

ORDINANCE

CITY OF NEW ORLEANS

CITY HALL: September 25, 2025

CALENDAR NO. 35,240

NO. _____ MAYOR COUNCIL SERIES

BY: COUNCILMEMBER GREEN (BY REQUEST)

AN ORDINANCE to approve and authorize the City of New Orleans (“City”), by and through the New Orleans Aviation Board (“NOAB”), to enter into a Lease Agreement at Louis Armstrong New Orleans International Airport with **AERO NEW ORLEANS II, LLC**; and otherwise to provide with respect thereto.

WHEREAS, in accordance with Section 5-602 of the Home Rule Charter for the City, NOAB is charged with the administration and operation of the Airport; and

WHEREAS, State Law La. R.S. 2:135.1 permits airports eligible to receive funding from the Federal Aviation Administration to lease immovable property at fair market value without competitive solicitation; and

WHEREAS, State Law, La. R.S. 2:351 authorizes the NOAB to lease property with Council approval; and

WHEREAS, The NOAB negotiated with respect to immovable vacant properties outside of the main terminal building, identified as Buildings 1, 2, 3, 4, 4a, & 5, located in Kenner, Louisiana, 70062, and now desires to amend the Agreement to modify certain provisions of the Agreement; **NOW, THEREFORE**

1 **SECTION 1. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY**
2 **ORDAINS**, That the Council hereby approves and that the City of New Orleans, by and through

3 the New Orleans Aviation Board, be and is hereby authorized to sign the following lease agreement
4 in substantial conformance to and with Exhibit "A" attached hereto and made a part hereof:

5 Exhibit Document
6 A Lease Agreement

ADOPTED BY THE COUNCIL OF THE CITY OF NEW ORLEANS _____

PRESIDENT OF THE COUNCIL

DELIVERED TO THE MAYOR ON _____

APPROVED:
DISAPPROVED: _____

MAYOR

RETURNED BY THE MAYOR ON _____ **AT** _____

CLERK OF COUNCIL

ROLL CALL VOTE:

YEAS:

NAYS:

ABSENT:

RECUSED:

LEASE AGREEMENT
BETWEEN
THE NEW ORLEANS AVIATION BOARD
AN UNATTACHED BOARD OF THE CITY OF NEW ORLEANS
AND
AERO NEW ORLEANS II, LLC

This **Lease Agreement** (hereinafter referred to as “Lease”) is entered into by and between **THE NEW ORLEANS AVIATION BOARD** (“Board”), represented by the Hon. Michael G. Bagneris, its Chair, an unattached Board of the City of New Orleans (“City”) (the City and the Board are collectively referred to as “Airport”), and Aero New Orleans II, LLC, represented by **David Rose, its authorized representative** (the “Lessee”). The Airport and the Lessee are sometimes collectively referred to as the “Parties”. The Agreement is effective December 1, 2025 (the “Effective Date”).

WITNESSETH

WHEREAS, the City owns certain immovable property located in Jefferson Parish, Louisiana and more particularly described as the Louis Armstrong New Orleans International Airport and certain immovable property surrounding the Louis Armstrong New Orleans International Airport (the “Airport Property”); and

WHEREAS, the Board is charged with the custody, administration, and operation of the Louis Armstrong New Orleans International Airport (the “Airport”) and all property owned in connection therewith; and

WHEREAS, Lessee desires to lease certain property and to exercise certain rights, licenses, services, and privileges in connection with Airport Property; and

WHEREAS, Lessor, in accordance with LA Rev. Stat. 2:135.1(A)(4) which authorizes the governing authority of any airport located in this state that is eligible to receive funding from the Federal Aviation Administration to lease to any person, land, areas for operations space, improvements, including industrial development, and equipment on airports at a fair and reasonable price as determined by appraisals and fair market value comparisons in accordance with Federal Aviation Administration guidelines, is willing to lease the land and grant such rights, licenses, services and privileges to Lessee upon the terms and subject to the conditions set forth in this Lease; and

WHEREAS, Lessor does receive funding from the Federal Aviation Administration; and

WHEREAS, Lessor has completed, paid for, and obtained an appraisal of the property at fair market value; and

WHEREAS, the Board approved the Lease at its July 31, 2025 meeting.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this Lease, and other valuable consideration, Lessor does hereby lease and let unto Lessee certain land and facilities, and does hereby grant to Lessee certain rights and privileges, and Lessee does hereby take from Lessor such facilities and rights and privileges in connection with and on the Airport Property as described in this Lease.

SECTION 1: LEASED PREMISES

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, the following immovable property located in the City of Kenner, Jefferson Parish, State of Louisiana:

Building One (1), with approximate dimensions of 190' fronting E Access Road by a depth of 150, consists of approximately 23,431 SF of warehouse/office space, with approximately 30,128 SF of landside truck dock and vehicle parking and 25,243 SF of airside space, on a 78,802 SF site, as shown in Exhibit A-1.

Building Two (2), with approximate dimensions of 85' fronting E Access Road by a depth of 70', consists of approximately 6,020 SF of warehouse/office space, with approximately 7,742 SF of landside truck dock and vehicle parking, and 13,216 SF of airside space, on a 26,978 SF site, as shown in Exhibit A-2.

Building Three (3), with approximate dimensions of 395' fronting E Access Road by a depth of 105', consists of approximately 45,127 SF of warehouse/office space, with approximately 61,123 SF of landside truck dock and vehicle parking, and 118,920 SF of airside space, on a 225,170 SF site, as shown in Exhibit A-3.

Building Four (4), with approximate dimensions of 250' fronting W Access Road by a depth of 85', consists of approximately 20,000 SF of warehouse/office space, with approximately 23,013 SF of landside truck dock and vehicle parking, and 26,288 SF of airside space, on a 69,301 SF site, as shown in Exhibit A-4.

Building Four-A (4A), with approximate dimensions of 175' fronting the West Apron by a depth of 90', consists of approximately 14,000 SF of warehouse/office space, with approximately 24,177 SF of landside truck dock and vehicle parking, and 14,384 SF of airside space, on a 52,561 SF site, as shown in Exhibit A-5.

Building Five (5), with approximate dimensions of 120' fronting W Access Road by a depth of 85', consists of approximately 9,600 SF of warehouse/office space, with approximately 14,922 SF of landside truck dock and vehicle parking, and 15,865 SF of airside space, on a 40,387 SF site, as shown in Exhibit A-6.

Said buildings or warehouses are located at 200 Crofton Road, Kenner, Louisiana, 70062, as more fully shown on the map attached hereto as Exhibit A together with all improvements of and appurtenances in said space that exist as of the Effective Date (all of said property leased to Lessee and described in this being hereinafter referred to as the "**Premises**").

There will be airside access to the Airport Operations Area granted pursuant to this Lease, which airside access will be limited as provided in Section 5 below.

Lessee acknowledges that all of said improvements and appurtenances that exist as of the Effective Date are owned exclusively by Lessor.

SECTION 2: TERM

- (a) The term ("Term") of this Lease shall commence on the Effective Date (December 1, 2025) for a period of three (3) years, unless earlier terminated in accordance with the provisions of this Lease.
- (b) The Lessee shall have the option to renew this Lease for up to two (2) additional one-year periods (each, a "**Renewal Term**"), subject to prior written agreement between Lessee and Lessor. To exercise a renewal option, the Lessee shall provide the Lessor with written notice of its intent to renew not less than ninety (90) days prior to the expiration of the then-current Term or Renewal Term. A Renewal Term shall not be effective without written agreement between Lessee and Lessor.
- (c) In no event shall the Term extend beyond November 30, 2030 ("**Expiration Date**").

- (d) This Lease may be terminated with or without cause prior to the Expiration Date by Lessee upon ninety (90) days' prior written notice in accordance with Section 32.3 of this Lease.

This Lease is what is commonly referred to as a "Triple Net Lease", it being the intention of the parties that the Lessee shall be responsible for all expenses, including maintenance and repair responsibilities. Refer to Section 14: Maintenance and Repair of this Lease for responsibility details.

As set forth more fully in Section 6.3 below, Lessee and Lessor agree that the Premises shall be leased and that the Lessee shall accept possession of the Premises, "as is, where is, with all faults", with no right of setoff or reduction in the base rent.

SECTION 3: RENT

3.1. Base Rent.

In consideration of Lessee's right to occupy the Premises, Lessee agrees to pay to Lessor an annual base rent ("Base Rent") which is the greater of (1) the applicable percentage of Gross Rent or (2) the Minimum Annual Guarantee ("MAG"), as defined below.

- **Minimum Annual Guarantee during each Contract Year of the Term.** The MAG is the Lessee's annual minimum payment obligation. The MAG is three hundred thousand dollars (\$300,000) per Contract Year for the duration of the Lease. A "Contract Year" means the 12-month consecutive period with the first Contract Year starting on the Effective Date of the Lease. Subsequent Contract Years start on the anniversary of the Effective Date.
- **Percentage of Gross Rent from Subleasing.** Lessee will pay Lessor thirty percent (30%) of all gross rent during each Contract Year from subleasing the properties described in Section 1 of the Lease.

All building tenants under a sublease agreement prior to the Effective Date shall continue to pay the same gross annual rent during the Term of this Lease, subject to a not-to-exceed three percent (3%) annual increase excluding fluctuations in expenses not within the Lessee's control, such as utility consumption and insurance premiums.

3.2. Payment of Base Rent.

Beginning on the Effective Date and on the first (1st) day of each month thereafter throughout the Term monthly Base Rent payments equal to (A) one-twelfth (1/12) of the MAG shall be due and payable in advance for each month without notice or demand on the first (1st) day of the month and (B) any excess between the actual monthly percentage of Gross Rent accrued hereunder and Lessee's MAG payment shall be self-invoiced by the Lessee and shall be due and payable in no case later than the thirtieth (30th) of the following month.

3.3. Prorating of Rent.

If this Lease is terminated prior to the Expiration Date for reasons other than Lessee's default and if the effective date of termination is other than the first day of a calendar month, Base Rent shall be prorated to the date of termination based on a thirty-day (30) month, and Lessor shall refund to Lessee any rent paid but unearned for that calendar month as of that effective date of termination.

3.4. Unpaid Installment of Rent.

Unpaid installment of Base Rent or other sums due to the Lessor shall bear interest from the date due at the rate of 1.5% per month or at the highest lawful interest rate in Louisiana ("Interest"), whichever is greater and Lessee shall be obligated to pay all Base Rent and Interest when due.

3.5 Aeronautical Use.

The current rental rate of the Premises is based on Lessee or its sublessees using the Premises for an aeronautical use. In the event that the use ceases to be aeronautical and becomes a non-aeronautical use, Lessor has the right to increase the rental rate to the Fair Market Value as determined by an appraisal from a licensed Appraiser. Lessor acknowledges that all current sublessees at the Premises are using the Premises for aeronautical use.

3.6 Security Deposit.

Lessee shall provide to the Director prior to the Effective Date and maintain during the term of this Lease, a sum equal to three (3) month's rent in the form of cash, or an irrevocable letter of credit or a performance bond. The letter of credit or performance bond must be in a form, drawn on a domestic bank, and acceptable to the Director. The letter of credit or performance bond must remain in effect throughout the term of this Lease and for a period of ninety (90) days thereafter.

SECTION 4: USE

4.1. Permitted Use.

Lessee hereby agrees to use the Premises for the below-stated purposes only and strictly in accordance with the terms and conditions of this Lease. Lessee is prohibited from installing any permanent or temporary building structures on the Premises without permission of the NOAB. Lessee's use of the Premises shall be limited to the following purposes:

- a) Operation and maintenance of Buildings 1, 2, 3, 4, 4a, and 5 for the purposes of support of the critical air cargo tenants and airline support related to ground service and equipment.
- b) It is an express condition of this Lease that Lessee remains in compliance with all applicable Federal, state, and local laws, rules, and regulations, including land use restrictions including, but not limited to Advisory Circular 150/5300-13B.

4.2. Non-Exclusive.

Lessee's rights and privileges in this Lease are non-exclusive, and nothing herein shall preclude the Lessor from entering into an agreement with any other parties during the term of this Lease for the sale/service in any part of the Airport of the same or similar merchandise or service which Lessee is permitted to sell or offer hereunder, whether such agreements are awarded competitively or through negotiations and regardless of whether the terms of such agreements are more or less favorable than the terms of this Lease.

SECTION 5: GOVERNMENTAL APPROVALS AND PERMITS.

5.1. General

Responsibility for securing all required governmental approvals and permits shall rest solely with the Lessee and shall be at the sole expense of the Lessee. The Board and the City shall not be liable for any expense or claim of the Lessee should the Lessee fail to timely obtain, or be unsuccessful in obtaining, any required governmental approvals and permits necessary for the construction and/or operation of the Premises. Notwithstanding the foregoing, Lessor agrees to cooperate with Lessee to obtain such permits.

5.2. Security Badges.

Without limiting the scope of the immediately preceding paragraph, because Lessee will require airside access to the Airport operations area ("AOA") to reach and to use at least some portions of the Premises, Lessee must cause all Lessee's employees, representatives, contractors and invitees requiring access to the AOA ("Access Personnel") to obtain security badges from the Airport's security office and comply with (and assure and be responsible for all Access Personnel's compliance with) all Airport regulations associated with the issuance of said badges and all applicable Airport security and other rules and regulations.

SECTION 6: ACCEPTANCE AND CONDITION OF PREMISES

6.1. Condition of Premises.

Lessee hereby acknowledges that the Premises are in useable condition. Lessee shall return the Premises to as good a condition as they were on the Effective Date, with the exception of ordinary wear and tear, or other fully insured casualty to the extent insurance proceeds from or on behalf of Lessee are remitted to Lessor.

6.2. Surveys & Inspections.

Lessee, at Lessee's sole cost and expense, may, prior to the Effective Date, conduct surveys, tests, and inspections as Lessee considers reasonably necessary or desirable in connection with the intended use of the Premises.

6.3. Warranty or Representation of Premises.

Lessor makes no warranties or representations, either express or implied, whatsoever regarding the Premises. Without limiting the declaration contained in the immediately preceding sentence, Lessor makes no warranties or representations, either express or implied, as to the Premises' fitness or suitability for a particular purpose, as to the environmental condition of the Premises, as to redhibitory defects, or as to vices or defects of whatever kind or nature, and whether known, unknown, latent or hidden, as to the Premises, and disclaims all responsibilities, liabilities, and obligations that are or may be imposed on the Lessor by Louisiana Civil Code Articles 2696 through 2702, inclusive, or otherwise. Lessee affirms that Lessee has had full opportunity to examine and to inspect the Premises. Lessee accepts the Premises in an "as is, where is" condition. On behalf of Lessee and Lessee's officers, managers, members, directors, stockholders, employees, successors, assigns, and representatives:

- a) Lessee hereby waives, to the fullest extent allowed under Louisiana Civil Code Article 2699 and otherwise under Louisiana law, any and all of Lessee's rights and remedies against the City and the Board relating to the Premises (including without limitation all of Lessee's rights and remedies under Louisiana Civil Code Articles 2696 through 2702, inclusive); and
- b) Lessee hereby relieves and releases:
 - i. The Lessor and all prior owners of the Premises;
 - ii. All entities controlled in whole or in part by Lessor; and
 - iii. The Lessor's, and said prior owners' respective officials, officers, directors, commissioners, members, employees, contractors, subcontractors, representatives, attorneys, agents, affiliates, agencies, successors, and assigns; from any and all claims, losses, causes of action, rights of action, damages, expenses (including without limitation reasonable attorney's fees) and costs (collectively "Claims") for vices or defects (whether known, unknown, latent, or hidden) of, for peaceful possession of, or otherwise relating to, the Premises, including without limitation any and all Claims based on environmental conditions; any and all Claims based on any one or more of Louisiana Civil Code Articles 2696 through 2702, inclusive; any and all Claims (if any) for redhibition pursuant to Louisiana Civil Code Articles 2520 et seq.; and any and all Claims based on Lessee's inability to obtain any and all applicable permits, approvals or other authorizations from any governmental entities, units or agencies.

6.4. Aviation Hazard.

Lessor reserves the right to take any action it considers necessary to protect the airspace and approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected or located, any light fixture, building, object, structure, or growth of natural object on the Premises or adjacent to the Airport which, in the opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft or obstruction to air navigation or communication facilities.

6.5. Avigation Servitude.

The Lessor reserves an avigation servitude for the unobstructed use and passage of all types of aircraft in and through the airspace above the Premises at and above 40 feet in height above ground level. The avigation servitude shall include all incidental rights related to aviation within this airspace, including without limitation the right to cause such noise, vibrations, fumes, deposits of dust or other particulate matter, fuel particles (which are incidental to normal aircraft operation), fear, interference with sleep and communication and any and all other effects that may be alleged

to be incident to or caused by the operation of aircraft within the airspace over 40 feet in height above ground level or in the vicinity of the Premises or in landing at or taking off from the Airport.

6. 6. Compliance with ADA.

Lessee, at its sole cost and expense, agrees to keep and maintain the Premises in full compliance at all times with the Americans with Disabilities Act of 1990, as amended ("ADA"). In addition, Lessee agrees that all alterations and improvements to the Premises, if permitted, shall comply with all ADA requirements.

SECTION 7: ALTERATIONS

Lessee is prohibited from installing any permanent or temporary building structures on the Premises unless authorized by the Director of Aviation or his authorized representative. Lessee is also prohibited from making any other permanent or temporary alterations to the Premises (said alterations other than the leasehold improvements or alterations being hereinafter referred to as the "Alterations") without the Director of Aviation's or his authorized representative's prior written consent. Before making any Alterations, Lessee shall:

- a) Submit a request and a copy of the Alterations plans to the Lessor in the form of a Tenant Project Application Form at least thirty (30) days prior to the planned commencement of the Alterations;
- b) Comply with all applicable local, state, or federal laws, regulations, codes, or ordinances affecting such Alterations and the Premises; and
- c) Perform the Alterations so as not to unreasonably interfere with or create a nuisance for aircraft, the operation of the Airport, and/or the tenancy of others.
- d) Provide all required insurance and performance and payment bonds as may be requested by the Lessor in its sole discretion prior to the start of any construction.

All Alterations made by Lessee to the Premises shall remain Lessor's property at the end of the Lease term, regardless of how or when the Lease term ends. Lessor shall not have to pay or reimburse Lessee for any cost of such improvements unless the Lease term ends solely and exclusively due to Lessor's fault, in which case the cost amount shall be calculated in the manner set forth in the written agreement entered into between Lessor and Lessee at the time of the giving of Lessor's written consent to the Alterations pursuant to this Section.

The cost of any renovation, construction, alteration, or improvement authorized according to the provisions of this Lease shall be borne and paid for solely by Lessee. Lessor and Lessee agree that Lessor has no financial or other obligation of any kind under this Lease other than the lease to Lessee of the Premises which are the subject of this Lease for the term and considerations herein set forth. It is expressly understood and agreed that Lessee shall be responsible at Lessee's sole expense for any improvements made to the Premises.

SECTION 8: EQUIPMENT/MATERIAL

All equipment, and all items of personal or movable property that do not become fixtures or component parts, including any proprietary items owned by Lessee, that are located or placed by Lessee upon the Premises (collectively "Lessee's Personal Property") shall remain the property of Lessee. All said equipment and materials shall be removed from the Premises by Lessee upon the expiration of the Lease. All equipment and materials left on the Premises after the expiration of the Lease may be removed by the Lessor which cost of removal shall be the sole obligation of the Lessee.

Lessee shall remove all Personal Property prior to the termination of the Lease, with the failure to do so constituting a waiver of Lessee's ownership of Lessee's Personal Property. In the event Lessee fails to remove Lessee's Personal Property within ten (10) days after the termination of the Lease and Lessor elects to remove same, Lessee shall be required to reimburse the Lessor the entire cost of removing Lessee's Personal Property from the Premises.

SECTION 9: NO WASTE, NUISANCE, OR UNLAWFUL USE

Lessee shall not commit or allow to be committed any waste on the Premises, create or allow any nuisance to exist on the Premises, or use or allow the Premises to be used for any unlawful purpose.

SECTION 10: ENVIRONMENTAL OBLIGATIONS

Lessee hereby expressly covenants, warrants, and represents to Lessor, in connection with Lessee's operation at the Premises and Airport, the following:

- a) Lessee is knowledgeable of all applicable federal, state, and local environmental laws, ordinances, rules, regulations, and orders ("Environmental Laws"), which apply to Lessee operations at the Premises and acknowledges that such Environmental Laws change from time to time and Lessee agrees to keep informed of any such future changes.
- b) Lessee agrees to comply with all applicable Environmental Laws which apply to Lessee's operations at the Premises. As a supplement to the indemnification by Lessee in Section 17, below, Lessee agrees to hold harmless, defend, and indemnify the Lessor for any violation by Lessee or any one or more of Lessee's employees, agents, and contractors of such applicable Environmental Laws and for any non-compliance by Lessee or any one or more of Lessee's employees, agents, and contractors with any permits issued to Lessee pursuant to such Environmental Laws, which hold harmless, defense, and indemnity shall include, but not be limited to, enforcement actions to assess, abate, remediate, undertake corrective measures or monitor environmental conditions and for any monetary penalties, costs, expenses (including without limitation reasonable attorney fees and costs), and damages, imposed against Lessee, its employees, invitees, suppliers, or service providers or any one or more of Lessor's respective officers, agents, employees, representatives and attorneys by reason of Lessee's violation or non-compliance. The foregoing hold harmless, defense, and indemnity shall not apply to the extent any claim arises out of the negligence or willful misconduct on the part of any of the Lessor's respective officers, agents, employees, representatives, and attorneys provided in Section 17 below. Lessee has an immediate and independent obligation to, at the Airport's option: (1) defend the Airport from or (2) reimburse the Airport for its costs incurred in the defense of any claim that actually or potentially falls within this indemnity, even if the allegations are or may be groundless, false, or fraudulent or Lessee is ultimately absolved from liability.
- c) Subject to the allowance provisions of Section 11, Lessee shall not use, store, or house any petroleum fuels, highly flammable, or Hazardous Materials on the Premises. For the purpose of this Section, the term "Hazardous Materials" means and includes the following: Any hazardous substance as defined in any Environmental Law, including any "Hazardous Waste" or "Hazardous Substance" as defined by CERCLA and the Louisiana Hazardous Waste Control Law, La R.S. 30-2171 et seq. and chemicals subject to the OSHA Hazard Communication Standard. 29 CFR Section 1910.1200 et seq.

SECTION 11: HAZARDOUS MATERIALS

11.1. Hazardous Waste Generation.

In any calendar month during the Lease term, if the Lessee generates (a) an excess of 100 kilograms (approx. 220 pounds) of Hazardous Materials (as defined in Section 10(c)), (b) any residue, contaminated soil, waste, or other debris resulting from the clean-up of a spill, or (c) more than one kilogram of "acutely hazardous waste", then Lessee shall obtain and maintain a Hazardous Waste Generator Permit (hereinafter referred to as "HW Permit") from the Louisiana Department of Environmental Quality. If the Lessee is obligated to obtain an HW Permit pursuant to this section, then the Lessee shall procure within a reasonable time an authorized collection and disposal company to properly remove and dispose of environmentally regulated materials on at least a quarterly basis. If the Lessee is not obligated to obtain an HW Permit pursuant to this section, then the Lessee shall provide documentation, upon request, that an authorized outside service provider has been contracted to service their equipment (i.e. forklifts) and legally dispose of waste products. Service and disposal records shall be made available for inspection by the Airport Environmental Engineer at all times.

“Acute hazardous waste” is any hazardous waste with a waste code beginning with the letter "P" or any state-only hazardous waste with a waste code beginning with the letters "P", "ORP" or any of the following "F" codes: F020, F021, F022, F023, F026, and F027; refer to the MSDS Sheet for applicable waste codes.

11.2. Hazardous Material Storage and Transport Election

Upon written request for approval to the Director of Aviation, Lessee shall have the option to store and transport certain Approved Hazardous Materials subject to the terms and conditions contained in this Section. Said approval shall be granted upon verification that Lessee has met the requirements contained in Section 11.2.B.

A. Approved Hazardous Materials.

Subject to the requirements of subsections B and C below, the following classes of Hazardous Materials as defined by the U.S. Department of Transportation are Approved Hazardous Materials under this Lease Agreement:

- a) Class 2 Flammable Gases;
- b) Class 3 Flammable Liquids;
- c) Class 5 Oxidizers;
- d) Class 6 Poisonous Liquids; and
- e) Class 8 Corrosives.

B. Requirements for storage and transportation of Approved Hazardous Materials.

Lessee agrees to the following obligations in order to be granted the right to store and transport Approved Hazardous Materials.

- a) Lessee or its sublessees must obtain, and maintain in good standing, a Hazardous Waste Storage and Transportation Permit from the Louisiana Department of Environmental Quality (DEQ) before any Approved Hazardous Materials can be used or stored on the Premises.
- b) Lessee or its sublessees must develop an internal Best Management Practices for the handling, use, storage, and disposal of any and all regulated materials and Approved Hazardous Materials and submit same to the BOARD's Environmental Engineer for approval before any Approved Hazardous Materials can be used or stored on the Premises.
- c) Lessee or its sublessees must file Quarterly Environmental Reports with NOAB's Environmental Engineer. The Quarterly Facility Inspection Log is attached as Exhibit C.
- d) Lessee or its sublessees must ensure all employees that are located at the leased premises attend annual EPA-mandated Storm Water Pollution Prevention training, and document same through a signed attendance roster. The training material shall be provided by the BOARD Airport Environmental Engineer. The first EPA-mandated Storm Water Pollution Prevention training for all employees that are located at the leased Premises must take place before any Approved Hazardous Materials can be used or stored on the Premises.

C. Inspection.

Prior to the initial storage and use of Approved Hazardous Materials, the leased Premises must be inspected and approved by the BOARD Fire Chief. Thereafter, the BOARD Fire Chief shall have the right to enter the leased premises and inspect the conditions thereof at any time and without notice.

D. Termination of Allowance.

Lessor reserves the right to both amend the definition of Approved Hazardous Materials to remove or add classes of hazardous materials or to terminate the allowance of hazard materials completely as it deems appropriate and as may be required to comply with Federal Aviation Administration (FAA) rules, instructions, regulations, and guidance, Transportation Security Agency (TSA) rules, instructions, and regulations and/or to further any Airport development or improvement as it sees fit. Furthermore, the Lessee may elect to terminate the allowance as well.

SECTION 12: UTILITIES

Lessee shall be responsible for paying for all utilities, including without limitation water, sewer, telephone, electricity, and refuse collection used in and at the Premises. In no event shall the City or the Board be liable for

damages, loss of business, and loss of profits or otherwise for any interruption, reduction, or failure in the supply, quality, or character of any utility service at the Airport.

SECTION 13: TAXES AND ASSESSMENTS

Lessee agrees to pay Lessor within thirty (30) days of receipt, and all other utility providers before delinquency, all uncontested lawful taxes, assessments, fees, or charges which at any time may be levied by the state, parish, city, or any tax or assessment levying body upon the immovable property or any activity carried on under this Lease, any interest in this Lease or any possessory right which Lessee may have in or to any property covered under this Lease or by reason of Lessee's use or occupancy thereof or otherwise, as well as all lawful taxes, assessments, fees and charges on goods, merchandise, fixtures, appliances, equipment and property owned by Lessee in or about the Premises.

SECTION 14: MAINTENANCE AND REPAIR

14.1 General Maintenance and Repair

Under the terms of this Triple Net Lease, the Lessee, at Lessee's sole cost and expense at all times during the term of this Lease, agrees to keep and maintain, or cause to be kept and maintained, the Premises, including the building, in a good state of appearance and repair similar to the condition of the Premises at the commencement of this Lease, reasonable wear and tear excepted. Lessee shall be responsible for all maintenance, repairs, and inspections including but not limited to, interior ceilings, walls, windows, office entries, floors, HVAC systems, electrical systems, sprinkler systems, dock covers, dock bumpers, exterior walls, exterior doors, the roof and roof membrane, the foundation of the facility, landscaping, and plumbing and plumbing fixtures, to the Premises. Where applicable, Lessee or its sublessees shall provide and use suitable covered metal receptacles for all garbage, trash, and other refuse. Piling of boxes, cartons, barrels, pallets, or similar items, in an unsightly, unsafe manner, on or about the Premises, is prohibited. Lessee shall provide complete and proper arrangements for the adequate sanitary handling and disposal, away from the Premises, of all trash, garbage, and other refuse caused as a result of the Lessee's occupancy and use of the Premises.

Lessee agrees to commit to a minimum spending of \$200,000 per Contract Year on capital replacements and repairs during the Term of the Lease (the "Annual Minimum M&R") for a total of \$600,000 during the initial three-year Term of the Lease, plus \$200,000 for each one-year extension of the Lease. Any unspent Annual Minimum M&R shall be added to the following Contract Year's \$200,000 Annual Minimum M&R amount. There shall be a reconciliation made at the end of the initial three-year Term of the Lease, and then annually for each one-year extension of the Lease exercised by the Parties. The reconciliation will be supported by receipts showing the expenditure of the minimum \$200,000 annually. If the Lease is terminated at any time during the primary term or extensions, any unspent amounts of this \$200,000 annual Contract-Year commitment and any roll over amounts accumulated during the term of the Lease will become payable to Lessor within 90 days. However, if the Lease is terminated before the end of any given contract year, the annual \$200,000 commitment will be prorated for that Contract Year. All costs for any capital replacements and repairs to meet the Annual Minimum M&R shall be approved by the Director of Aviation or his authorized representative in advance, which approval shall not be unreasonably withheld. Expenditures not approved by the Director of Aviation or his authorized representative in advance shall not be counted towards the Lessee's Annual Minimum M&R requirement. Emergency capital repairs will be reported immediately, reviewed, and approved.

14.2 Non-Responsibility of Lessor

Except as expressly set forth herein, there shall be no abatement from or reduction of the Rent due hereunder regardless of the reason or cause. Lessee shall not be entitled to damages, costs, losses, or disbursements from Lessor regardless of the cause or reason therefore. Lessee shall have no claim of any nature whatsoever against Lessor, no abatement or reduction of rent, and no recovery by Lessee from Lessor on account of partial or total failure of, or damage caused by (a) lessening of supply of, or stoppage of, heat, air-conditioning, electric light, power, water, plumbing, sewerage, or any other service, (b) any damage or annoyance occasioned by water, snow, or ice being upon or coming through the roof, skylight, windows, or otherwise, (c) any defect or break in any pipes, tanks, fixtures, or

otherwise whereby steam, water, snow, smoke or gas, leak, issue or flow into the Premises, (d) any damage or annoyance occasioned by the condition or arrangements of any electric or other wiring, (e) any damage or annoyance arising from any acts, omissions, or negligence of co-Lessees or other occupants of the Property, or of owners or occupants of adjacent or contiguous property, or (f) the making of major repairs, alterations, repairs, improvements, or structural changes to the Property, or anything or service therein or thereon or contiguous thereto provided the same shall be made with reasonable expedition.

14.3 Lessee Personal Property Damages

Loss and Damage. Notwithstanding any contrary provisions of this Lease, Lessor shall not be responsible for any loss of or damage to property of Lessee or of others located on the Leased Premises, except where caused by the willful act or omission or negligence of Lessor, or Lessor's agents, employees or contractors, provided, however, that if Lessee shall notify Lessor in writing of repairs which are the responsibility of Lessor under Section 14.1 hereof, and Lessor shall fail to commence with the reasonable due diligence of a regulated governmental entity prosecute to completion said repairs promptly after such notice, and if after the giving of such notice and the occurrence of such failure, loss of or damage to Lessee's property shall result from the condition as to which Lessor has been notified, Lessor shall indemnify and hold harmless Lessee from any loss, cost or expense arising therefrom.

SECTION 15: SIGNS

Lessee shall have the right to place signs on the Premises subject to any applicable laws, code and ordinances, subject to any reasonable rules and regulations of the Lessor subject to the prior approval of the Lessor. Lessee shall be solely responsible for maintaining its signs in good condition and shall remove them and repair any damage caused by such removal on or before the Expiration Date. Lessee is not allowed to place or to erect any signs or advertising material on the Premises without the prior approval of the Lessor.

SECTION 16: ACCESS

Lessor and Lessor's authorized representatives shall have the right to enter the Leased Premises following 24 hours' notice to Lessee for the purpose of:

- a) Performing any maintenance or repairs that Lessee has failed to undertake, and
- b) Inspecting the Premises to verify that fire, safety, sanitation regulations, and other provisions contained in this Lease are being adhered to by Lessee.

Lessor shall use its best efforts to conduct Lessor's activities in the Premises in a reasonable manner that will seek to minimize interference with Lessee's business operations. Lessor shall be permitted access to the Premises for emergencies without prior notice to Lessee, so long as Lessee is notified as soon thereafter as is reasonably possible.

SECTION 17: INDEMNIFICATION

To the fullest extent permitted by law, the Lessee shall fully indemnify, defend, and hold harmless and defend the City, Board, and all their respective officers, agents, contractors, employees, representatives, and attorneys ("Indemnified Parties") from and against all suits, actions, claims, damages, losses and expenses, direct, indirect or consequential, including but not limited to fees and charges of attorneys and other professionals and court and arbitration costs, of any character, name, and description brought for or on account of any injuries or damages, including but not restricted to death, received or sustained by any persons or property on account of, arising out of, or in connection with:

- a) The operations of the Lessee, its contractors, sub-contractors, vendors, visitors, and suppliers; and
- b) Any negligent act or intentional omission, misconduct, or fault of the Lessee, its contractors, sub-contractors, vendors, visitors and suppliers, or their agents or employees in the execution of the Lease or performance of the services required thereunder; and

- c) Any violation by Lessee of law, ordinance, regulation, or order of any public authority having jurisdiction over the services required hereunder.

Limitation. Lessee's indemnity does not extend to any loss arising from the gross negligence or willful misconduct of any of the Indemnified Parties, provided that neither the Lessee nor any of its agents or employees contributed to such gross negligence or willful misconduct.

Independent Duty. Lessee has an immediate and independent obligation to, at the Airport's option: (1) defend the Airport from or (2) reimburse the Airport for its costs incurred in the defense of any claim that actually or potentially falls within this indemnity, even if the allegations are or may be groundless, false, or fraudulent or Lessee is ultimately absolved from liability.

Expenses. Notwithstanding any provision to the contrary, Lessee shall bear the expenses including, but not limited to, the Board's and City's reasonable attorney fees and expenses, incurred by the Board and the City in enforcing this indemnity.

The Lessor shall fully indemnify, save harmless and defend Lessee and all its officers, agents, employees, representatives, and attorneys from and against all suits, actions, claims, damages, losses, and expenses, direct, indirect, or consequential (including but not limited to fees and charges of attorneys and other professionals and court and arbitration costs) of any character, name, and description brought for or on account of any injuries or damages (including but not restricted to death) received or sustained by any persons or property on account of, arising out of, or in connection with:

- a) The operations of the Lessor, its contractors, sub-contractors, vendors, visitors and suppliers; and
- b) Any negligent act or intentional omission, misconduct, or fault of the Lessor, its contractors, sub-contractors, vendors, visitors, suppliers, and their agents and employees related to this Lease Agreement or performance of the services required thereunder.
- c) Any violation by Lessor of law, ordinance, regulation, or order of any public authority having jurisdiction over the services required hereunder.

SECTION 18: INSURANCE

18.1. Minimum Coverage.

Lessee shall, at its own cost and expense, maintain the following insurance coverages throughout the Term. Prior to the Execution Date, Lessee shall produce to the Board certificates of insurance evidencing the coverages required herein and listing the Board and the City as additional insureds. Lessee shall require any sub-contractors, sub-Lessees, and sub-tenants doing business with or for the Lessee to comply with the provisions of this Section or the liability for said sub-contractors, sub-Lessees, and sub-tenants shall be covered by the Lessee:

- (a) **Commercial General Liability Insurance:** The Lessee agrees to maintain CGL coverage covering all operations pursuant to this Lease performed by the Lessee, or on its behalf, in the following amounts (inclusive of any amounts provided by an umbrella or excess policy):
 - Per Occurrence: \$5,000,000

This insurance shall include coverage for premises operations, broad-form contractual liability, products, and completed operations, use of contractors and subcontractors, personal injury, and broad-form property damage. A "Claims made" form shall not be acceptable. The "occurrence form" shall not have a "sunset clause".
- (b) **Business Automobile Liability Insurance:** Lessee shall maintain Business Auto Liability coverage for all owned, hired, and non-owned vehicles with the following policy limits (inclusive of any amounts provided by an umbrella or excess policy):
 - Combined Single Limit per Occurrence (both bodily injury and property damage): \$1,000,000

In the event Lessee operates vehicles on the AOA used or intended to be used for aircraft landings, the minimum limits of Business Automobile Liability insurance (inclusive of any amounts provided by an umbrella or excess policy) covering all owned, hired, and non-owned vehicles are:

- Combined Single Limit per Occurrence (both bodily injury and property damage): \$10,000,000
- (c) Workers' Compensation and Employer's Liability Insurance: Lessee agrees to maintain Workers' Compensation and Employer's Liability Insurance with the following policy limits (inclusive of any amount provided by umbrella or excess):
- Workers' Compensation: Statutory Limits
 - Employer's Liability:
 - Each Accident: \$1,000,000
 - Disease (policy limit): \$1,000,000
 - Disease (each employee): \$1,000,000
- (d) Property Insurance: Lessee shall maintain Property Insurance covering all forms of risk on all Alterations or Improvements and any other interests of Lessee, including inventory, supplies, and other property of Lessee located on the Premises, insuring against perils typically covered by property insurance including, but not limited to, fire, lightning, extended coverage, vandalism, malicious mischief, glass breakage, sprinkler, Named Storm and terrorism in an amount equal to the full replacement value of Lessee improvements and any other interests of Lessee in or about said Premises. The policy shall name or be endorsed to name the City and Board as "Loss Payee" as their interests may appear.
- (e) Business Interruption Insurance: Lessee shall maintain Business Interruption insurance in an amount sufficient to compensate Lessee for the direct or indirect loss of earnings under this Lease and attributable to the perils commonly covered by the Lessee's property insurance, which shall include losses arising from mechanical or utility failures on or interruption of services to the Premises.
- (f) Commercial Crime Insurance: If Lessee's use of the Airport involves handling money, then Lessee shall maintain Commercial Crime insurance covering including, but not limited to, loss arising from employee theft, employee dishonesty, forgery or alteration, robbery, burglary, embezzlement, disappearance, destruction; money orders and counterfeit currency; depositors forgery; computer fraud, on- and in-transit:
- Each Occurrence: \$1,000,000
- (g) Liquor Legal Liability: If Lessee's use of the Airport involves the provisioning or selling of liquor, Lessee shall maintain Liquor Legal Liability coverage covering the selling, serving, or furnishing of any alcoholic beverage pursuant to this Lease performed by Lessee, or on its behalf, in the following amounts (inclusive of any amounts provided by an umbrella or excess policy):
- General Aggregate: \$2,000,000
 - Each Occurrence: \$1,000,000

The insurance policies herein required shall contain or be endorsed to contain the following provisions:

- A. Workers' Compensation coverage shall contain an express waiver of all rights against the City and NOAB, its elected and appointed officials, officers, agents, directors, volunteers, and employees, for losses arising from the services performed by the Lessee for the City and the Board.
- B. The City and Board and their respective officers, officials, and employees are to be added as additional insured to the Commercial General Liability and the Automobile Liability insurance policies with respect to (i) liability arising out of activities performed by or on behalf of the Lessee; (ii) products and completed operations of the Lessee, and (iii) the insurance obtained by Lessee insuring the Premises against casualty losses. The coverage shall contain no special limitations on the scope of protection afforded the additional insured. The Certificate Holder shall be in the name of:

The City of New Orleans by and through the New Orleans Aviation Board
PO Box 20007
New Orleans, LA 70141

Within the Certificate of Insurance "Description of Operations/Locations/Vehicles/Remarks" field, please include the following language:

"Where required by written contract, The City of New Orleans, The New Orleans Aviation Board, and their respective members, officers, employees, agents, and assigns are included as Additional Insured and Loss Payee as their interest may appear."

- C. Certificates of insurance acceptable to the BOARD and the City shall be provided prior to commencement of the Lease. The Lessee shall be responsible for providing 30 days prior written notice of cancellation/non-renewal except 10 days for non-payment. Company endorsements shall be provided with the certificate of insurance.

18.2. All insurance required by this Section shall be placed with insurers that are licensed and authorized to do business in the State of Louisiana and have a rating of no less than A-VI in the most current edition of the A.M. Best Insurance Report, AAA in Moody's, and AAA in Standard and Poor's. The providing of any insurance required herein does not relieve the Lessee of any of the responsibilities or obligations for which the Lessee may be liable by law, lease or otherwise. The Lessee's failure to provide and maintain such insurance in force as required above shall materially breach the Lease and, at the City and /or Board's option, occasion an immediate cancellation for cause thereof. The Lessee and any subcontractors shall comply with all laws relating to immigration and naturalization; failure to comply shall constitute an event of default under the Lease.

In the event Lessee does not have the required certificate(s) of insurance evidencing the proper insurance coverage, or the required insurance coverage lapses, this Lease shall be immediately terminated at the discretion of the Director. Any policy endorsement should be attached to the certificate(s). Lessee must require Lessee's contractors or sub-contractors and other persons doing business with or for the Lessee to maintain at least the insurance as required above or the liability for said contractors or sub-contractors and other persons doing business with or for the Lessee shall be covered by the Lessee.

18.3. Additional Insurance.

The Board reserves the right to require Lessee to provide such additional amounts of insurance coverage, or such additional types of insurance coverage, as the Board deems necessary during the term of this Lease upon receipt of prior reasonable written notice from the Board. Lessee will use its commercially reasonable best efforts to furnish the Board, within sixty (60) days of said request, a certificate of insurance evidencing such insurance with increased limits in full force and effect.

18.4. Insurance Not a Limitation on Liability.

Compliance with the foregoing requirements shall not relieve Lessee of its liability under any other provision of this Lease, or by law.

SECTION 19: CASUALTY

If, due to fire or other casualty which is not the fault of Lessee, the Premises are totally destroyed or rendered incapable of being occupied and operated by Lessee for the purposes set forth herein, within one hundred eighty (180) days of the date of the fire or other casualty, in Lessee's sole discretion, Lessee shall have a right to terminate this Lease. In such a case, all insurance proceeds covering the improvements on the Premises shall be the property of the Lessor.

If, due to fire or other casualty which is not the fault of Lessee, the Premises are partially damaged or rendered partially incapable of being occupied and operated by Lessee for the purposes set forth herein, in Lessee's sole discretion, this Lease shall continue in effect. Until full use of the Premises is restored, Base Rent shall partially abate in the proportion that the subject area incapable of the aforesaid occupancy and operation bears to the entire area of the Premises. If full tenancy is not restored within One Hundred Eighty (180) calendar days from the date of the casualty, either Lessee or Lessor may terminate this Lease upon ten days written notice, without liability to either party, and any pre-paid Base Rent shall be pro-rated and refunded to Lessee. Repair of the Premises by Lessor shall be limited to rebuilding those structures which existed as of the Effective Date and insurance proceeds received.

In the event of a Casualty, parties may enter into a Restoration Agreement that allows the Lessee to perform the restoration of those portions of the building in which Lessor may be responsible for under Section 14 of the Lease Agreement. Lessor will reimburse Lessee for the cost of that restoration as long as the restoration was approved in advance by NOAB's Planning, Development & Construction Department and Lessee performs the restoration in accordance with all applicable, laws, rules, regulations, and building codes of all government authorities having jurisdiction over the premises.

SECTION 20: CONDEMNATION

In the event that any federal, state, or local government or agency or instrumentality thereof shall, by condemnation or otherwise, take title, possession, or the right to possession of the Premises or any part thereof, the Lessor may, at its option, terminate this Lease as of the date of such taking, and if Lessee is not in default under any of the provisions of this Lease on said date, any rent or concession fees prepaid by Lessee shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Lessee. In addition, the Lessee shall be entitled to participate in any compensation paid in the event of a taking, not to exceed the leasehold improvements or alterations.

During any war or national emergency, Lessor shall have the right to lease any part of the Airport, including its landing area, to the United States Government. In this event, any provisions of this Lease which are inconsistent with the provisions of the lease to the Government shall be suspended. Lessor shall not be liable for any loss or damages alleged by Lessee as a result of this action. However, nothing in this Lease shall prevent the Lessee from pursuing any rights it may have for reimbursement from the United States Government.

This Lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States Government relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Should the effect of such agreement with the United States government be to take all or any of the Premises or substantially alter or destroy the commercial value of the leasehold interest granted herein, Lessor shall not be held liable therefore, but in such event, Lessee may cancel this Lease upon ten (10) days written notice to Lessee.

SECTION 21: ASSIGNMENT AND SUBLETTING

21.1. Mortgage.

Lessee shall not be allowed to mortgage, to grant a security interest in, to assign for security or collateral purposes, or otherwise to encumber Lessee's interest in and to the Premises or this Lease.

21.2. Transfer/Sublet.

Lessee shall not transfer, assign, sublet, or otherwise alienate Lessee's interest in and to the Premises without first obtaining the written consent of the Director of Aviation or his authorized representative, which consent shall not be unreasonably withheld. Any transfer, assignment, subletting, or alienation of this Lease or of Lessee's leasehold interest in the Premises without the prior written consent of the Director of Aviation and/or his authorized representative shall be null and void.

21.3. Permission to Sublease.

In the event Lessee requests permission to sublease, the request shall be submitted to the Director of Aviation or his authorized representative and shall be accompanied by a copy of the proposed sublease agreements and all agreements collateral thereto. The area or space to be subleased, the rental to be charged, the type of business to be conducted, and the identity and financial history of the sub-tenant shall be specified. Each transfer, assignment, or subletting of this Lease to which there has been consent shall be by instrument, in writing, and shall be executed by the transferee, assignee, or sub-lessee who shall agree in writing, for the benefit of Lessor, to be bound by and to perform the terms, covenants, and conditions of this Lease. An executed copy of such written instrument shall be delivered to Lessor. Failure to first obtain written consent from the Director of Aviation or his authorized representative, or failure to comply with the provisions herein contained, shall operate to prevent any such transfer, assignment, or subletting from becoming effective. Lessor hereby consents to the current subtenants at the Premises. At Lessee's option, Lessee shall record a memorandum of this Lease with the recorder of mortgages for Jefferson Parish within 15 days of all parties signing this Lease. Every sublease must require the subtenant to enter into an agreement with NOAB to operate on NOAB premises, provide proof of insurance, and indemnify NOAB pursuant to Section 17 above.

21.4. Lessor Consent.

Should the assignment of this Lease be consented to by the Director of Aviation or his authorized representative and to the extent that such assignee assumes Lessee's obligations hereunder, Lessee shall not, by virtue of such assignment, be released from Lessee's obligations under the Lease unless, at the time of the giving of the Director of Aviation's or his authorized representative's written consent, the Director of Aviation or his authorized representative expressly agrees in writing to the contrary. Should the subletting of the Premises be consented to by the Director of Aviation or his authorized representative, Lessee agrees and acknowledges that Lessee shall remain fully and primarily liable under this Lease, notwithstanding any such sublease and that any such sub-lessee shall be required to attorn to Lessor under the terms of this Lease.

The receipt by the Lessor of rent from any assignee, subtenant, or occupant of the Premises shall not be deemed a waiver of the requirements in this Section 21 or an acceptance by the Lessor of the assignee, subtenant or occupant as a tenant or a release of the Lessee from further observance or performance by the Lessee of the covenants and obligations contained in this Lease. No provisions of this Lease shall be deemed to have been waived by the Lessor unless such waiver is in writing, signed by the Director of Aviation or his authorized representative. Lessor reserves the right to transfer Lessor's interest in the Lease.

SECTION 22: DEFAULT

22.1. Lessee Conditions of Default.

The occurrence of any one or more of the following events ("Lessee Event of Default") shall constitute an event of default and breach of this Lease by Lessee:

- a) Vacating or abandonment of the entire Premises by Lessee for more than sixty (60) days;
- b) Failure by Lessee to make any payment of Base Rent or any other payment required to be made by Lessee under this Lease when due where such failure continues for a period of ten (10) days after written notice by Lessor to Lessee;
- c) Breach of any Lessee covenant or obligation under Sections 10 and 11 in this Lease which is not cured within fifteen (15) days after written notice by Lessor to Lessee; or
- d) Breach of any Lessee covenant or obligation in the Lease other than under Sections 10 and 11 of the Lease where such failure continues for a period of thirty (30) days after written notice by Lessor to Lessee.

22.2. Lessor Conditions of Default.

The occurrence of any one or more of the following events ("Lessor Event of Default") shall constitute an event of default and breach of this Lease by Lessor:

- a) Breach of any Lessor covenant contained herein where such failure continues for a period of thirty (30) days after written notice by Lessee to Lessor.

22.3. Remedies for Lessee Event of Default.

Except as specifically provided to the contrary in this Lease, if a Lessee Event of Default occurs, the Lessor shall be entitled to exercise any one or more of the following rights, which shall be deemed cumulative:

- a) Terminate the Lease and evict the Lessee if the Lessee does not vacate the Lease Premises within 30 days' notice. Lessee hereby waives all rights to notice of termination of Lease and/or notice to vacate pursuant to Louisiana Civil Code article 4701;
- b) Pursue claims for damages against Lessee if they exceed the accelerated rent due;
- c) Charge interest (at the then applicable highest annual rate of legal interest under Louisiana law) on all due and unpaid Base Rent and other payments owed by Lessee under this Lease, on and after the occurrence of an Event of Default;
- d) Charge Lessee an amount equal to Lessor's reasonable legal fees and costs incurred on and after a default by Lessee under the Lease;
- e) Accelerate all rents due for the unexpired term of the Lease; or
- f) Exercise any and all rights and remedies available at law.

22.4. Remedies for Lessor Event of Default.

Except as specifically provided to the contrary in this Lease, if a Lessor Event of Default occurs, Lessee shall be entitled to exercise any one or more of the following rights, which shall be deemed cumulative:

- a) Terminate the Lease;
- b) Pursue claims for damages against Lessor;
- c) Charge Lessor an amount equal to Lessee's reasonable legal fees and costs incurred on and after a default by Lessor under the Lease; or
- d) Pursue any and all other remedies available at law or equity.

Other than the notices of default provided in Section 21.1 and Section 21.2, respectively, neither party shall be required to give thirty (30) days' notice to the other, in order to exercise any one or more of the foregoing remedies. Likewise, neither party shall be liable to the other if said party exercises any one or more of the foregoing remedies.

SECTION 23: BROKERS

Lessor represents and warrants that Lessor is solely responsible for any real estate broker retained or otherwise utilized by Lessor in connection with the Lease of the Premises described herein and that no real estate or broker commissions are due by Lessee to anyone retained or used by Lessor.

SECTION 24: TITLE AND QUIET POSSESSION

Lessor represents and warrants that:

- a) The Lessor is the owner of the Premises;
- b) The Lessor has the right to enter into this Lease; and
- c) The person signing this Lease on behalf of Lessor has the authority to sign this Lease on behalf of Lessor.

Lessor and anyone claiming by and through Lessor hereby covenants that Lessee is entitled to access to the Premises at all times and to the quiet possession of the Premises during the term of the Lease, subject to the access and occupancy limitations set forth elsewhere in this Lease, provided that Lessee is not in default of any Lessee's obligations under this Lease.

SECTION 25: RELOCATION RIGHTS

Lessor reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or views of the Lessee, and without interference or hindrance by or on behalf of the Lessee. Accordingly, nothing contained in this Lease shall be construed to obligate Lessor to relocate Lessee as a result of any such Airport developments or improvements.

SECTION 26: RULES AND REGULATIONS

Lessee shall observe the rules and regulations which Lessor shall from time to time promulgate with respect to the Premises. Lessor reserves the right from time to time to make reasonable modifications to such rules and regulations which shall be binding on Lessee and all other tenants and subtenants upon delivery of a copy of the modified rules and regulations to Lessee. Lessee shall also observe all federal, state, and local rules and regulations which may affect Lessee's operations under this Lease.

In the event the Federal Aviation Administration (FAA), its successors, or the Transportation Security Agency (TSA) requires modifications or changes in this Lease as a condition precedent to the granting of funds for the improvement of the Airport, Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Lease as may be reasonably required to obtain such fund; provided, however, that in no event will Lessee be required, pursuant to this subsection, to agree to an increase in the rent or other charges.

SECTION 27: SUCCESSORS

This Lease and the terms and conditions contained herein shall run with the Premises and inure to the benefit of and be binding upon the parties hereto and each of their respective heirs, executors, administrators, successors, and permitted assigns.

SECTION 28: JURISDICTION & GOVERNING LAW

The Lessee consents and yields to the exclusive jurisdiction of the State Civil Courts of the Parish of Orleans, and does hereby formally waive any pleas of jurisdiction on account of the residence elsewhere of the Lessee, as to all disputes arising from or related to the Lease. The Lease shall be construed and enforced according to the laws of the state of Louisiana, excepting its conflict of laws provisions.

SECTION 29: AMENDMENT

This Lease shall not be modified except by written agreement signed by Lessor and Lessee through their respective duly authorized representatives.

SECTION 30: NO WAIVER

The failure of Lessee or Lessor hereto at any time to require performance by the other of any provision of this Lease shall in no way affect the party's right to enforce such provision, nor shall the waiver by either party of any breach of any provision of this Lease be taken or held to be a waiver of any further breach of the same provision or any other provision.

SECTION 31: FORCE MAJEURE

Except as herein provided, neither Lessor nor Lessee shall be deemed to be in default hereunder if either party is prevented from performing any of the obligations, other than the payment of rentals, fees, and charges hereunder, by reason of strikes, boycotts, labor disputes, embargoes, shortages of energy or materials, acts of God, acts of the public enemy, epidemics, natural disasters, floods, tornado, hurricane, riots, rebellion, sabotage, war, or any other circumstances for which it is not responsible or which are not within its control.

SECTION 32: MISCELLANEOUS PROVISIONS

32.1. Legal Construction.

In the event any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

32.2. Prior Agreements Superseded.

This agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

32.3. Notices.

All notices provided to be given under this Lease shall be deemed properly served if such notice is given by certified mail, return receipt requested, addressed to the other party at the following address, or such other address as either party may, from time to time, designate in writing:

Lessor: Director of Aviation
New Orleans Aviation Board
P. O. Box 20007
New Orleans, Louisiana 70141

With a copy to: Deputy Director of Aviation – Commercial Development
New Orleans Aviation Board
P. O. Box 20007
New Orleans, Louisiana 70141

Lessee: Aero New Orleans II, LLC
Attn: Legal Department
201 West Street

Annapolis, MD 21401

Notices mailed in accordance with the provisions hereof shall be deemed to have been given as of the date of receipt or the third business day following the date of such mailing, whichever is earlier.

32.4. Successors and Assigns.

The covenants and agreements contained in this Lease shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

32.5. Severability.

If any provision in this Lease is held to be unenforceable for any reason whatsoever, the remaining provisions of this Lease shall remain in full force and effect.

32.6. Electronic Signature and Delivery.

The Parties agree that a manually signed copy of this Lease and any other document(s) attached to this Lease delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Lease. No legally binding obligation shall be created with respect to a party until such party has delivered or caused to be delivered a manually signed copy of this Lease.

32.7. Conflict of Interest.

In the interest of ensuring that efforts of Lessee do not conflict with the interests of the Board, and in recognition of Lessee's responsibility to the Board, Lessee agrees to decline any offer of employment if its independent work on behalf of the Board is likely to be adversely affected by the acceptance of such employment. The initial determination of such a possibility rests with Lessee. It is incumbent upon Lessee to notify the Board and provide full disclosure of the possible effects of such employment on Lessee's independent work on behalf of the Board. Final decision on any disputed offers of other employment for Lessee shall rest with the Board.

32.8. Counterparts.

This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Lease, but all of which, when taken together, shall constitute one and the same Lease.

32.9. Incorporation into Subcontracts.

Lessee will incorporate Lease Terms and Conditions into all subcontracts, by reference or otherwise, and will require all subcontractors to comply with these provisions.

32.10. Limitations of the City's Obligations.

The Board and the City have no obligations not explicitly set forth in this Lease or any incorporated documents or expressly imposed by law.

32.11. No Third-Party Beneficiaries.

This Lease is entered into for the exclusive benefit of the Board, City, and Lessee, and the Board, City, and Lessee expressly disclaim any intent to benefit anyone not a party to this Lease.

32.12. Choice of Laws.

This Lease shall be construed and enforced in accordance with the laws of the State of Louisiana, without regard to its conflict of laws provisions.

32.13. Entire Lease.

This Lease, including all incorporated documents, constitutes the final and complete agreement and understanding between the parties. All prior and contemporaneous agreements and understandings, whether oral or written, are superseded by this Lease and are without effect to vary or alter any terms or conditions of this Lease.

32.14. Exclusive Jurisdiction and Venue.

For all claims arising out of or related to this Lease, Lessee hereby consents and yields to the jurisdiction of the Civil District Court for the Parish of Orleans, and expressly waives any (A) pleas of jurisdiction based upon Lessee's residence and (B) right of removal to federal court based upon diversity of citizenship.

SECTION 33: EQUAL EMPLOYMENT OPPORTUNITY

In all hiring or employment made possible by, or resulting from the Lease, there (1) will not be any discrimination against any employee or applicant for employment because of race, color, religion, gender, age, physical or mental disability, national origin, sexual orientation, creed, culture, or ancestry, and (2) where applicable, affirmative action will be taken to ensure that the Lessee/developer/operator's employees are treated during employment without regard to their race, color, religion, gender, age, physical or mental disability, national origin, sexual orientation, creed, culture, or ancestry. This requirement shall apply to, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. All solicitations or advertisements for employees shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, gender, age, physical or mental disability, national origin, sexual orientation, creed, culture, or ancestry. The Lessee shall include the provisions of this paragraph in all subleases if permitted.

Lessee, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration herein, agrees as a covenant running with the land that no person shall be excluded from participation in or denied the benefits of Lessee's use of the Premises on the basis of race, color, national origin, religion, handicap, sex, sexual orientation or familial status. Lessee further agrees for itself, its personal representatives, successors in interest, and assigns that no person shall be excluded from the provision of any services on or in the construction of any improvements or alterations to the Premises on grounds of race, color, national origin, religion, handicap, sex, sexual orientation or familial status.

Lessee agrees to furnish its accommodations and to price its goods and services on a fair and equal basis to all persons. In addition, Lessee covenants and agrees that it will at all times comply with any requirements imposed by or pursuant to Title 49 of the Code of Federal Regulations, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, and with any amendments to this regulation which may hereafter be enacted.

In the event of a breach of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate the Lease and to reenter and repossess the Premises and hold the same as if the Lease had never been made or issued; provided however, that the Lessee allegedly in breach shall have the right to contest said alleged breach under applicable Federal Aviation Administration procedures, and any sanctions under or termination of the Lease shall be withheld pending completion of such procedures.

If any claim arises from an alleged violation of this non-discrimination covenant by Lessee, its personal representatives, successors in interest, or assigns, Lessee agrees to indemnify Lessor and hold Lessor harmless pursuant to Section 17.

SECTION 34: CONFLICT OF INTEREST

Lessee covenants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the services and obligations required to be performed under this Lease.

SECTION 35: INDEPENDENT CONTRACTOR

35.1 Acknowledgment of Exclusion of Worker's Compensation and Unemployment Compensation Coverage.

The Lessee hereby and in this Lease expressly agrees and acknowledges that it is an independent contractor and as such, it is expressly agreed and understood that the Lessor shall not be liable for any benefits or coverage as provided by the Workmen's Compensation Law of the State of Louisiana or applicable unemployment compensation law, and further, anyone employed by the Lessee shall not be considered an employee of the Lessor for the purpose of workers compensation or unemployment compensation coverage, or for any other purpose.

35.2 Waiver of Sick and Annual Leave Benefits.

It is expressly agreed and understood that the Lessee, acting as an independent entity, shall not receive any sick or annual leave benefits from the Lessor.

SECTION 36: DELINQUENT TAXES

Lessee swears that it complies with City Code §2-8 (a). Lessee is not delinquent in any taxes owed to the City.

SECTION 37: CONVICTED FELON

Lessee swears that it complies with City Code §2-8 (c). No Lessee principal, member, or officer has, within the preceding five years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public records.

SECTION 38: NON-SOLICITATION

Lessee swears that it has not employed or retained any company or person to solicit or secure this Lease other than a 1) bona fide employee working solely for Lessee; 2) a consultant representing the Lessee; or 3) an attorney representing the Lessee. The Lessee has not paid or agreed to pay any person any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from this Lease other than a 1) bona fide employee working solely for Lessee; 2) consultant representing the Lessee; or 3) an attorney representing the Lessee.

SECTION 39: INSPECTOR GENERAL COOPERATION

It is agreed that the Lessee or applicant will abide by all provisions of City Code §2-1120, including but not limited to City Code §2-1120(12), which requires the Lessee to provide the Office of Inspector General with documents and information as requested. Failure to comply with such requests shall constitute a material breach of the contract. In signing this contract, Lessee agrees that it is subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena.

SECTION 40: OWNERSHIP INTEREST PROVISION

The Lessee shall provide a sworn affidavit listing all persons, natural or artificial, with an ownership interest in the Lessee and stating that no other person holds an ownership interest in the Lessee via a counter letter. For the purposes hereof, an "ownership interest" shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that holds an interest in a publicly traded corporation. Lessee agrees to provide to the Lessor a sworn affidavit attesting to the above provisions if requested by the Lessor to do so; failure to provide such affidavit upon request shall give Lessor the option to cancel this Lease.

SECTION 41: SUBCONTRACTING

The Lessor did not set an ACDBE participation goal for this Lease agreement but continues to encourage the use of ACDBE firms. The Lessor desires to achieve, to the greatest extent possible, quality participation by certified ACDBE firms in order to reach its annual overall goal of 23.35%. Although there is no ACDBE participation requirement, Lessee is encouraged to present a creative and responsive plan that provides for participation that is commercially meaningful and useful in the areas of construction build-out and procurement of goods and services.

SECTION 42: SUBORDINATION

This Lease is subordinate to the Lessor's obligations to the federal government under existing and future agreements for federal aid for the development and maintenance of the airport.

SECTION 43: REQUIRED FEDERAL CONTRACT PROVISIONS

The Lessee agrees to comply with the Required Federal Contract Provisions attached hereto as Exhibit B.

SECTION 44: COST RECOVERY

In accordance with Section 2-8.1 of the New Orleans Municipal Code entitled "Cost recovery in contracts, cooperative endeavor agreements, and grants," to the maximum extent permitted by law, the Lessee shall reimburse the Lessor or disgorge anything of value or economic benefit received from the Lessor if the Lessee fails to meet its contractual obligations.

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[SIGNATURES CONTAINED ON NEXT PAGE]

Aero New Orleans II, LLC

By: _____

Print Name: _____

Taxpayer Identification Number: _____

Date: _____

Exhibit A

Map of Location of Premises

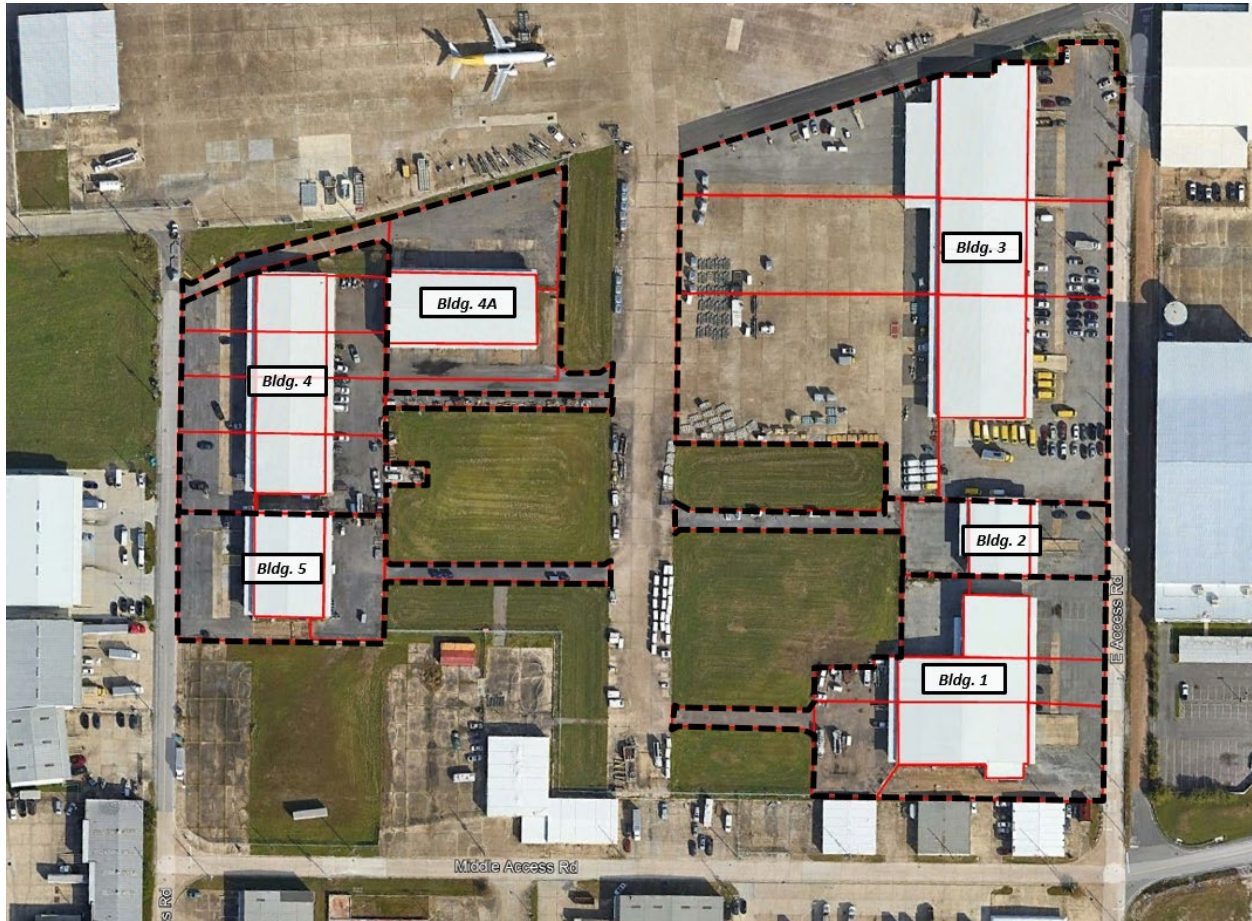


Exhibit A-1

Building One (1), with approximate dimensions of 190' fronting E Access Road by a depth of 150, consists of approximately 23,431 SF of warehouse/office space), with approximately 30,128 SF of landside truck dock and vehicle parking, and 25,243 SF of airside space, on a 78,802 SF site.



Exhibit A-2

Building Two (2), with approximate dimensions of 85' fronting E Access Road by a depth of 70', consists of approximately 6,020 SF of warehouse/office space, with approximately 7,742 SF of landside truck dock and vehicle parking, and 13,216 SF of airside space, on a 26,978 SF site.

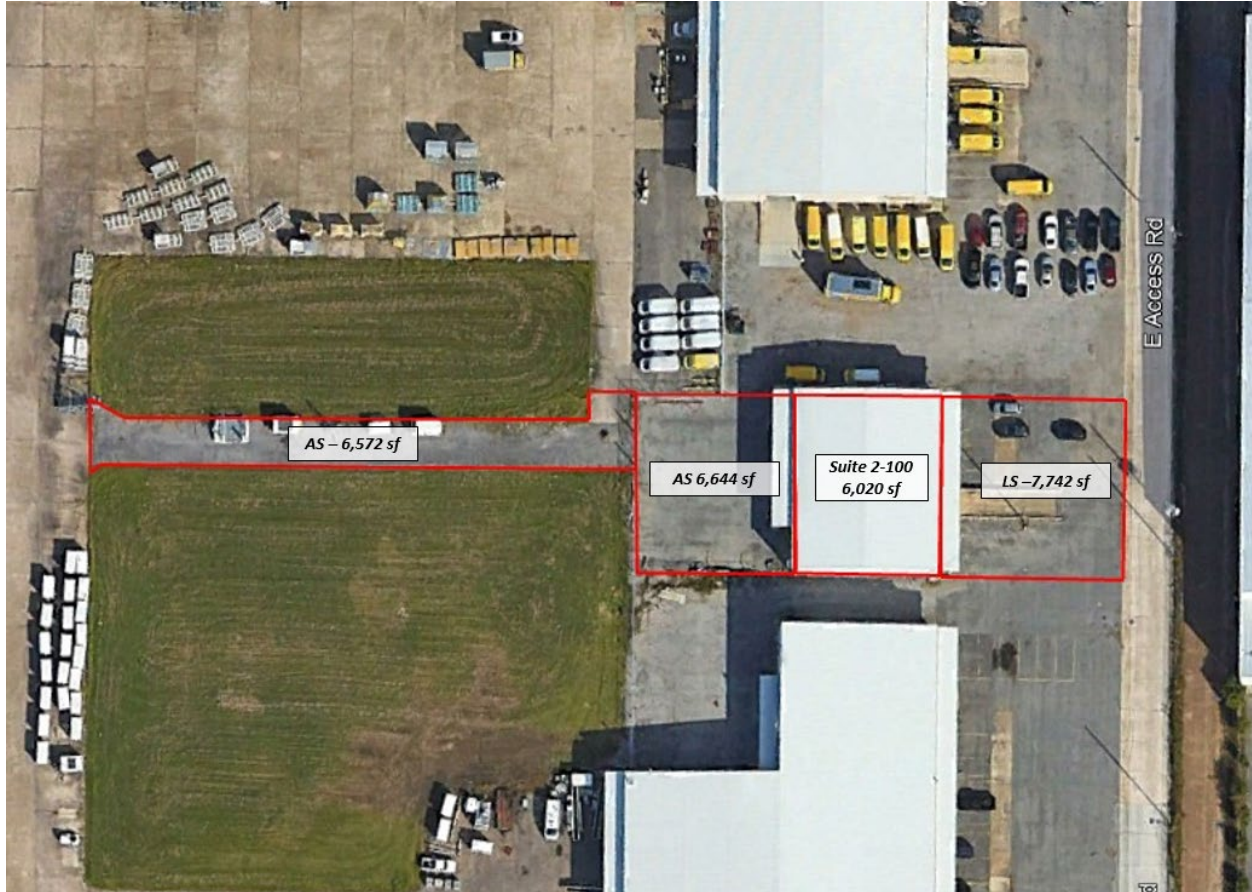


Exhibit A-3

Building Three (3), with approximate dimensions of 395' fronting E Access Road by a depth of 105', consists of approximately 45,127 SF of warehouse/office space, with approximately 61,123 SF of landside truck dock and vehicle parking, and 118,920 SF of airside space, on a 225,170 SF site.



Exhibit A-4

Building Four (4), with approximate dimensions of 250' fronting W Access Road by a depth of 85', consists of approximately 20,000 SF of warehouse/office space, with approximately 23,013 SF of landside truck dock and vehicle parking, and 26,288 SF of airside space, on a 69,301 SF site.



Exhibit A-5

Building Four-A (4A), with approximate dimensions of 175' fronting the West Apron by a depth of 90', consists of approximately 14,000 SF of warehouse/office space, with approximately 24,177 SF of landside truck dock and vehicle parking, and 14,384 SF of airside space, on a 52,561 SF site.



Exhibit A-6

Building Five (5), with approximate dimensions of 120' fronting W Access Road by a depth of 85', consists of approximately 9,600 SF of warehouse/office space, with approximately 14,922 SF of landside truck dock and vehicle parking, and 15,865 SF of airside space, on a 40,387 SF site.



EXHIBIT B: REQUIRED FEDERAL PROVISIONS

PROVISION 1. ACCESS TO RECORDS AND REPORTS

The Lessee must maintain an acceptable cost accounting system. The Lessee agrees to provide the sponsor, the Federal Aviation Administration, and the Comptroller General of the United States or any of their duly authorized representatives, access to any books, documents, papers, and records of the Lessee which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Lessee agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

PROVISION 2. BREACH OF CONTRACT TERMS

Any violation or breach of terms of this Lease on the part of the Lessee or its sub- lessee may result in the suspension or termination of this Lease or such other action that may be necessary to enforce the rights of the parties of this agreement.

Sponsor Airport will provide Lessee written notice that describes the nature of the breach and corrective actions the Lessee must undertake in order to avoid termination of the Lease. The Sponsor Airport's notice will identify a specific date by which Lessee must correct the breach. Sponsor Airport may proceed with termination of the Lease if Lessee fails to correct the breach by deadline indicated in the Sponsor Airport's notice.

The duties and obligations imposed by the Lease Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

PROVISION 3. CIVIL RIGHTS PROVISIONS-GENERAL

The Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the Lessee. This provision obligates the Lessee for the period during which the property is owned, used or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

PROVISION 4. CIVIL RIGHTS-TITLE VI NONDISCRIMINATION REQUIREMENTS COMPLIANCE

During the performance of this contract, the Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the "Lessee") agrees as follows:

- A. **Compliance with Regulations:** The Lessee will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
- B. **Non-discrimination:** The Lessee, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Lessee will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and

Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

- C. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the Lessee for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Lessee of the Lessee's obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
- D. **Information and Reports:** The Lessee will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a Lessee is in the exclusive possession of another who fails or refuses to furnish the information, the Lessee will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
- E. **Sanctions for Noncompliance:** In the event of a Lessee's noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - 1) Withholding payments to the Lessee under the contract until the Lessee complies; and/or
 - 2) Cancelling, terminating, or suspending a contract, in whole or in part.
- F. **Incorporation of Provisions:** The Lessee will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Lessee will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Lessee becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Lessee may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the Lessee may request the United States to enter into the litigation to protect the interests of the United States.

PROVISION 5. CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the City of New Orleans, through the New Orleans Aviation Board, pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a servitude running with the land that:
 - 1) In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

- B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, City of New Orleans, through the New Orleans Aviation Board will have the right to terminate the Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

PROVISION 6. CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by City of New Orleans, through the New Orleans Aviation Board, pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The Lessee for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a servitude running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.
- B. With respect to Leases in the event of breach of any of the above nondiscrimination covenants, City of New Orleans, through the New Orleans Aviation Board, will have the right to terminate the Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Lessee had never been made or issued.

PROVISION 7. TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES

During the performance of this Lease, the Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the “Lessee”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Lessees, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

PROVISION 8. CLEAN AIR AND WATER POLLUTION CONTROL

Lessee agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. § 740-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251-1387). The Lessee agrees to report any violation to the Sponsor Airport immediately upon discovery. The Sponsor Airport assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration. Lessee must include this requirement in all subcontracts that exceeds \$150,000.

PROVISION 9. RACE/GENDER NEUTRAL LANGUAGE

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the City of New Orleans, through the New Orleans Aviation Board, to practice nondiscrimination based on race, color, sex or national origin in the award or performance of this contract. The Sponsor Airport encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

PROVISION 10. TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 “Text Messaging While Driving” (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, the Sponsor Airport encourages the Lessee to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Lessee must include the substance of this clause in all sub-tier contracts exceeding \$3,500 and involve driving a motor vehicle in performance of work activities associated with the project.

PROVISION 11. ENERGY CONSERVATION REQUIREMENTS

Lessee agrees to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 621*et seq.*).

PROVISION 12. FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The Lessee has full responsibility to monitor compliance to the referenced statute or regulation. The Lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

PROVISION 13. CERTIFICATION REGARDING LOBBYING

The Lessee certifies by signing and submitting this Lease, to the best of his or her knowledge and belief, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Lessee, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
- C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required

certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

PROVISION 14. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

All contracts and subcontracts that result from this Lease incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Lessee retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

PROVISION 15. TRADE RESTRICTION CERTIFICATION

The Lessee certifies that with respect to this Lease, the Lessee -

- 1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R.);
- 2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the U.S.T.R; and
- 3) has not entered into any subcontract for any product to be used on the Federal on the project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

The Lessee must provide immediate written notice to the Sponsor Airport if Lessee learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Lessee must require subcontractors provide immediate written notice to the Lessee if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to a Lessee or subcontractor:

- 1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R. or
- 2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such U.S.T.R. list or
- 3) who incorporates in the public works project any product of a foreign country on such U.S.T.R. list;

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information

of a Lessee is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Lessee agrees that it will incorporate this provision for certification without modification in in all subcontracts. The Lessee may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by U.S.T.R, unless the Lessee has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Lessee or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Sponsor Airport cancellation of the contract or subcontract for default at no cost to the Sponsor Airport or the FAA.

PROVISION 16. VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the Lessee and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

EXHIBIT C - QUARTERLY FACILITY INSPECTION LOG

Date: _____

Weather Conditions: _____

Facility: _____

Inspector: _____

Inspection Items	Yes	No
Does the facility store or use deicing materials?		
If yes, are the deicing chemicals stored in enclosed containers indoors, or a sheltered area?		
Is the MSDS information easily accessible, and the deicing chemicals properly labeled?		
Approximately how many pounds or gallons of deicing materials were used by this facility operator last year?		
Are inlet control mats stored onsite and have they been used when handling or transferring hazardous materials?		
Does the facility fix or fuel or clean aircraft, ground vehicles or other equipment?		
If yes, are these activities done indoors, or in a sheltered area?		
If yes, is the floor sloped to allow spills to drain into a sump?		
If not a sump, is all drainage indoors properly connected to the City of Kenner sanitary sewer system?		
Are dry clean-up methods encouraged, and are those materials located onsite?		
Does the facility have a plan to dispose of used oil, filters, and other hazardous materials?		
Are all chemicals stored indoors, labeled and kept in an organized manner?		
Is the MSDS information for all chemicals stored or used at the facility readily available?		
Are chemicals stored in a manner to reduce the risk of spillage?		
If there is fuel stored onsite, is secondary containment provided?		
If there are other chemicals stored outside, is there secondary containment provided?		
For material storage outside, are there control measures to limit "run-on" stormwater?		
If yes, what measures are in place?		
Is the facility maintained in a fairly clean, swept and orderly fashion?		
Is there observable debris, litter, or other wastes outside where stormwater may come into contact?		
Are ditches and culverts free of debris and trash?		

Inspection Items	Yes	No
Any signs of leaks or spills in areas where maintenance, fueling or cleaning activities occur?		
Is the dumpster (if one onsite) covered during rain or when not in use?		
Are all storage containers (e.g. used oils, hydraulic fluids, spent solvents, waste aircraft fuel) maintained with good integrity?		
Any signs of leaks or spills anywhere on the property?		
Is the property clean from debris and garbage?		
Do the fuel containment structures have drains, valves on the drains, are maintained in the "closed" position?		
Are the used oil drums in good condition, sealed, labeled, and stored within a containment pan?		
Are all waste materials centrally stored?		
Are all chemical containers clearly labeled?		
Are all tanks and containers in good condition, not bulging or leaking?		
Is there an inventory of all chemicals and materials stored onsite?		
On liquid storage: Are there fluid level indicators?		
Does the facility have a Spill Response Plan, and is it clearly posted or available onsite?		
Does the facility store fuel or other liquid chemical in tanks with a capacity of 10,000 gallons or greater?		
If yes, does the facility have a Spill Prevention, Containment and Countermeasure Plan (SPCC) and has that plan been provided to the NOAB's Environmental Engineer?		
Are there any apparent leaks at storage tanks or piping systems such as pipes, pumps, flanges, couplings, or valves?		
Are fueling operations conducted on impervious surfaces, contained pad, or under a roof or canopy?		
Are drip pans used during fueling operations?		
Do all fueling hoses have check valves to reduce the risk of spills?		
Are spill kits made available on all fuel trucks, at fueling stations and at hanger locations (if applicable)?		
Are bollards installed at fuel pumps to prevent collisions from vehicles?		
Does the facility have an oil/ water separator?		
If yes, does the effluent discharge into the City of Kenner's sanitary sewer system?		
Are all portable drums or containers stored either indoors, or within an area which provides secondary containment?		

Inspection Items	Yes	No
Comments:		
Signature:	Date:	

Deficiencies Noted:



Corrective Actions:	
Signature:	Date:

Name: Diane Buckley Ext.: 303-7600

**CHECK SHEET TO BE USED FOR
CLEARING ORDINANCES, MOTIONS, AND RESOLUTIONS
BEFORE SUBMISSION TO THE COUNCIL CLERK**

The originating agency shall attach a copy of each proposed ordinance, motion, or resolution to the check sheet for processing in the sequence indicated after preparing a synopsis. The detailed memorandum of explanation shall also be attached to this check sheet.

SYNOPSIS OF DOCUMENT: Ordinance granting a lease agreement with Aero New Orleans II, LLC.

1. 
Department Head
2. 
Department of Law
3. 
Chief Administrative Officer
4. 
Executive Assistant for Intergovernmental Relations
5. _____
Initials of Sponsoring Council Member

COUNCIL ACTION

COUNCILMEMBERSPRESENT: _____ ABSENT: _____

AMENDMENTS:

FINAL ADOPTION:

MOVED:

2, u:

YEAS:

NAYS:

ABSENT:

RECUSED:

6. _____
Reviewed by the Chief Administrative Officer after adoption by the City Council and prior to the Mayor's signature.

REF. POLICY MEMORANDUM NO. 3(R)



LEGISLATIVE SUMMARY

TO ACCOMPANY ORDINANCES

BEFORE SUBMISSION TO CLERK OF COUNCIL

Requesting Department or Agency: _____

Name of Contact Person: _____

Telephone Number: _____

Email Address: _____

Initials of Sponsoring Councilmember(s): _____

DETAILED SYNOPSIS OF THE MOTION



LEGISLATIVE SUMMARY

If the Ordinance is to effectuate a contract, CEA, or other similar agreement (hereafter contract), please provide the following additional information.

☐

If this section is not applicable, please check this box.

The parties involved:

The obligations, expectations, and deliverables of the parties involved:

Any fiscal implications for the City with the contract:

The public purpose and need for the contract:

The duration of the contract:



LEGISLATIVE SUMMARY

If the Ordinance is to effectuate an amendment to the Codes of the City of New Orleans, please provide the following additional information.

☐

If this section is not applicable, please check this box.

The existing provision(s) of the Code being proposed for amendment:

The general content/requirements of the existing Code provision:

How the proposed ordinance will alter the existing Code provision(s):

Why these changes are needed:

REQUESTED ADOPTION DATE: _____

Reference: Council Rule 41 & City Code Section 2-813