its office building to institutional mortgagees and/or to agencies of the state or federal governments, which shall be subject, upon entry as assignee hereof, and/or upon foreclosure, to the same terms hereof as apply to Hangar Associates.

ARTICLE VI

INSURANCE AND DAMAGE TO LEASED PROPERTIES

Section 601. Insurance. Hangar Associates, without expense to the City, shall obtain and cause to be kept in force at all times during the term of this Agreement Liability Insurance, under policies no more restrictive than the standard form of Comprehensive Liability policy in the following amounts:

<u>Description</u>	<u>Limit of Liability</u>
Comprehensive, General Liability, including Automobile, on the Jetport only:	
1) Bodily Injury	(a) \$300,000 each person
	(b) \$5,000,000 each occurrence
2) Property Damage	(a) \$5,000,000 each occurrence

Hangar Associates and the City understand and agree that the minimum limits of the insurance herein required may become



inadequate during the term of this Agreement and Hangar Associates agrees that it will increase such minimum limits by reasonable amounts upon receipt of notice in writing from the Director.

Section 602. Limitation as to Policies. All policies of insurance required herein shall be in a form and in a company or companies satisfactory to the City, and approved to do insurance business in the State of Maine. Each such policy shall provide that such policy may not be materially changed, altered or cancelled by the insurer during its term without first giving thirty (30) days notice to the Director. Each such policy shall name the City as an additional insured thereunder and shall be primary to any insurance or self-insurance that the City may maintain.

Section 603. Evidence of Insurance. Certificates or other evidence of insurance coverages required of Hangar Associates in this Article, in amounts no less than those stipulated herein or as may be in effect from time to time, shall be delivered or caused to be delivered to the Director. At least thirty (30) days prior to the expiration of any then current policy of insurance, Hangar Associates shall deliver to the Director evidence showing that such insurance coverage has been renewed. Within fifteen (15) days after the date of written notice from the insurer of cancellation or reduction in coverage, Hangar Associates shall deliver to the Director evidence that the



required insurance has been reinstated or provided through another insurance company or companies.

Section 604. Conditions of Default. If at any time Hangar Associates shall fail to obtain or maintain in force the insurances required herein, the City shall notify Hangar Associates of its intention to purchase such insurance for Hangar Associates' account and, if Hangar Associates has not delivered evidence of insurance to the Director prior to the date on which the current insurance expires, the City may effect such insurance by taking out policies in companies satisfactory to the City, such insurance to be in amounts no greater than those stipulated herein or as may be in effect from time to time. The amount of the premiums paid for such insurance by the City shall be payable by Hangar Associates within thirty (30) days of receipt of the City's invoice therefor, and interest at the rate of eighteen (18%) percent per annum on any premium paid by City shall also be charged to and paid by Hangar Associates, as additional rent, which interest charge and payment shall be without prejudice to any other rights of City in the case of default.

Section 605. Indemnification. To the fullest extent permitted by law, Hangar Associates shall, at its own expense, defend, indemnify and hold harmless City, its officers, agents and employees from and against any and all liability, claims, damages, penalties, losses, costs, expenses, or judgments, including without limitation reasonable attorneys' fees, arising



from injury or death to any person, property damage or environmental damage sustained by anyone in and about the demised premises or as a result of activities or service at said premises, and resulting from any act or omission of Hangar Associates, its officers, agents, servants, employees, or persons in privity with Hangar Associates, except to the extent that such injury, death, or property damage results from any negligent act or omission of City, its officers, agents, employees or servants. Hangar Associates shall, at its own cost and expense, defend any and all suits or actions, just or unjust, which may be brought against City or in which City may be impleaded with others upon any such above-mentioned matter, claim or claims, including claims of contractors, employees, laborers, materialmen and suppliers. In cases in which City is a party, City shall have the right to participate at its own discretion and expense, and no such suit or action shall be settled without prior written consent of City. Such obligation of indemnity and defense shall not be construed to negate or abridge any other right of indemnification or contribution running to City which would otherwise exist.

The obligation of indemnification hereunder is not intended and shall not be construed as a provision of insurance, nor to expand or extend any monetary or legal limitation of liability which the City may have under the Maine Tort Claims Act, 14 M.R.S.A. Sec. 8101 et seq.



Section 606. Subrogation. Neither City nor Hangar Associates shall be liable to the other or any persons claiming through the other by right of subrogation or otherwise for any damage either to the demised premises, as to City, or to the properties, fixtures or improvements of Hangar Associates, from fire or any casualty usually included in the so-called standard "extended coverage" endorsements as contained in fire insurance policies written in the State of Maine, whether or not said damage was caused by the negligence of City, Hangar Associates or tenants, their respective agents, servants, employees or others.

Section 607. Additional Insurance. Notwithstanding any of the provisions of ARTICLE VI, City may require Hangar Associates to obtain at its sole cost and expense additional Comprehensive General Liability Insurance in the event that the potential liability of the City is increased or expanded by the State Legislature.

ARTICLE VII

ASSIGNMENT AND SUBLETTING

Section 701. Assignment and Subletting. Except as otherwise permitted herein, Hangar Associates agrees not to assign this Agreement or any part thereof in any manner whatsoever or to sublet the premises or any part thereof or any of the privileges recited herein without the prior written consent of the Director, which consent will not arbitrarily be withheld. Hangar Associates shall have the right to assign this lease to its



mortgagee, as aforesaid. In the event of any assignment or sublease hereunder, it is understood and agreed that the City does not release Hangar Associates from any of its obligations with respect to the terms hereof.

ARTICLE VIII

TERMINATION OF LEASE IN ENTIRETY

Section 801. City's Right to Terminate. The City, in addition to any other rights to which it may be entitled by law, acting by and through its Director, may declare this Agreement terminated in its entirety, subject to and in the manner provided in Section 803 hereof, upon or after the happening of any one or more of the following events and may exercise all rights of entry and re-entry, with or without process of law, upon the demised premises:

A. The filing by Hangar Associates of a voluntary petition in bankruptcy or any assignment for benefit of creditors of all or any part of Hangar Associates' assets;

B. The adjudication of Hangar Associates as a bankrupt pursuant to any involuntary bankruptcy proceedings;

C. The taking of jurisdiction by a court of competent jurisdiction of Hangar Associates or its assets pursuant to proceedings brought under the provisions of any Federal Reorganization Act;

D. The appointment of a receiver or trustee of the assets of Hangar Associates by a court of competent jurisdiction or a voluntary agreement with creditors of Hangar Associates; or



E. The material breach by Hangar Associates of any of the covenants or agreements herein contained and the failure of Hangar Associates to remedy such breach. A material breach shall include, but not be limited to, the failure to pay any rental, fee, or charge when the same is due and payable.

Section 802. Hangar Associates' Right to Terminate. Hangar Associates, in addition to any other right given to it herein, or to which it may be entitled by law, may cancel this Agreement in whole or only insofar as it relates to any building, upon or after the happening of any one of the following events:

A. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of said Jetport or of any material part thereof for Jetport purposes and the remaining in force of such injunction for a period of at least sixty (60) days;

B. The material breach of City of any of the covenants or agreements herein contained and the failure of City to remedy such breach;

C. The inability of Hangar Associates to use said office building, the Premises and/or the Jetport facilities for a longer period than ninety (90) days due to war, earthquake or other casualty; or

D. The taking, through the process of eminent domain, of all or a substantial part of the Premises.

Section 803. Procedure for Termination or Repossession. No termination declared by either party under Sections 801 or 802



hereof other than for the failure to make payment of any sum as rent, a charge or fee hereunder, shall be effective and the City shall not take possession of the leased premises unless and until not less than forty-five (45) days have elapsed after notice by either party to the other specifying the date upon which such termination will take effect, and the cause for which this Agreement is being terminated or for which the leased premises are being repossessed, and no such termination shall be effective nor shall the City retake possession of the leased premises if such cause of default is cured within said forty-five (45) day period or if such default is not a failure to pay any sum for rent, charge or fee, and Hangar Associates is proceeding with due diligence to so cure such default in instances where such cure may reasonably take longer than forty-five (45) days to effect. If Hangar Associates shall fail to pay any sum for rent, charge or fee when due and payable hereunder, Hangar Associates shall have thirty (30) days from notice of default to cure said default, and if not so cured, said termination shall take effect on the thirtieth (30th) day following said notice with or without entry and repossession being taken by City.

Section 803-A. Survival of Co-Tenant Agreement.

Notwithstanding any other provision of this Lease to the contrary, the City agrees to be bound by and to recognize the provisions of that certain Co-Tenant Agreement between Hangar Associates and Colonial dated [date] in the event of any



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termination or expiration of that certain Use and Lease Agreement of even date herewith between the City and Colonial (the "Colonial Lease") with the intent and to the end that the provisions of such agreement shall continue in effect and be binding upon the City or any subsequent tenant of such premises in the event of the termination or expiration of the Colonial Lease.

Section 804. Modification of Term.

Notwithstanding Sections 301 and 801, the City, through the City Council, shall have the right to terminate Hangar Associates' interest in and to the lands presently comprising the demised premises, such termination of interest to be effective on that date, next following the giving of said notice, as the relocated and/or substituted facilities, hereinafter referred to, are ready for beneficial use and occupancy of Hangar Associates and its then approved subtenants, subject however, to the following:

A. The City's exercise of its right to so terminate Hangar Associates' interest in the premises described herein shall be based upon the determination by the City Council that the permitted uses of the demised premises by Hangar Associates and its permitted subtenants have become sufficiently inappropriate or inconsistent with the uses of the City's lands adjacent to the demised premises then in effect or projected for the future as to be materially deleterious to the City's interest and/or plans for



the general area within which the premises lie; the City Council's said determination as aforesaid to be unilateral and controlling for the purposes hereof, provided only that reasonable opportunity is given to Hangar Associates and other interested parties to be heard with respect to the issues giving rise to the consideration of such determination.

B. The termination of Hangar Associates' interest in the lands presently comprising the demised premises shall not be construed as a termination of either the City's or Hangar Associates' contractual rights, privileges, or obligations hereunder, as the same shall apply to substituted lands assigned by the City for relocation of Hangar Associates' and its subtenant's use and operations within the City's lands comprising the Portland International Jetport, all as hereinafter provided for; it being the intention of the parties that the termination hereinbefore referred to be one of the substitution of leasehold interest in other lands of the City for the lands constituting the demised premises described in this Agreement.

C. The City through the City Council shall relocate Hangar Associates and its then approved subtenants to substantially equal facilities within the City's lands comprising the Portland International Jetport, at the City's expense, which facilities, and the lands comprising the same, shall be construed as substituted for the premises described herein, and which shall be subject to all of the same terms, provisions and conditions as provided for in this Agreement.



D. The City shall have the right, upon any such relocation and substitution, to:

1. Disassemble, move, reassemble and reconstruct the facilities (buildings and improvements) now or hereafter constructed and erected upon the demised premises by Hangar Associates and/or its permitted subtenants pursuant to the terms of this Agreement, and existing as of the date of the notice of such termination, if the City shall, in its sole judgment and discretion, determine that such disassembly, removal, reassembly and reconstruction is in its interest and economically feasible; provided however, that (i) such disassembly, removal, reassembly and reconstruction shall not materially interfere with Hangar Associates' or its permitted subtenant's operations, (ii) temporary facilities are provided to the extent necessary for Hangar Associates' and its permitted subtenant's use during the time of such disassembly, removal, reassembly and reconstruction, and that all reasonable effort is made to otherwise avoid undue interruption or interference with Hangar Associates' or its permitted subtenant's operations during such removal and reconstruction. To the extent that a mortgagee or secured party shall determine that its mortgage security or security interest in the facilities of Hangar Associates are or may be impaired in value or otherwise encumbered, whether by liens or otherwise, from the time of the notice of such termination through and including the time when the facilities have been relocated,



reassembled and reconstructed as aforesaid, the City shall indemnify and hold such mortgagee and/or secured party harmless from the effects on the valuation and use of its security during such disassembly, removal, reassembly, and reconstruction, all to the end that such mortgagee and/or secured party shall remain in as equally secured position as it would have been, but for the exercise of such right of termination and relocation, provided however, that upon the completion of the reassembly and reconstruction on the relocated premises allocated to Hangar Associates pursuant to these provisions, and the expiration of any periods during which liens or other encumbrances could be filed and/or claimed as a result of the City's actions hereunder, such mortgagee's or secured party's security shall apply to Hangar Associates' facilities with equal force and right as immediately prior to said termination, and thereupon, the City's obligation to indemnify and hold harmless such mortgagee and/or secured party shall terminate.

2. If the City shall so elect, and in lieu of its rights to disassemble, relocate, reassemble and reconstruct Hangar Associates' facilities as aforesaid, it may purchase Hangar Associates' facilities and improvements to the demised premises for the fair value thereof (as determined by an appraiser mutually acceptable to City and Hangar Associates) provided only that if such purchase is effected pursuant to exercise of the right of termination prior to January 1, 2008, the purchase price



shall not be less than the then outstanding balance of Hangar Associates' mortgage or security interest obligations incurred with respect to the construction, erection and/or installation of the buildings and improvements constituting Hangar Associates' facility, or any refinancing thereof, and pursuant to the exercise of this right by the City, Hangar Associates agrees that it will apply the proceeds of sale first to the discharge of any such mortgage and/or security interest so that the City acquired interest in Hangar Associates' facilities will be free of any encumbrance with respect to such mortgage and/or security interest.

Upon the City's election to so acquire title to Hangar Associates' facilities and improvements, it shall thereupon be obligated to relocate Hangar Associates and its then permitted subtenants to other substantially equal facilities within the Portland International Jetport premises, the location of which shall be consistent with the nature of Hangar Associates' and its permitted subtenant's operations, and the airport plan then in effect or projected for the future. Such substantially equal facilities may comprise then existing buildings and offices, or may at the City's election, comprise a new facility substantially similar to Hangar Associates' then existing facility. In either of such events, the City may require Hangar Associates to purchase the same (excluding land) at the fair value thereof, provided only that the purchase price shall not exceed the



purchase price paid by the City to Hangar Associates for the facilities of Hangar Associates on the existing leasehold premises.

E. In construing the rights and obligations of the parties as set forth in the foregoing paragraphs, it is the intention of the parties that the City have an opportunity to coordinate its overall planning for the Portland International Jetport, without inequitably and/or unfairly burdening the financial position and/or operations of Hangar Associates and its permitted subtenants.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 901. Quiet Enjoyment. The City agrees that on payment of the rentals and Use Fees as herein required and subject to performance and compliance by Hangar Associates of the covenants, conditions and agreement to be performed and complied with hereunder, Hangar Associates shall peaceably have and enjoy the rights, uses and privileges of the Jetport; its appurtenances and facilities as granted herein.

Section 902. No Personal Liability. No Councilor, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement, or because of any breach thereof, or because of its or their execution or attempted execution.



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Neither partner of Hangar Associates, namely Allyn J. Caruso and Eric L. Cianchette, their heirs, executors, administrators and assigns, shall be obligated or liable for any amount or amounts due under the terms hereof by Hangar Associates, which is in the aggregate, in excess of their respective net equity in the improvements and hangar building located on or about the demised premises, and the City agrees, with respect to said individuals, their heirs, executors, administrators and assigns, to look only to such equity in satisfaction of any and all amounts of money which may or may hereafter be found due and owing from them or either of them to City pursuant to the terms hereof.

Section 903. Agreements with the United States. This Agreement is subject and subordinate to the provisions of any agreements heretofore made between the City and the United States, relative to the operation or maintenance of the Jetport, the execution of which has been required as a condition precedent to the transfer of Federal rights or property to the City for Jetport purposes, or to the expenditure of Federal funds for the extension, expansion, or development of the Jetport, including the expenditure of Federal funds for the development of the Jetport in accordance with the provisions of the Federal Aviation Act of 1958, as it may have been amended from time to time. City covenants that it has no existing agreements with the United States in conflict with the express provisions hereof.



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Section 904. Governing Law. This Agreement shall be deemed to have been made in, and be construed in accordance with, the laws of the State of Maine.

Section 905. Notices. Except as herein otherwise expressly provided, all notices required to be given to the City hereunder shall be in writing and shall be sent by United States Certified Mail, addressed to the City Manager, City of Portland, 380 Congress Street, Portland, Maine, 04101, and all notices demands and requests by the City to Hangar Associates shall, until further notice by Hangar Associates, be sent by United States Certified Mail, addressed to Eric L. Cianchette, ELC Associates, 42 Market Street, Portland, Maine 04101.

The parties, or either of them, may designate in writing from time to time any changes in addresses or any addresses of substitute or supplementary persons in connection with said notices. The effective date of service of any such notice shall be the date such notice is mailed to Airline, or to the City. Any provision herein that one party shall notify the other of some matter is to be construed as a requirement that notice is to be given in accordance with the provisions of this Section.

Section 906. Entire Agreement. This Agreement, together with all exhibits attached hereto, constitutes the entire agreement between the parties hereto and all other representations of statements heretofore made, verbal or written, are merged herein, and this Agreement may be amended only in



writing and executed by duly authorized representatives of the parties hereto.

Section 907. Waivers. No waiver of default by either party of any of the terms, covenants, and conditions hereof to be performed kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained, to be performed, kept, and observed by the other party.

Section 908. Title to Site. The Jetport, from the date hereof until the termination of this Agreement, shall be owned in fee simple by the City, or in such lesser estate as in the opinion of the City Corporation Counsel is sufficient to permit the letting and licensing thereof by the City, as herein provided for the full term provided herein. Except as provided in Section 918, City represents that it has the right to lease said property designated herein as the Jetport, together with all the facilities, rights, licenses and privileges herein granted, and has full power and authority to enter into this Agreement in respect thereof.

Section 909. Non-Discrimination. Hangar Associates, for itself, its successors in interest, and assigns, and its sublessees, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the premises that:

(1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the



benefits of, or be otherwise subject to, discrimination in the use of said facilities;

(2) that in the construction of any improvements on, over, or under such premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and

(3) that Hangar Associates 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 the 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 as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, the City shall have the right to terminate this Agreement and to re-enter and repossess said premises and the facilities thereon, and hold the same as if said Agreement had never been made or issued.

Section 910. Force Majeure. Neither the City, Hangar Associates nor Airline shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, acts of the public enemy, acts of superior governmental authority,



weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control.

Section 911. Invalid Provisions. In the event any covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, such invalidity shall not affect any other covenant, condition or provision herein contained, provided such invalidity does not materially prejudice either the City or Hangar Associates in its respective rights and obligations contained in the valid covenants, conditions and provisions of this Agreement.

Section 912. Headings. The headings of the several Articles and Sections of this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provisions of this Agreement, and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 913. Exclusiveness of Rights. Nothing herein contained shall be deemed to grant to Hangar Associates, or any permitted sublessee or assignee, any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Jetport.

Section 914. Approvals, Rules and Regulations. Rules and regulations promulgated and/or applied by the City or the Director, and to which Hangar Associates or permitted others are



subject pursuant to the terms hereof, shall be reasonable. Whenever the exercise of discretion and/or approval of the City or the Director, or of Hangar Associates is required or permitted herein, no such exercise of discretion and/or approval shall be unreasonably conditioned, delayed or withheld.

Section 915. Inspection of Records. Each party hereto, at its expense and upon reasonable notice, shall have the right to inspect the books, records and other data of the other party relating to the provisions and requirements hereof, provided such inspection is made during regular business hours.

Section 916. Successors and Assigns. All of the terms, provisions, covenants, stipulations, conditions and considerations in this Agreement shall extend to and bind the legal representatives, successors, sublessees (except as to rentals and use fees, unless otherwise provided for), and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Use and Lease Agreement to be executed by their respective officials thereunto duly authorized, as of the day and year first above written.

Signed, Sealed and Delivered
in presence of:

Sonia L. Bean

[Signature]

CITY OF PORTLAND

By: Robert Munk
Its CITY MANAGER

HANGAR ASSOCIATES:

By: [Signature]
Its General Partner



EXHIBIT A

(Hangar Associates)

A certain lot or parcel of land with building thereon situated 109.24 feet southerly of the southerly side of Taxi Lane H and near its easterly end at the Portland International Jetport in the City of Portland, County of Cumberland and State of Maine, bounded and described as follows, to wit;

Beginning at a 5/8" capped rebar on the easterly side of the parcel of land described in Schedule 'A' property description and shown on Plan of Land, Portland International Jetport, for General Aviation Storage, Inc. dated June 16, 1981 by Owen Haskell, Inc., Surveyors, South Portland, Maine, said point being S 10°29'44" E a distance of 158.87 feet from the northeast corner of said parcel;

Thence continuing S 10°29'44" E along the above mentioned lease parcel and through the land of the City of Portland (the "City") a distance of 143.13 feet to a 5/8" capped rebar;

Thence N 78°58'45" E through the land of the City a distance of 267.62 feet to a 5/8" capped rebar approximately 1 foot easterly of a chain-link fence;

Thence N 23°01'39" E through the land of the City a distance of 77.41 feet to a 5/8" capped rebar marking the most southerly corner of a premises now or formerly leased by the City to Colonial Companies, Inc.;

Thence N 41°15'45" W crossing an Access Road a distance of 25.00 feet to a 5/8" capped rebar;

Thence continuing on the previously mentioned course a distance of 39.87 feet to a 5/8" capped rebar;

Thence S 79°29'14" W more or less, following the southerly face of a metal hangar building a distance 52.54 feet, more or less, to a building now or formerly occupied by the federal government;

Thence continuing S 79°29'14" W more or less, following the above mentioned building face and being between said building and the above mentioned hangar a distance of 70.66 feet to the southwesterly corner of the concrete block wall for the above mentioned hangar;

Thence S 10°53'35" E, more or less, following the westerly face of the above mentioned building a distance of 8.13 feet to a corner of said building;



07/10/2018

Thence S 79°16'41", W, more or less, following the northerly face of said building a distance of 5.89 feet to a corner of said building;

Thence N 11°02'05", W generally following the easterly face of said building line 8 feet more or less, and continuing a total distance of 19.98 feet to a Railroad Spike;

Thence S 79°40'54" W a distance of 51.41 feet to a 5/8" capped rebar approximately 1 foot easterly from a chain-link fence;

Thence N 13°13'29" W following approximately 1 foot easterly of a chain-link fence a distance of 8.55 feet to a 5/8" capped rebar approximately 1 foot northerly of a corner in said fence;

Thence S 79°27'19", W following approximately 1 foot northerly of said fence a distance of 96.15 feet to the aforementioned parcel leased nor or formerly by General Aviation Storage, Inc. to the point of beginning.

Above parcel containing 37,886 square feet.

Courses used above are true north.

Meaning and intending to describe a parcel of land at the Portland International Jetport approximately 100 feet southerly of the south side of Taxi Lane H and at the east end thereof.

Conveying also rights for Access from the above described Leased Parcel in a general northerly direction to Yellowbird Road.

Above described property shown as Lot 8B on plan entitled "Final Subdivision Plan-Recording Plat at Portland International Jetport, made for City of Portland" prepared by Owen Haskell, Inc. dated November 9, 1994 and to be recorded in the Cumberland County Registry of Deeds.

MLS/17377.AI3



Permitting and Inspections Department
Michael A. Russell, MS, Director

Commercial Interior Alteration Checklist

(Including change of use, tenant fit-up*, amendment and/or interior demolition)

All applications shall be submitted online via the Citizen Self Service portal. Refer to the attached documents for complete instructions. The following items shall be submitted (please check and submit all items):

- Commercial Interior Alterations Checklist** (this form)
 - Plot plan/site plan** showing lot lines, shape and location of all structures, off-street parking areas and noting any dedicated parking for the proposed business
 - Proof of Ownership or Tenancy** (If tenant, provide lease or letter of permission from landlord. If owner, provide deed or purchase and sale agreement if the property was purchased within the last 6 months.)
 - Key plan** showing the location of the area(s) of renovation within the total building footprint and adjacent tenant uses
 - Life Safety Plan** drawn to scale, showing egress capacity, any egress windows, occupancy load, travel distances, common path distance, dead end corridor length, separation of exits, illumination and marking of exits, portables fire extinguishers, fire separations and any fire alarm or fire sprinklers systems
 - Existing floor plans/layouts** drawn to scale, including area layout, removals, exits and stairs
 - Proposed floor plans/layouts** drawn to scale, including dimensions, individual room uses and plumbing fixtures
- Please note: All plans shall be drawn to a measurable scale (e.g., 1/4 inch = 1 foot) and include dimensions. Construction documents prepared and stamped by a licensed architect or engineer shall be required for certain projects in accordance with the stated Policy on Requirements for Stamped or Sealed Drawings.*

Additional plans may also require the following (As each project has varying degrees of complexity and scope of work for repairs, alterations and renovations, some information may not be applicable. Please check and submit only those items that are applicable to the proposed project.):

- Code information** including use classifications, occupant loads, construction type, existing/proposed fire alarm, smoke and sprinkler protection systems, egress (exits and windows), fire separation areas and fire stopping
- Demolition plans and details for each story** including removal of walls and materials
- Construction and framing details** including structural load design criteria and/or non-structural details
- New stairs** showing the direction of travel, tread and rise dimensions, handrails and guardrails
- Wall and floor/ceiling partition types** including listed fire rated assemblies
- Sections and details** showing all construction materials, floor to ceiling heights, and stair headroom
- New door and window schedules** (include window U-factors)
- Accessibility features and design details** including the Certificate of Accessible Building Compliance
- Project specifications manual**
- A copy of the State Fire Marshal construction and barrier free permits.** For these requirements visit:
http://www.maine.gov/dps/fmo/plans/about_permits.html

Food service occupancies require additional plans and details for review, such as occupant load per square foot area for tables and chairs, number of fixed bar, banquet and booth seating, equipment and plumbing fixture plans with schedule, hood location and interior finish materials. Accessible seating and counter details shall be included, please refer to this site: http://www.alphaonenow.org/userfiles/resto_access_sheet.pdf

Separate permits are required for internal and external plumbing, electrical installations, heating, ventilating and air conditioning (HVAC) systems, appliances and commercial kitchen hoods.

*Tenant fit-up: construction necessary within the demising walls of a leased space, including partitions, finishes, fixtures, lighting, power, equipment, etc. making the interior space suitable for the intended occupation.



Reviewed for Code Compliance
Permitting and Inspections Department
Approved with Conditions

07/10/2018

Hanger Associates C/O
Maine Aviation Aircraft Maintenance
406 Yellowbird Road
Portland, ME 04102

Key Plan

May 22, 2018

To the City of Portland Permitting and Inspections Department

Enclosed are the Documents for a Commercial Interior Alteration Permit. We are planning to renovate most of the first floor of the two story office building that is being vacated by the FAA, no changes to the second floor. These changes are included in the Plans we are submitting, it will include new walls, paint, ADA Bathroom, expanded existing Bathroom, new ramp side entry door, new flooring, lights & ceiling. Maine Aviation Aircraft Maintenance, LLC is the Tenant in the Attached hanger and will occupy most of the space. No exterior changes to parking or egress the entire parking area and lot is fenced in for Airport Security!

Regards

Maine Aviation Aircraft Maintenance, LLC

Travis Caruso Vice President



Commercial Building Products



Building Code Compliance
Permitting and Inspections Department
Approved with Conditions

07/10/2018

**SUPPLY CORP.
OF BOSTON**

Portland, Me.

344 Riverside Street, Portland, ME 04103

(207) 874-9331

FAX (207) 874-9317

June 28, 2018

TO: Webber Building & Remodeling

RE: Maine Aviation

ATTN: Paul

PROPOSAL * Revised *

We propose the following materials in our line in accordance with outline below.

Steel Doors And Frames:

- (2 ea. Steel Door Leaf)
- (6 ea. Three Sided Frame Units)

Wood Doors: (Based On Clear Finish Birch Doors)

- (4 ea. Total Wood Door Leafs)

**** Price Door # 115 as a Metal 90 Min. Rated with NL Kit)

Door Hardware:

- Hardware For Doors # EX3, 115,116,117,118,119)

Combined Furnish Only \$ 4,190.00

Seen 0 Addendum(s)

***** Federal, State, & Local Taxes are NOT Included *****

Subject to revision if not accepted within 30 days after date.

We wish to thank you for the opportunity to quote this and hope to be of further service.

Cordially,

ACCEPTED: _____

David McGowan

dmcgowan@kamcoboston.com

(207) 874-9331 FAX (207) 874-9317

DATE: _____

DISTRIBUTORS OF

Hollow Metal Doors & Frames – Wood Doors – Architectural Hardware – Toilet Partitions & Bathroom Accessories – Mailboxes & Other Misc. Door Products
 Fiberglass Insulation – Styrofoam – Urethane Insulation – Bead Board – Blown-In Cellulose – Mineral Fiber Wool – Insulated Synthetic Stucco Systems – Firestopping
 Gypsum Wall Board & Tools – Steel Studs – Acoustical Ceilings – Sound Attenuation Board – Fiberglass Reinforced Panels – Moveable Wall Systems