

AN ORDINANCE AUTHORIZING A LEASE AGREEMENT BY AND BETWEEN THE CITY OF MORGANTOWN, LESSOR, AND BJK AVIATION, LLC. LESSEE, IN WHICH OFFICE SPACE, SPECIFICALLY SUITES 235 AND 241, ARE BEING LEASED AT THE MORGANTOWN MUNICIPAL AIRPORT FOR THE PURPOSE OF OPERATING A FLIGHT TRAINING CONCESSION.

The City of Morgantown hereby ordains that its City Manager is authorized to execute the Agreement hereto attached by and on behalf of the City of Morgantown.

This Ordinance shall be effective upon date of adoption.

FIRST READING:

MAYOR

ADOPTED:

FILED:

CITY CLERK

RECORDED:

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BASIC LAND AND FLIGHT TRAINING CONCESSION AGREEMENT

THIS AGREEMENT made and entered into this _____, by and between the City of Morgantown, a municipal corporation (hereinafter called "**City**"), and BJK AVIATION, LLC (hereinafter called "**Lessee**").

WITNESSETH:

WHEREAS, the City owns, controls, and operates the Morgantown Municipal Airport (hereinafter called "**Airport**"); and

WHEREAS, the City encourages growth and development of aviation activities at the Airport, which activities include flight training for businesses and individuals from Morgantown and the surrounding area; and

WHEREAS, the Lessee is desirous of providing flight training services to businesses and individuals from Morgantown and the surrounding area.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained to be kept and performed, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

Article I. DEFINITIONS

Section 1.01 The following words and phrases, wherever used in the Agreement shall for the purpose of this Agreement, have the following meanings:

- (a) "Advanced Flight Training" shall mean any ground or in-flight training received in preparation for obtaining a FAA Pilot Certificate or Rating other than Private Pilot. These Certificates or Ratings include, but are not limited to, Commercial Pilot, Air Transport Pilot, Flight Instructor and/or Instrument Rating
- (b) "Aircraft Operating Area" shall mean the area that contains the runways, taxiways, aircraft parking aprons/ramps, hold areas, and any other area used or intended to be used for surface maneuvering of aircraft, and any areas inside the perimeter fence which are adjacent to surface maneuvering areas. This may also be referred to as "airside."
- (c) "Airport" refers to the Morgantown Municipal Airport.
- (d) "Airport Customer" shall be any person who utilizes the Airport for the purpose of receiving instruction in aircraft flight operations.
- (e) "Basic Flight Training" shall mean any ground or in-flight training, to include required solo flight time, received in preparation for obtaining a FAA Private Pilot Certificate.
- (f) "Certificate" shall mean a certificate issued by the FAA to allow a business to operate aircraft or provide an aeronautical service.
- (g) "FAA" means the Federal Aviation Administration of the United States, or any federal agencies succeeding to its jurisdiction.

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- (h) "Leased Premises" shall mean an office located in the Terminal Building of the Airport located at 82 Hart Field Road, Suites 235 and 241, Morgantown, WV 26505. This space is to be used solely by the Lessee for the conduct of the Lessee's business.
- (i) "Person" shall mean an individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity, or any representative thereof.
- (j) "Property" shall include anything of material value that is real, personal, tangible, or intangible.
- (k) "Rules and Regulations" shall mean those lawful and reasonable rules and regulations which are promulgated by the City for the orderly use of the Airport by both airlines and other operators and users of the Airport as the same may be amended, modified, or supplemented from time to time. It may also mean rules and regulations promulgated by the FAA or other Governmental entity governing conduct on airports in general and/or the Morgantown Municipal Airport specifically.

Article II. PREMISES

Section 2.01 The City hereby leases to the Lessee an office located in the Terminal Building of the Airport located at 82 Hart Field Road, Suites 235 and 241, Morgantown, WV 26505, consisting of two spaces – Suite 241 measuring approximately two hundred and forty (240) square feet and Suite 235 measuring approximately two hundred (200) square feet – more specifically identified in Exhibit A attached hereto. This space is to be used solely by the Lessee for the conduct of the Lessee's business.

Article III. GRANT OF CONCESSION

Section 3.01 The City hereby grants to the Lessee subject to the terms and conditions hereinafter contained the right to conduct and operate a Flight Training Concession at the Airport. This shall not be construed to be an exclusive concession, and it is stipulated, agreed, and understood that the City may grant concessions to other parties for operation of Flight Training services. It is further understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 as amended.

Section 3.02 The City hereby agrees to allow the Lessee to use the Leased Premises as defined above for the purpose of operating a Flight Training operation.

Section 3.03 Lessee shall have the right to the non-exclusive use, in common with others, of the Airport parking areas, appurtenances and improvements; the right of ingress to and egress from the Leased Premises, which shall extend to Lessee's employees, guests and customers; and the right in common with other tenants of the Airport to use common areas of the Airport, including but not limited to the Airport Operating Area, roadways and other conveniences for the conduct of Lessee's business.

Section 3.04 Lessee is not authorized to offer other Aeronautical Services under this Agreement without prior written consent of the City and amendment of this Agreement by the Morgantown City Council.

Article IV. TERM OF AGREEMENT

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Section 4.01 The Term of this agreement shall be for a period of three (3) years commencing on March 1, 2013 and ending on February 29, 2016 unless terminated at an earlier date for any reason as set forth herein.

Article V. FEES

Section 5.01 In consideration for the rights and privileges granted by this Agreement, Lessee agrees to pay the City an annual rental payment of eight thousand four hundred dollars (\$8,400.00) at the rate of seven hundred dollars (\$700.00) per month. Payment will be made in advance, on or before the first business day of each month during the terms hereto and any extension thereof.

Section 5.02 Rental payments shall increase as of the first day of each calendar year (January 1) during the entire term, by the same percentage increase (if any) in the Consumer Price Index (revised) for Urban Wage Earners and Clerical Workers in Pittsburgh, PA, as published by the Bureau of Labor Statistics of the US Department of Labor (CPI) during the prior calendar year, but no more than three percent (3%). Rents shall be fixed between annual adjustments. Each calendar year's recalculated rent shall be the basis for the adjustment for the next calendar year rent. The rent shall be recalculated as soon as the CPI is published. The increase shall be effective as of January 1 of each year. In no event shall adjustment be a negative amount. If the rental rate increases, Lessee shall, within thirty (30) days of receipt of notice from City, pay to City any additional rent caused by the increase in CPI, divided by twelve (12), multiplied by the number of rental payments made by Lessee since the effective date of rental adjustment.

Section 5.03 It is agreed that a finance charge of one and one-half percent (1.5%) per month shall be added to any balance unpaid within thirty (30) days after that balance is due.

Section 5.04 All sums due hereunder shall be made payable to the City of Morgantown. All such sums, statements, and reports shall be delivered to the Airport Director, Morgantown Municipal Airport, 100 Hart Field Road, Morgantown, WV 26505.

Article VI. INSTALLATION OF IMPROVEMENTS

Section 6.01 The Lessee shall, without cost to the City, make improvements and provide and install all trade fixtures as are necessary for the customary operation of its Flight Training business.

Section 6.02 The Lessee shall have the right, at its sole expense, to install and maintain signs advertising its business. Any signs must have prior written approval of the Airport Director, as the City's Representative, both as to size and location.

Section 6.03 Lessee shall not suffer or permit any mechanic or other liens to be levied or filed against the City. All improvements, equipment, fixtures, and interior décor constructed by the Lessee, its agents, or contractors, shall conform in all respects to all applicable statutes, ordinances, building codes, and Rules and Regulations. Lessee shall be responsible for applying for and obtaining any permits required to complete improvements. Any approval given by the City shall not constitute a representation or warranty as to conformity; responsibility therefore shall at all times remain with the Lessee.

Section 6.04 All structural improvements and alterations shall, upon termination of this Agreement, become property of the Airport. All non-structural improvements and property of the Lessee must be removed upon termination of this Agreement.

Section 6.05 The Lessee may place such furnishings, property, and equipment into the Leased Premises as is necessary for the conduct of its business. Lessee shall have the right to remove

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same upon termination of this Agreement, providing the premises are repaired to the satisfaction of the City or restored to their original condition after such removal.

Section 6.06 The Lessee shall not remove or demolish, in whole or in part, any improvements within the Leased Premises without the express prior written consent of the City, which consent may be conditioned upon the obligation of the Lessee to replace the same by an improvement specified in the consent. However, City shall not withhold consent unreasonably and shall not impose unreasonable conditions upon its consent.

Article VII. MAINTENANCE OF PREMISES

Section 7.01 The City agrees to provide maintenance and custodial services in the public areas of the Terminal. Lessee is responsible for all custodial services within the Leased Premises.

Section 7.02 The City agrees to maintain, at its expense, the basic infrastructure of the Terminal to include the basic structure, heating/air conditioning systems, plumbing systems, and electrical systems provided however, such maintenance necessitated by the negligence or willful destruction of Lessee, its employees or agents, shall be at the expense of the Lessee.

Section 7.03 The City, Airport Director, or its duly appointed representative shall have the right to enter Lessee's Leased Premises to:

- (a) Inspect the Leased Premises at reasonable intervals during the Lessee's regular business hours, or at any time in case of an emergency, to determine if Lessee is in compliance with the terms and conditions of the Agreement. The City may, at its discretion, require the Lessee to effect any required maintenance or repairs at Lessee's own cost; and
- (b) Perform any and all things which the Lessee is obligated to, and has failed to do, after providing the Lessee with ten (10) days written notice to act, including maintenance, repairs, and replacements to Lessee's Leased Premises. The cost of all labor, materials, and overhead charges required for the performance of such work will be paid by Lessee to the City within ten (10) days following receipt of invoice for said charges by Lessee.

Article VIII. UTILITIES

Section 8.01 The City shall pay for all electric current, water, and natural gas that enters the Leased Premises via presently installed underground utility lines and pipes, to the Terminal, and operated by local Utility Companies. The Lessee shall be expected to exercise all practical economy in the use of such utilities and failure to do so will constitute unsatisfactory operations. The City shall have the right to insist upon and institute practices which it deems necessary, which the Lessee shall be expected to implement, to ensure no misuse or abuse of this privilege.

Section 8.02 Should the Lessee require any additional utility service other than that provided for above (such as telephone or internet lines), the Lessee agrees to bear all costs associated with installation and use of such service.

Article IX. PERFORMANCE AND SERVICE STANDARDS

Section 9.01 The Lessee hereby covenants and agrees that it will furnish prompt and efficient service adequate to meet all reasonable demands for Flight Training operations at a fair, reasonable and non-discriminatory basis, and to charge fair, reasonable and non-discriminatory prices for each unit or sale of service on a basis substantially similar to that charged by it for similar airports of comparable size within the same general area. The Lessee may make reasonable discounts, rebates and other similar types of price reductions to purchasers on a non-discriminatory basis.

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- Section 9.02 Lessee shall hold a Flight School Certificate issued by the FAA under 14 CFR Part 61 or 141 and it shall be in force for the entire term of this lease. A copy of the Certificate shall be forwarded to the Airport Director within ten (10) business days after execution of this Lease. In the event the Certificate is revoked by FAA, the Airport Director must be notified within five (5) business days. Failure to hold and maintain this Certificate will be grounds for termination of this lease.
- Section 9.03 The Aircraft provided by Lessee shall be certified and licensed by the FAA for the types of flights conducted. At least two (2) FAA licensed and certified Aircraft will be provided – one (1) capable of providing Basic Flight Training and one (1) capable of providing Advanced Flight Training. At least one (1) will be a dual equipped, single engine, land, fixed wing Aircraft fully certified as airworthy by the FAA. These Aircraft will be based and housed at the Airport. Lessee is also authorized to conduct training in multi-engine aircraft and rotorcraft as long as the basic Aircraft is provided. Aircraft will be maintained in accordance with all applicable FAA Rules and Regulations at Lessee's sole expense, in good operating order, free from mechanical defects, current in all required inspections, and in clean, neat, and attractive condition, inside and out. Aircraft used for Flight Training will be owned or be under lease to Lessee.
- Section 9.04 Lessee will provide, at a minimum, one (1) FAA Licensed Flight Instructor properly certified to give both ground and in-flight instruction in single-engine, land, fixed wing Aircraft for both Basic and Advanced Flight Training.
- Section 9.05 The Lessee shall provide all necessary publications and training aids necessary to facilitate the Basic and/or Advanced Flight Training process. These may include, but are not limited to, appropriate Federal Regulations, Airman's Information Manual, navigation charts, and equipment/charts for determining Aircraft performance.
- Section 9.06 The Lessee shall provide a quiet, comfortable space, free of significant interruptions for use by the Flight Instructor and student in the course of conducting ground instruction, pre-flight briefings, post flight briefings, and self study.
- Section 9.07 Lessee is authorized to perform such maintenance activities as necessary to meet the requirements of its Certificate in a hangar provided under separate lease.
- Section 9.08 Lessee shall be authorized to use the Fixed Base Operator waiting areas for its students and instructors. However, amenities in the waiting area are for passengers and transient aircrews only and not for use by lessee, its employees, instructors, or students.
- Section 9.09 Lessee's employees shall be clean, neat in appearance, courteous and polite. The Lessee shall not employ any Person or Persons in or about the Leased Premises who shall conduct themselves in a loud, boisterous or otherwise improper manner. Upon notification by the Airport Director to the Lessee in writing that any Person employed by the Lessee is, in the Airport Director's opinion, disorderly or otherwise unsatisfactory under this paragraph, the Lessee shall conduct a full investigation and correct the problem immediately.
- Section 9.10 The City is responsible for the safety and security of the Airport premises. Access is controlled by keys and key cards. Lessee and its employees will be granted access as necessary to conduct Lessee's business. Keys and key cards are issued to individual Persons and each Person issued a key or key card is solely authorized to use same. Keys and key cards are not to be loaned or used to allow unauthorized Persons access to the Airport Aircraft Operating Area. The City reserves the right to cancel and/or revoke access for any Person deemed a safety or security risk as necessary. In the event a Person's access is terminated for any reason, all keys

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and key cards must be returned to the Airport Director within five (5) business days. Keys or key cards that are lost and require replacement or are not returned when requested will result in a payment of fifty dollars (\$50.00) per key or key card by Lessee to the Airport.

Section 9.11 The Lessee shall abide by and be subject to all Rules and Regulations which are now, or may from time to time be promulgated by the City concerning management, operation or use of Airport facilities, or the safety of those using the same, and it shall abide by and be subject to all Rules and Regulations which are now, or may from time to time be promulgated by the FAA. The Lessee further agrees to maintain, use, and operate the Leased Premises in compliance with any and all present and future laws, ordinances, Rules and Regulations relating to public health, safety or welfare adopted by Federal, State, local or other governmental bodies or agencies, departments or officers thereof, and obtain all permits, at its sole expense, which may be necessary for the operation of its Concession.

Section 9.12 The Lessee covenants and agrees it will meet all expenses in connection with the use of its Leased Premises and be responsible for any taxes, permit fees, usage fees, license fees, or assessments lawfully levied or assessed by any taxing authority against the business owned and operated by the Lessee, the Leased Premises, concession receipts, or as a result of the Lessee's use and occupancy of Airport premises or its operation at the Airport.

Section 9.13 The Lessee does hereby covenant and agree that:

- (a) No person on the grounds of race, color, creed, age, sex, religion, national origin, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said service or facilities.
- (b) In the construction of any improvements on the Leased Premises and the furnishing or services thereon, no person on the grounds of race, color, creed, age, sex, religion, national origin, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination.
- (c) The Lessee shall use the Leased Premises in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- (d) In accordance with the policy of the US Department of Transportation that Minority Business Enterprises, as defined in 49 CFR Part 23, shall have the maximum opportunity to participate in the performance of contracts such as covered by this agreement, the Lessee hereby assures no Person shall be excluded from the participation in, be denied the benefits of, or otherwise be discriminated against in connection with the award of any contract covered by 49 CFR Part 23 on the grounds of race, color, national origin, sex, or handicap. The Lessee hereby assures it will include the foregoing clauses in all subcontracts and will cause subcontractors similarly to include these clauses in further subcontracts.

In the event of breach if any of the above nondiscrimination covenants, the City shall have the right to terminate this agreement. The City, State of West Virginia, or the United States, or any combination of the foregoing Government entities, shall have the right to enforce the provisions of this Article.

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Section 9.14 The Lessee agrees that the City, its duly authorized representatives or agents may, at any reasonable time, enter into the Leased Premises for the purposes of making any inspection deemed necessary in order to determine whether Federal, State, County, or City Rules and Regulations and/or the covenants of this Agreement are being complied with, and to do any and all things which the City is obligated to do as set for the herein, or which may be deemed necessary for the general conduct and safe operation of the Airport.

Article X. ASSIGNMENT OR SUBLEASE

Section 10.01 The Lessee shall not have the right to assign or transfer the Agreement or any rights hereunder without the prior written consent of the City and amendment of this Agreement by the Morgantown City Council.

Section 10.02 The Lessee shall not sublet any part of the Leased Premises without prior written consent of the City and amendment of this Agreement by the Morgantown City Council.

Article XI. INSURANCE AND LIMITATION OF LIABILITY

Section 11.01 The Lessee covenants and agrees to secure and maintain during the term of this Agreement, the following insurance coverage. A Certificate of Insurance or copies of the individual policies shall be forwarded to the Airport Director within ten (10) business days after execution of this Lease. Such policies shall contain a provision requiring at least thirty (30) days notice of cancellation which notice shall be given in writing to the Airport Director. In the event these policies are revoked or cancelled, the Airport Director must be notified within five (5) business days. Failure to hold and maintain this insurance will be grounds for termination of this lease.

- (a) Comprehensive General Public Liability Insurance covering Lessee's operations at the Airport and its serving of Airport Customers with a combined single limit coverage of One Million Dollars (\$1,000,000), naming the City as an additional insured.
- (b) Passenger/Aircraft Liability Insurance for Training and Rental Aircraft in the minimum amount of One Million Dollars (\$1,000,000) per passenger and Two Million Dollars (\$2,000,000) per occurrence.

Section 11.02 The Lessee agrees to indemnify and hold the City, its agents, officers, representatives, and employees forever harmless from and against any and all claims, damages, judgments, attorneys fees, compensation, demands, or liability for injuries to Persons or Property caused by, arising from or in connection with the use or occupancy by the Lessee, its agents and employees of the Leased Premises or arising from, out of, or in connection with the Lessee's operations at the Airport or arising directly or indirectly out of any acts of the Lessee, its agents, servants, guests, or business invites, or by any reason of any act or omission of any such Person; provided, however the Lessee shall not be liable for any injury, damage or loss occasioned by the negligence of the City, its agents or employees. The Lessee shall give to the City prompt and timely notice of any claim or suit filed which in any way, directly or indirectly, contingently or otherwise, affects or might affect the City. Except for losses due to the negligent acts or omissions of the City, its agents or employees, the Lessee further covenants and agrees it will not hold the City, its agents or employees, responsible for any loss or damage occasioned by fire, theft, rain, flood, windstorm, hail, vandalism, or from any other cause whatsoever, whether said cause be direct, indirect, or merely a contributing factor in producing the loss or damage to any Property of the Lessee that may be located or stored on the Leased Premises or any other location at the Airport, and the Lessee agrees that storage of all Property on the Leased

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Premises or elsewhere at the Airport shall be at the Lessee's risk. The Lessee shall be responsible for all damage to Persons or Property caused by carelessness, negligence, or neglect on the part of Lessee, its agents or employees. The City shall not be liable for any loss/damage suffered by the Lessee arising out of the interruption or cessation of the business conducted by the Lessee under this Agreement.

Article XII. TERMINATION

Section 12.01 It is mutually understood and agreed that either party may terminate this Agreement, for any reason, with sixty (60) days prior written notice to the other party. It is further understood and agreed in the event the Airport were to cease operating as an air transportation facility, this Agreement would automatically terminate. It is further understood and agreed in the event the United States government or any of its agencies would assume control over the Airport in time of war or National Emergency, then this Agreement would automatically abate during such period. The City agrees to give the Lessee prior notice as is feasible upon the occurrence of such an event.

Section 12.02 Upon the happening of any one of the following events, Lessee shall be deemed to be in default of this Agreement. If Lessee is declared in default, The City may terminate this Agreement by giving the Lessee advance written notice, to be served as hereinafter provided:

- (a) Failure by the Lessee to pay fees and charges specified in this Agreement or if any part thereof is in arrears and unpaid, provided the City shall first give the Lessee written notice to remedy such failure, and if Lessee does not correct such failure within ten (10) days from receipt of such notice;
- (b) The making by the Lessee of a general assignment for the benefit of creditors;
- (c) The filing by the Lessee of a voluntary petition in bankruptcy, or the institution of proceedings in bankruptcy against the Lessee and the adjudication of the Lessee as a bankrupt pursuant to such proceedings;
- (d) The taking over of the Lessee or its assets by a court of competent jurisdiction;
- (e) The death (if an individual) or dissolution of the Lessee or the divestiture of the Lessee's estate herein by other operation of law;
- (f) The failure of the Lessee to comply with and meet all the laws or Rules and Regulations issued by the City, the FAA, or other governmental agency having jurisdiction;
- (g) The failure of the Lessee to keep and perform any of the covenants or agreements herein contained on the Part of the Lessee to be kept and performed, provided the City shall first give the Lessee written notice to remedy such failure, and if Lessee does not correct such failure within ten (10) days from receipt of such notice.

Section 12.03 The City retains the right to recover from the Lessee all minimum monthly payments due up to the time of such termination and all damages for breach of this Agreement. In the event of default by the Lessee of any of the terms of this Agreement, the Lessee shall pay to the City any costs and expenses, including reasonable attorneys fees, incurred by the City to enforce its rights under this agreement or to recover damage for Lessee's breach.

Section 12.04 No waiver of default by the City of any of the terms, covenants, or conditions hereof to be performed, kept, and observed by the Lessee shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, and conditions herein contained to be

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performed, kept, and observed by the Lessee. The acceptance of payment by the City for any periods after default of any one of the terms, covenants, and conditions herein contained to be performed, kept, and observed by the Lessee shall not be deemed a waiver of any right on the part of the City to terminate this Agreement due to failure by the Lessee to so perform, keep, or observe any of the terms or conditions of this Agreement.

Section 12.05 Should the Leased Premises be totally or partially destroyed by fire or other casualty, either party, at its option, may terminate this Agreement by giving the other party written notice of the termination within fifteen (15) days after such destruction. In the event of termination, any payments made in advance by the Lessee shall be prorated on a daily basis and the portion attributable to the period subsequent to the destruction shall be refunded. Should the parties elect not to terminate the Agreement following total or partial destruction, the Lessee shall restore the Leased Premises to a condition similar to that immediately prior to the destruction, at its sole expense. Any such restoration of the Leased Premises shall begin as soon as reasonably possible.

Article XIII. MISCELLANEOUS

Section 13.01 The terms, covenants, and conditions made and entered into by the Agreement by the parties hereto are declared binding on their respective heirs, executors, administrators, successors, and assigns.

Section 13.02 Should any part of this Agreement be deemed invalid, only that part shall be disregarded. All other parts of the Agreement shall remain in effect.

Section 13.03 Any notice or other communication to the City or the Lessee pursuant hereto shall be deemed validly given, served, or delivered upon deposit in the United States Mail, certified and with proper postage and certification fee prepaid, address as follows:

To City: City of Morgantown
Airport Director
100 Hart Field Road
Morgantown, WV 26505

To Lessee: BJK Aviation, LLC
344 High Street Suite 301
Morgantown, WV 26505

Or such other addresses as the addressee may designate by written notice to the other party, delivered in accordance with the provisions of this paragraph.

Section 13.04 This Agreement is subject to and subordinate to the provision of any agreement made between the City and the United States Government relative to the operations, maintenance, and expansion of the Airport, the execution of which has been or may be made as a condition precedent to the transfer of Federal rights or property to the City for Airport use, or the expenditure of Federal funds for the improvement or development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, the Airport and Airways Improvement Act of 1982, the Airport and Airway Development Act of 1970, the Airport and Air Safety and Capacity Act of 1987, the Airport Safety and Capacity Expansion Act of 1990, and the Aviation Noise and Capacity Act of 1990 as they have been amended from time to time.

In the event the FAA or its successors requires modification or changes to this Agreement as a condition precedent to the granting of funds to the improvement or expansion of the Airport,

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the Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions, of any of the terms, conditions, or requirements of the Agreement as may be reasonably required to obtain such funds.

Section 13.05 The City agrees it shall not, during the term of this Agreement, grant to any other individual, firm, or corporation an on-site Flight Training Concession under terms or conditions more favorable than those in this Agreement in respect to fees, time for payment, insurance, privileges, and performance and service standards.

Section 13.06 The parties do hereby covenant and warrant this Agreement contains the entire Agreement between the City and the Lessee for the purposes set forth in the preamble hereinabove; that there are no claims, promises, representations, or conditions not herein contained, either oral or written, which shall or may be charged or enforced or enforceable unless reduced to writing and signed by both of the parties hereto.

Section 13.07 This Agreement shall be governed by the laws of West Virginia.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed by their proper officers the day and years above written.

CITY OF MORGANTOWN

By: _____
City Manager

ATTEST:

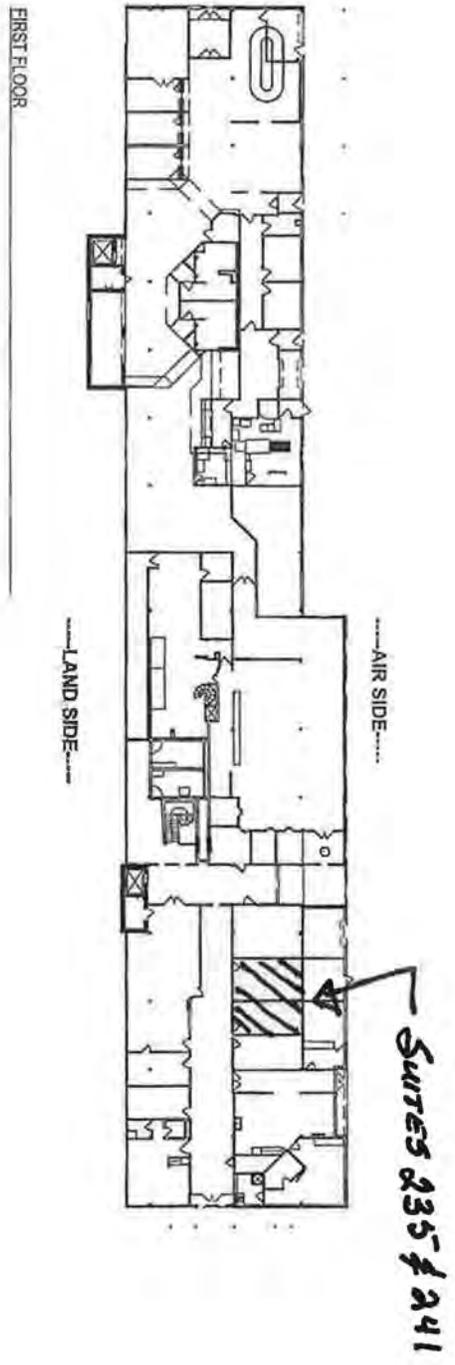
City Clerk

BJK AVIATION, LLC

By: _____
President

ATTEST:

EXHIBIT A



BASIC LAND AND FLIGHT TRAINING CONCESSION AGREEMENT

Exhibit 1

AN ORDINANCE AUTHORIZING A LEASE AGREEMENT BY AND BETWEEN THE CITY OF MORGANTOWN, LESSOR, AND AC EXPRESS, INC., LESSEE, IN WHICH OFFICE SPACE, SPECIFICALLY SUITE 229, IS BEING LEASED AT THE MORGANTOWN MUNICIPAL AIRPORT FOR THE PURPOSE OF OPERATING A CHARTER FLIGHT CONCESSION.

The City of Morgantown hereby ordains that its City Manager is authorized to execute the Agreement hereto attached by of the City of Morgantown.

The Ordinance shall be effective upon date of adoption.

FIRST READING:

MAYOR

ADOPTED:

FILED:

CITY CLERK

RECORDED:

BASIC LAND AND FLIGHT CHARTER CONCESSION AGREEMENT

THIS AGREEMENT made and entered into this _____, by and between the City of Morgantown, a municipal corporation (hereinafter called "**City**"), and AC EXPRESS, INC. (hereinafter called "**Lessee**").

WITNESSETH:

WHEREAS, the City owns, controls, and operates the Morgantown Municipal Airport (hereinafter called "**Airport**"); and

WHEREAS, the City encourages growth and development of aviation activities at the Airport, which activities include flight charters for businesses and individuals from Morgantown and the surrounding area; and

WHEREAS, the Lessee is desirous of providing flight charter services to businesses and individuals from Morgantown and the surrounding area.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained to be kept and performed, and intending to be legally bound hereby, the parties hereto covenant and agree as follows:

Article I. DEFINITIONS

Section 1.01 The following words and phrases, wherever used in the Agreement shall for the purpose of this Agreement, have the following meanings:

- (a) "Aircraft Operating Area" shall mean the area that contains the runways, taxiways, aircraft parking aprons/ramps, hold areas, and any other area used or intended to be used for surface maneuvering of aircraft, and any areas inside the perimeter fence which are adjacent to surface maneuvering areas. This may also be referred to as "airside."
- (b) "Airport" refers to the Morgantown Municipal Airport.
- (c) "Airport Customer" shall be any person who utilizes the Airport for the purpose of chartering an aircraft for a passenger or cargo flight, embarking or debarking from a charter aircraft, or shipping or receiving cargo from a charter aircraft, in use by the Lessee.
- (d) "Certificate" shall mean a certificate issued by the FAA to allow a business to operate aircraft or provide an aeronautical service.
- (e) "Charter Aircraft" shall mean an aircraft used to transport passengers or goods for hire not in scheduled service.
- (f) "Charter Flight" shall mean a flight to transport passengers or goods for hire not in scheduled service.
- (g) "FAA" means the Federal Aviation Administration of the United States, or any federal agencies succeeding to its jurisdiction.

- (h) "Leased Premises" shall mean an office located in the Terminal Building of the Airport located at 82 Hart Field Road, Suite 229, Morgantown, WV 26505. This space is to be used solely by the Lessee for the conduct of the Lessee's business.
- (i) "Person" shall mean an individual, corporation, government or governmental subdivision, partnership, association, or any other legal entity, or any representative thereof.
- (j) "Property" shall include anything of material value that is real, personal, tangible, or intangible.
- (k) "Rules and Regulations" shall mean those lawful and reasonable rules and regulations which are promulgated by the City for the orderly use of the Airport by both airlines and other operators and users of the Airport as the same may be amended, modified, or supplemented from time to time. It may also mean rules and regulations promulgated by the FAA or other Governmental entity governing conduct on airports in general and/or the Morgantown Municipal Airport specifically.

Article II. PREMISES

Section 2.01 The City hereby leases to the Lessee an office located in the Terminal Building of the Airport located at 82 Hart Field Road, Suite 229, Morgantown, WV 26505 – measuring approximately two hundred (200) square feet – more specifically identified in Exhibit A attached hereto. This space is to be used solely by the Lessee for the conduct of the Lessee's business.

Article III. GRANT OF CONCESSION

Section 3.01 The City hereby grants to the Lessee subject to the terms and conditions hereinafter contained the right to conduct and operate a Charter Flight Concession at the Airport. This shall not be construed to be an exclusive concession, and it is stipulated, agreed, and understood that the City may grant concessions to other parties for operation of charter flight services. It is further understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 as amended.

Section 3.02 The City hereby agrees to allow the Lessee to use the Leased Premises as defined above for the purpose of operating a Charter Flight operation.

Section 3.03 Lessee shall have the right to the non-exclusive use, in common with others, of the Airport parking areas, appurtenances and improvements; the right of ingress to and egress from the Leased Premises, which shall extend to Lessee's employees, guests and customers; and the right in common with other tenants of the Airport to use common areas of the Airport, including but not limited to the Airport Operating Area, roadways and other conveniences for the conduct of Lessee's business.

Section 3.04 Lessee is not authorized to offer other Aeronautical Services under this Agreement without prior written consent of the City and amendment of this Agreement by the Morgantown City Council.

Article IV. TERM OF AGREEMENT

Section 4.01 The Term of this agreement shall be for a period of three (3) years commencing on March 1, 2013 and ending on February 29, 2016 unless terminated at an earlier date for any reason as set forth herein.

Article V. FEES

Section 5.01 In consideration for the rights and privileges granted by this Agreement, Lessee agrees to pay the City an annual rental payment of four thousand two hundred dollars (\$4,200.00) at the rate of three hundred and fifty dollars (\$350.00) per month. Payment will be made in advance, on or before the first business day of each month during the terms hereto and any extension thereof.

Section 5.02 Rental payments shall increase as of the first day of each calendar year (January 1) during the entire term, by the same percentage increase (if any) in the Consumer Price Index (revised) for Urban Wage Earners and Clerical Workers in Pittsburgh, PA, as published by the Bureau of Labor Statistics of the US Department of Labor (CPI) during the prior calendar year, but no more than three percent (3%). Rents shall be fixed between annual adjustments. Each calendar year's recalculated rent shall be the basis for the adjustment for the next calendar year rent. The rent shall be recalculated as soon as the CPI is published. The increase shall be effective as of January 1 of each year. In no event shall adjustment be a negative amount. If the rental rate increases, Lessee shall, within thirty (30) days of receipt of notice from City, pay to City any additional rent caused by the increase in CPI, divided by twelve (12), multiplied by the number of rental payments made by Lessee since the effective date of rental adjustment.

Section 5.03 It is agreed that a finance charge of one and one-half percent (1.5%) per month shall be added to any balance unpaid within thirty (30) days after that balance is due.

Section 5.04 All sums due hereunder shall be made payable to the City of Morgantown. All such sums, statements, and reports shall be delivered to the Airport Director, Morgantown Municipal Airport, 100 Hart Field Road, Morgantown, WV 26505.

Article VI. INSTALLATION OF IMPROVEMENTS

Section 6.01 The Lessee shall, without cost to the City, make improvements and provide and install all trade fixtures as are necessary for the customary operation of its Charter Flight business.

Section 6.02 The Lessee shall have the right, at its sole expense, to install and maintain signs advertising its business. Any signs must have prior written approval of the Airport Director, as the City's Representative, both as to size and location.

Section 6.03 Lessee shall not suffer or permit any mechanic or other liens to be levied or filed against the City. All improvements, equipment, fixtures, and interior décor constructed by the Lessee, its agents, or contractors, shall conform in all respects to all applicable statutes, ordinances, building codes, and Rules and Regulations. Lessee shall be responsible for applying for and obtaining any permits required to complete improvements. Any approval given by the City shall not constitute a representation or warranty as to conformity; responsibility therefore shall at all times remain with the Lessee.

Section 6.04 All structural improvements and alterations shall, upon termination of this Agreement, become property of the Airport. All non-structural improvements and property of the Lessee must be removed upon termination of this Agreement.

Section 6.05 The Lessee may place such furnishings, property, and equipment into the Leased Premises as is necessary for the conduct of its business. Lessee shall have the right to remove same upon termination of this Agreement, providing the premises are repaired to the satisfaction of the City or restored to their original condition after such removal.

Section 6.06 The Lessee shall not remove or demolish, in whole or in part, any improvements within the Leased Premises without the express prior written consent of the City, which consent may be conditioned upon the obligation of the Lessee to replace the same by an improvement specified in the consent. However, City shall not withhold consent unreasonably and shall not impose unreasonable conditions upon its consent.

Article VII. MAINTENANCE OF PREMISES

Section 7.01 The City agrees to provide maintenance and custodial services in the public areas of the Terminal. Lessee is responsible for all custodial services within the Leased Premises.

Section 7.02 The City agrees to maintain, at its expense, the basic infrastructure of the Terminal to include the basic structure, heating/air conditioning systems, plumbing systems, and electrical systems provided however, such maintenance necessitated by the negligence or willful destruction of Lessee, its employees or agents, shall be at the expense of the Lessee.

Section 7.03 The City, Airport Director, or its duly appointed representative shall have the right to enter Lessee's Leased Premises to:

- (a) Inspect the Leased Premises at reasonable intervals during the Lessee's regular business hours, or at any time in case of an emergency, to determine if Lessee is in compliance with the terms and conditions of the Agreement. The City may, at its discretion, require the Lessee to effect any required maintenance or repairs at Lessee's own cost; and
- (b) Perform any and all things which the Lessee is obligated to, and has failed to do, after providing the Lessee with ten (10) days written notice to act, including maintenance, repairs, and replacements to Lessee's Leased Premises. The cost of all labor, materials, and overhead charges required for the performance of such work will be paid by Lessee to the City within ten (10) days following receipt of invoice for said charges by Lessee.

Article VIII. UTILITIES

Section 8.01 The City shall pay for all electric current, water, and natural gas that enters the Leased Premises via presently installed underground utility lines and pipes, to the Terminal, and operated by local Utility Companies. The Lessee shall be expected to exercise all practical economy in the use of such utilities and failure to do so will constitute unsatisfactory operations. The City shall have the right to insist upon and institute practices which it deems necessary, which the Lessee shall be expected to implement, to ensure no misuse or abuse of this privilege.

Section 8.02 Should the Lessee require any additional utility service other than that provided for above (such as telephone or internet lines), the Lessee agrees to bear all costs associated with installation and use of such service.

Article IX. PERFORMANCE AND SERVICE STANDARDS

Section 9.01 The Lessee hereby covenants and agrees that it will furnish prompt and efficient service adequate to meet all reasonable demands for charter flight operations at a fair, reasonable and non-discriminatory basis, and to charge fair, reasonable and non-discriminatory prices for each unit or sale of service on a basis substantially similar to that charged by it for similar airports of comparable size within the same general area. The Lessee may make reasonable discounts, rebates and other similar types of price reductions to purchasers on a non-discriminatory basis.

Section 9.02 Lessee shall hold a FAA Charter Certificate granted under 14CFR Part 135 and it shall be in force for the entire term of this lease. A copy of the Certificate shall be forwarded to the

Airport Director within ten (10) business days after execution of this Lease. In the event the Certificate is revoked by FAA, the Airport Director must be notified within five (5) business days. Failure to hold and maintain this Certificate will be grounds for termination of this lease.

Section 9.03 The Charter Aircraft provided by Lessee shall be certified and licensed by the FAA for the types of flights conducted. Aircraft will be maintained in accordance with all applicable FAA Rules and Regulations. Aircraft used for Charter Flights will be owned or be under lease to Lessee.

Section 9.04 Lessee will employ pilots licensed by FAA that meet the requirements of Lessee's Certificate.

Section 9.05 Lessee is authorized to perform such maintenance activities as necessary to meet the requirements of its Certificate in a hangar provided under separate lease.

Section 9.06 Lessee shall be authorized to use the Fixed Base Operator waiting areas for its clients and passengers. However, amenities in the waiting area are for passengers and transient aircrews only and not for use by lessee or its employees.

Section 9.07 Lessee's employees shall be clean, neat in appearance, courteous and polite. The Lessee shall not employ any Person or Persons in or about the Leased Premises who shall conduct themselves in a loud, boisterous or otherwise improper manner. Upon notification by the Airport Director to the Lessee in writing that any Person employed by the Lessee is, in the Airport Director's opinion, disorderly or otherwise unsatisfactory under this paragraph, the Lessee shall conduct a full investigation and correct the problem immediately.

Section 9.08 The City is responsible for the safety and security of the Airport premises. Access is controlled by keys and key cards. Lessee and its employees will be granted access as necessary to conduct Lessee's business. Keys and key cards are issued to individual Persons and each Person issued a key or key card is solely authorized to use same. Keys and key cards are not to be loaned or used to allow unauthorized Persons access to the Airport Aircraft Operating Area. The City reserves the right to cancel and/or revoke access for any Person deemed a safety or security risk as necessary. In the event a Person's access is terminated for any reason, all keys and key cards must be returned to the Airport Director within five (5) business days. Keys or key cards that are lost and require replacement or are not returned when requested will result in a payment of fifty dollars (\$50.00) per key or key card by Lessee to the Airport.

Section 9.09 The Lessee shall abide by and be subject to all Rules and Regulations which are now, or may from time to time be promulgated by the City concerning management, operation or use of Airport facilities, or the safety of those using the same, and it shall abide by and be subject to all Rules and Regulations which are now, or may from time to time be promulgated by the FAA. The Lessee further agrees to maintain, use, and operate the Leased Premises in compliance with any and all present and future laws, ordinances, Rules and Regulations relating to public health, safety or welfare adopted by Federal, State, local or other governmental bodies or agencies, departments or officers thereof, and obtain all permits, at its sole expense, which may be necessary for the operation of its Concession.

Section 9.10 The Lessee covenants and agrees it will meet all expenses in connection with the use of its Leased Premises and be responsible for any taxes, permit fees, usage fees, license fees, or assessments lawfully levied or assessed by any taxing authority against the business owned and operated by the Lessee, the Leased Premises, concession receipts, or as a result of the Lessee's use and occupancy of Airport premises or its operation at the Airport.

Section 9.11 The Lessee does hereby covenant and agree that:

- (c) No person on the grounds of race, color, creed, age, sex, religion, national origin, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said service or facilities.
- (d) In the construction of any improvements on the Leased Premises and the furnishing or services thereon, no person on the grounds of race, color, creed, age, sex, religion, national origin, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination.
- (e) The Lessee shall use the Leased Premises in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- (f) In accordance with the policy of the US Department of Transportation that Minority Business Enterprises, as defined in 49 CFR Part 23, shall have the maximum opportunity to participate in the performance of contracts such as covered by this agreement, the Lessee hereby assures no Person shall be excluded from the participation in, be denied the benefits of, or otherwise be discriminated against in connection with the award of any contract covered by 49 CFR Part 23 on the grounds of race, color, national origin, sex, or handicap. The Lessee hereby assures it will include the foregoing clauses in all subcontracts and will cause subcontractors similarly to include these clauses in further subcontracts.

In the event of breach if any of the above nondiscrimination covenants, the City shall have the right to terminate this agreement. The City, State of West Virginia, or the United States, or any combination of the foregoing Government entities, shall have the right to enforce the provisions of this Article.

Section 9.12 The Lessee agrees that the City, its duly authorized representatives or agents may, at any reasonable time, enter into the Leased Premises for the purposes of making any inspection deemed necessary in order to determine whether Federal, State, County, or City Rules and Regulations and/or the covenants of this Agreement are being complied with, and to do any and all things which the City is obligated to do as set for the herein, or which may be deemed necessary for the general conduct and safe operation of the Airport.

Article X. ASSIGNMENT OR SUBLEASE

Section 10.01 The Lessee shall not have the right to assign or transfer the Agreement or any rights hereunder without the prior written consent of the City and amendment of this Agreement by the Morgantown City Council.

Section 10.02 The Lessee shall not sublet any part of the Leased Premises without prior written consent of the City and amendment of this Agreement by the Morgantown City Council.

Article XI. INSURANCE AND LIMITATION OF LIABILITY

Section 11.01 The Lessee covenants and agrees to secure and maintain during the term of this Agreement, the following insurance coverage. A Certificate of Insurance or copies of the individual policies shall be forwarded to the Airport Director within ten (10) business days after execution of this Lease. Such policies shall contain a provision requiring at least thirty (30) days

notice of cancellation which notice shall be given in writing to the Airport Director. In the event these policies are revoked or cancelled, the Airport Director must be notified within five (5) business days. Failure to hold and maintain this insurance will be grounds for termination of this lease.

- (a) Comprehensive General Public Liability Insurance covering Lessee's operations at the Airport and its serving of Airport Customers with a combined single limit coverage of One Million Dollars (\$1,000,000), naming the City as an additional insured.
- (b) Passenger/Aircraft Liability Insurance for Charter Operations in the minimum amount of One Million Dollars (\$1,000,000) per passenger and Two Million Dollars (\$2,000,000) per occurrence.

Section 11.02 The Lessee agrees to indemnify and hold the City, its agents, officers, representatives, and employees forever harmless from and against any and all claims, damages, judgments, attorneys fees, compensation, demands, or liability for injuries to Persons or Property caused by, arising from or in connection with the use or occupancy by the Lessee, its agents and employees of the Leased Premises or arising from, out of, or in connection with the Lessee's operations at the Airport or arising directly or indirectly out of any acts of the Lessee, its agents, servants, guests, or business invites, or by any reason of any act or omission of any such Person; provided, however the Lessee shall not be liable for any injury, damage or loss occasioned by the negligence of the City, its agents or employees. The Lessee shall give to the City prompt and timely notice of any claim or suit filed which in any way, directly or indirectly, contingently or otherwise, affects or might affect the City. Except for losses due to the negligent acts or omissions of the City, its agents or employees, the Lessee further covenants and agrees it will not hold the City, its agents or employees, responsible for any loss or damage occasioned by fire, theft, rain, flood, windstorm, hail, vandalism, or from any other cause whatsoever, whether said cause be direct, indirect, or merely a contributing factor in producing the loss or damage to any Property of the Lessee that may be located or stored on the Leased Premises or any other location at the Airport, and the Lessee agrees that storage of all Property on the Leased Premises or elsewhere at the Airport shall be at the Lessee's risk. The Lessee shall be responsible for all damage to Persons or Property caused by carelessness, negligence, or neglect on the part of Lessee, its agents or employees. The City shall not be liable for any loss/damage suffered by the Lessee arising out of the interruption or cessation of the business conducted by the Lessee under this Agreement.

Article XII. TERMINATION

Section 12.01 It is mutually understood and agreed that either party may terminate this Agreement, for any reason, with sixty (60) days prior written notice to the other party. It is further understood and agreed in the event the Airport were to cease operating as an air transportation facility, this Agreement would automatically terminate. It is further understood and agreed in the event the United States government or any of its agencies would assume control over the Airport in time of war or National Emergency, then this Agreement would automatically abate during such period. The City agrees to give the Lessee prior notice as is feasible upon the occurrence of such an event.

Section 12.02 Upon the happening of any one of the following events, Lessee shall be deemed to be in default of this Agreement. If Lessee is declared in default, The City may terminate this Agreement by giving the Lessee advance written notice, to be served as hereinafter provided:

- (a) Failure by the Lessee to pay fees and charges specified in this Agreement or if any part thereof is in arrears and unpaid, provided the City shall first give the Lessee written notice to remedy such failure, and if Lessee does not correct such failure within ten (10) days from receipt of such notice;
- (b) The making by the Lessee of a general assignment for the benefit of creditors;
- (c) The filing by the Lessee of a voluntary petition in bankruptcy, or the institution of proceedings in bankruptcy against the Lessee and the adjudication of the Lessee as a bankrupt pursuant to such proceedings;
- (d) The taking over of the Lessee or its assets by a court of competent jurisdiction;
- (e) The death (if an individual) or dissolution of the Lessee or the divestiture of the Lessee's estate herein by other operation of law;
- (f) The failure of the Lessee to comply with and meet all the laws or Rules and Regulations issued by the City, the FAA, or other governmental agency having jurisdiction;
- (g) The failure of the Lessee to keep and perform any of the covenants or agreements herein contained on the Part of the Lessee to be kept and performed, provided the City shall first give the Lessee written notice to remedy such failure, and if Lessee does not correct such failure within ten (10) days from receipt of such notice.

Section 12.03 The City retains the right to recover from the Lessee all minimum monthly payments due up to the time of such termination and all damages for breach of this Agreement. In the event of default by the Lessee of any of the terms of this Agreement, the Lessee shall pay to the City any costs and expenses, including reasonable attorneys fees, incurred by the City to enforce its rights under this agreement or to recover damage for Lessee's breach.

Section 12.04 No waiver of default by the City of any of the terms, covenants, or conditions hereof to be performed, kept, and observed by the Lessee shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, and conditions herein contained to be performed, kept, and observed by the Lessee. The acceptance of payment by the City for any periods after default of any one of the terms, covenants, and conditions herein contained to be performed, kept, and observed by the Lessee shall not be deemed a waiver of any right on the part of the City to terminate this Agreement due to failure by the Lessee to so perform, keep, or observe any of the terms or conditions of this Agreement.

Section 12.05 Should the Leased Premises be totally or partially destroyed by fire or other casualty, either party, at its option, may terminate this Agreement by giving the other party written notice of the termination within fifteen (15) days after such destruction. In the event of termination, any payments made in advance by the Lessee shall be prorated on a daily basis and the portion attributable to the period subsequent to the destruction shall be refunded. Should the parties elect not to terminate the Agreement following total or partial destruction, the Lessee shall restore the Leased Premises to a condition similar to that immediately prior to the destruction, at its sole expense. Any such restoration of the Leased Premises shall begin as soon as reasonably possible.

Article XIII. MISCELLANEOUS

Section 13.01 The terms, covenants, and conditions made and entered into by the Agreement by the parties hereto are declared binding on their respective heirs, executors, administrators, successors, and assigns.

Section 13.02 Should any part of this Agreement be deemed invalid, only that part shall be disregarded. All other parts of the Agreement shall remain in effect.

Section 13.03 Any notice or other communication to the City or the Lessee pursuant hereto shall be deemed validly given, served, or delivered upon deposit in the United States Mail, certified and with proper postage and certification fee prepaid, address as follows:

To City: City of Morgantown
Airport Director
100 Hart Field Road
Morgantown, WV 26505

To Lessee: AC Express, Inc.
714 Venture Drive #133
Morgantown, WV 26508

Or such other addresses as the addressee may designate by written notice to the other party, delivered in accordance with the provisions of this paragraph.

Section 13.04 This Agreement is subject to and subordinate to the provision of any agreement made between the City and the United States Government relative to the operations, maintenance, and expansion of the Airport, the execution of which has been or may be made as a condition precedent to the transfer of Federal rights or property to the City for Airport use, or the expenditure of Federal funds for the improvement or development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, the Airport and Airways Improvement Act of 1982, the Airport and Airway Development Act of 1970, the Airport and Air Safety and Capacity Act of 1987, the Airport Safety and Capacity Expansion Act of 1990, and the Aviation Noise and Capacity Act of 1990 as they have been amended from time to time.

In the event the FAA or its successors requires modification or changes to this Agreement as a condition precedent to the granting of funds to the improvement or expansion of the Airport, the Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions, of any of the terms, conditions, or requirements of the Agreement as may be reasonably required to obtain such funds.

Section 13.05 The City agrees it shall not, during the term of this Agreement, grant to any other individual, firm, or corporation an on-site Charter Flight Concession under terms or conditions more favorable than those in this Agreement in respect to fees, time for payment, insurance, privileges, and performance and service standards.

Section 13.06 The parties do hereby covenant and warrant this Agreement contains the entire Agreement between the City and the Lessee for the purposes set forth in the preamble hereinabove; that there are no claims, promises, representations, or conditions not herein contained, either oral or written, which shall or may be charged or enforced or enforceable unless reduced to writing and signed by both of the parties hereto.

Section 13.07 This Agreement shall be governed by the laws of West Virginia.

IN WITNESS WHEREOF, the parties hereunto have caused this Agreement to be executed by their proper officers the day and years above written.

CITY OF MORGANTOWN

By: _____
City Manager

ATTEST:

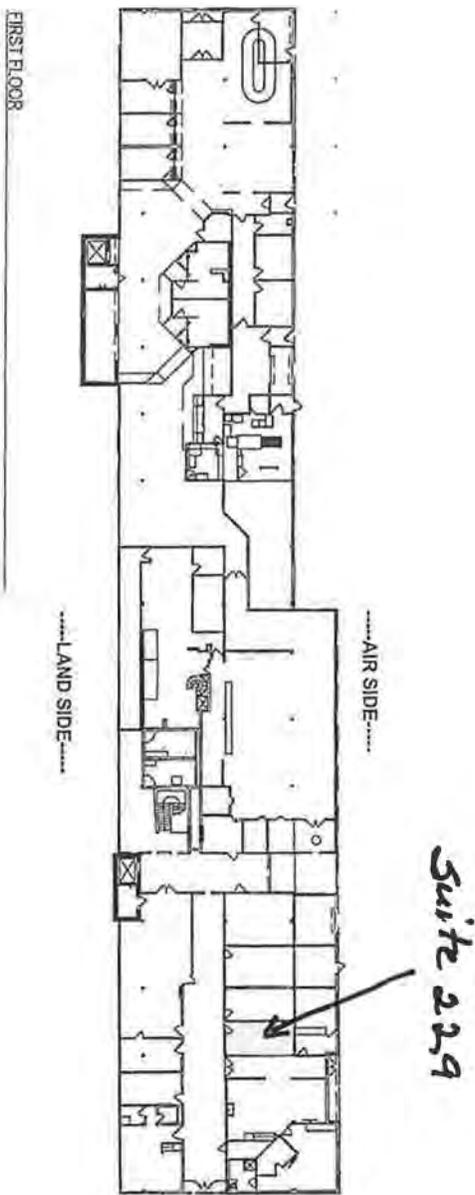
City Clerk

AC EXPRESS, INC.

By: _____
President

ATTEST:

EXHIBIT A



BASIC LAND AND FLIGHT CHARTER CONCESSION AGREEMENT

Exhibit 1

RESOLUTION

WHEREAS, the City of Morgantown submitted the necessary paperwork to obtain \$4,000 for the MountainFest LLC(a 501(c)(3) organization) through the Governor's Community Participation Grant Program, and the grant application has been approved for funding; and

WHEREAS, the grant (12LEDA0175) will allow the MountainFest Motorcycle Rally to purchase equipment, staging, promotions, or security for the event ; and

WHEREAS, Morgantown City Council is of the opinion that this will be of great benefit to the residents of Morgantown, and therefore agrees to administer the grant contract.

NOW, THEREFORE, BE IT RESOLVED by the City of Morgantown this 5th day of February, 2013, that the City agrees to the conditions of the contract and authorizes the Mayor to sign the West Virginia Development Office contract, and City Manager to administer the execution of the grant

Mayor

City Clerk