

NANTUCKET MEMORIAL AIRPORT COMMISSION

March 25, 2014

AGENDA

1. Review and Approve:
 - a. Agenda
 - b. 2/25/14 Working Group Minutes - *Pending*
 - c. 3/11/14 Minutes - *Pending*
 - d. Ratify 3/19/14 Warrant
2. Public Comment
3. **032514-1** Nantucket Music Festival Parking Request
4. Pending Leases/Contracts as Set Forth on Exhibit 1, Which Exhibit is Herein Incorporated by Reference
5. **032514-2** Emily Air LLC Sub-lease to Island Air LLC
6. Pending Matters
 - a. **070913-1** TON Memorandum of Understanding (MOU) Update
7. **032514-3** Proposed Grant to Chamber of Commerce for Daffodil Weekend
8. **022613-2** Master Plan & Sustainability Program Update
9. Manager's Report
 - a. Project Updates
 - b. FUDS Update
 - c. RFP/Bid Status
 - d. Operations Update
 - e. February Statistics
10. Sub-Committee Reports
11. Commissioner's Comments
12. Public Comment
13. Executive Session – G.L. c.30A, §21(a)
 - a. Clause 3: To discuss strategy with respect to threatened litigation with respect to the completion of the GA Building. The Chair has determined that an open session may have a detrimental effect on the litigation position of the Airport Commission.

Public Safety Facility

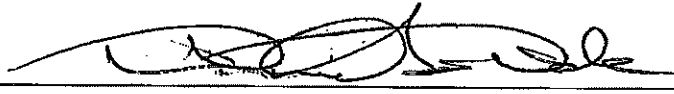
1st Floor Meeting Room

4 Fairgrounds Road

5:00 PM

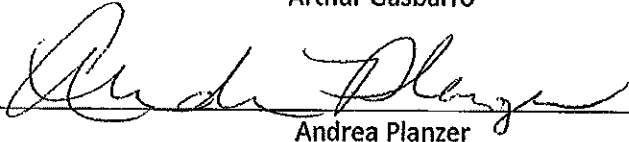
Warrant 03/19/2014

Please Sign and Date


 3/12/14

Daniel Drake

Arthur Gasbarro

 3/12/14

Andrea Planzer

 3/10/14

Jeanette Topham

Batch# <u>949</u>	Total <u>59,439.62</u>	Batch Date <u>3/4/14</u>
Batch# <u>955</u>	Total <u>14,850.26</u>	Batch Date <u>3/6/14</u>
Batch# <u>956</u>	Total <u>49,409.35</u>	Batch Date <u>3/6/14</u>
Batch# <u>957</u>	Total <u>61,623.64</u>	Batch Date <u>3/7/14</u>
Batch# <u>967</u>	Total <u>39,103.61</u>	Batch Date <u>3/11/14</u>
Batch# <u>983</u>	Total <u>736.92</u>	Batch Date <u>3/12/14</u>
Batch# <u>992</u>	Total <u>1,822.28</u>	Batch Date <u>3/12/14</u>
Batch# _____	Total _____	Batch Date _____

March 10, 2014

Mr. Daniel W. Drake, Commissioner
14 Airport Road, Unit 1
Nantucket, MA. 02554

RE: Request to Lease Vacant Lot

Dear Mr. Drake,

It is my pleasure to introduce to you, The First Annual Nantucket Music Festival.

A group of Nantucket locals and summer residents have been working tirelessly to help promote another aspect of the creativity and artistry of Nantucket. As members of the Nantucket community, we are sure you understand the difficulty in finding safe and positive events that island residents can enjoy with their families, while giving the youth of Nantucket a positive outlet to express their talents.

The Nantucket Music Festival will be a two day event that promotes local, national and international talents. Through the festival, we are attempting to bring an affordable event to the island that everyone from all walks of life can enjoy and look forward to each year.

At this stage in the planning, we are trying to tackle the ever-prominent Nantucket issue of parking. We will be providing a shuttle service to and from the festival.

It has to come to our attention that the Nantucket Municipal Airport is in charge of a large vacant lot off of New South Road. We would like to make a formal request to rent or lease the lot for the days of the festival. The festival will be held Saturday and Sunday, August 2-3, 2014. We would like to use the lot from 10am to 10pm on those days.

While we have managed to secure a number of lots, the location of the New South Road lot would be excellent for the festival, as it would reduce bus runs to and from town.

Thank you for considering this letter of request and we hope that you will be able to accommodate us. If you have any questions, please do not hesitate to contact me at 774.236.0899. I will follow up with you shortly.

Sincerely,

Shantaw Bloise
Media and Communications
Nantucket Music Festival

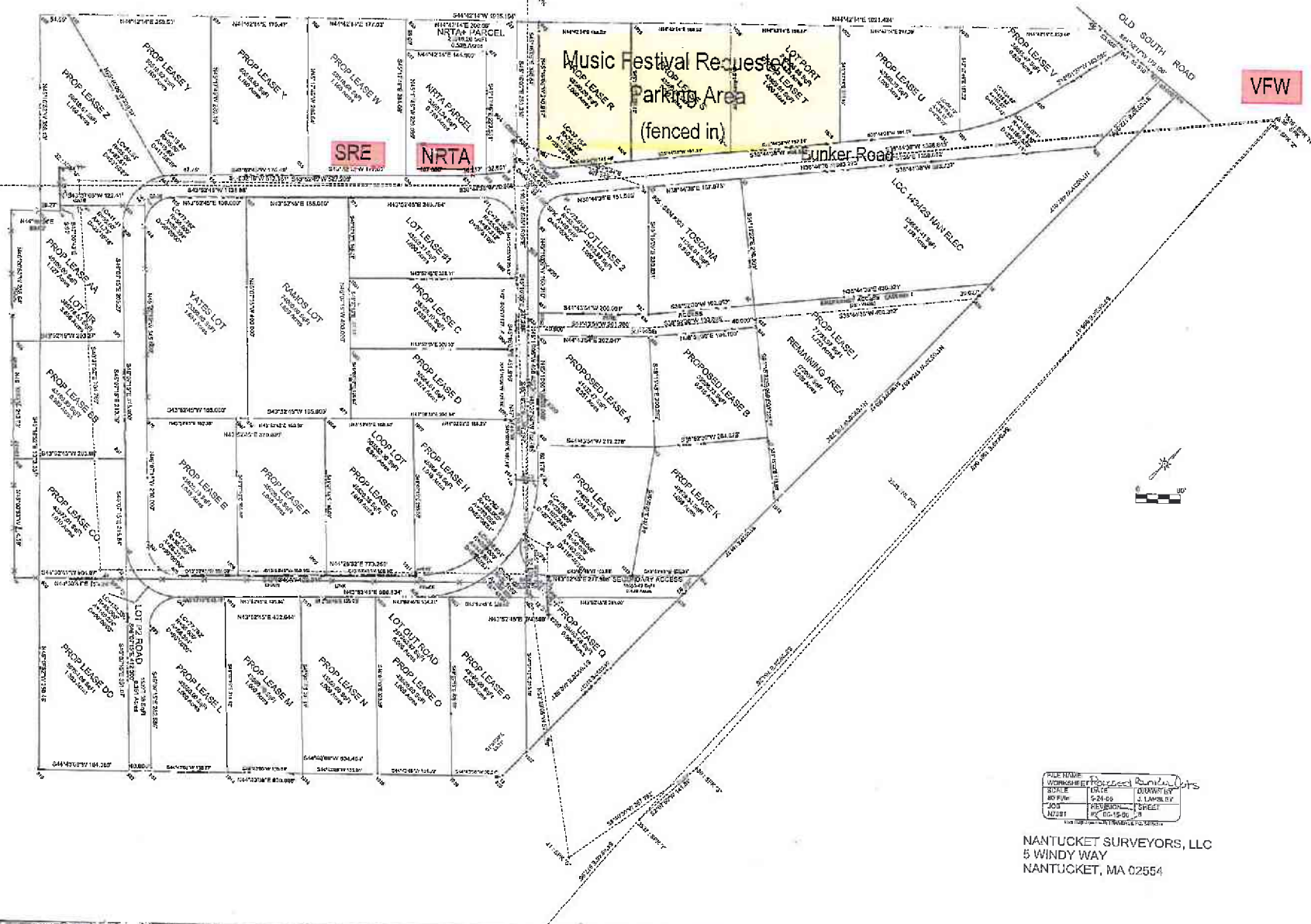
Janine Torres

032514-1

From: Cheryl Emery <cheryl@nantucketmusicfestival.com>
Sent: Tuesday, March 18, 2014 12:38 PM
To: jtorres@nantucketairport.com
Subject: Nantucket Music Festival Parking
Attachments: ParkingLotLeaseRequest.docx

Hi Janine, Thanks for taking a few minutes to talk to me. I have attached the letter that was sent to you march 10th. The only correction is I would think by 7 pm we would not need parking there. I will see you at the meeting on the 25th at 5:00 pm. Thanks so much. Cheryl

032514-1



FILE NAME	13	DATE	01/20/2013
WORKSHEET	10/22/2012	DATE	02/21/2013
NO FILE	6-21-09	DATE	02/21/2013
JOB	REVISION	SHEET	1 OF 1
NOTES	SEE ATTACHED DRAWINGS		

NANTUCKET SURVEYORS, LLC
 5 WINDY WAY
 NANTUCKET, MA 02554

EXHIBIT 1
PENDING LEASES/CONTRACTS/AGREEMENTS
March 25, 2014

Type of Agreement/Description	With	Amount	Other Information	Source of Funding
Ground Lease	GJ Smith Inc	(\$46,000)	Negotiation Discussion Bunker Lease Self Storage Facility	Income
Beach License (Amendment)	ACK Surf School	(\$1,500)	Relinquish second parking spot & change permitted use to mobile surf school & clothing/beach sundries. No food sales.	Income
Ground Lease	Emily Air LLC	(\$3,877)	Purchase of Ocean Wings Hangar Plus \$1,500 Annual Business Fee	Income
Contract	Team Eagle	\$1,000	Parts for snow blower. Contract required due to accumulated purchases with vendor.	Operating
Contract Amendment	World Fuel Services (Ascent Aviation)	?	Extend Expiration one Month 3/31/14 to 4/30/14	Fuel Revolver

LICENSE AGREEMENT

THIS LICENSE AGREEMENT, dated the 25 day of February, 2014 by and between the Nantucket Airport Commission, with a principal place of business at 14 Airport Road, Nantucket, MA 02554 and ACK Surf School, LLC, with its principal address at c/o 4 Millbrook Road, Nantucket, MA 02554.

A. The Licenser is the owner of record of a certain parcel of land located at Nobadeer Beach, Nantucket Massachusetts, (hereafter referred to as the "Land") and more particularly described in Exhibit A attached hereto. The Land is held for Airport purposes, and is now unoccupied.

B. The Licenser desires to grant a non-exclusive license in accordance with the terms hereof;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and the payment of which is hereby acknowledged, the parties hereby enter into a license agreement upon the terms and conditions set forth herein.

1. Grant of License. The Licenser hereby grants to Licensee a non-exclusive license to enter upon and use the Land subject to the following specified terms and conditions. The terms of this License are not to be construed as a grant of the exclusive use of the Land to the Licensee.

2. Term. The term of this License shall commence on June 1, 2014, and shall terminate on September 30, 2014 unless earlier terminated as set forth in Section 12, below. An extension or renewal of the term and conditions of this License, by an amendment to same, may be granted by the Licenser at its sole discretion.

3. Permitted Use. The rights of this License shall be exercised by the Licensee solely for the purpose of conducting a mobile surf school & related clothing and beach sundries upon the land, including any additional activities as approved in writing by the Airport Commission. Licensee shall not sell any food or beverage. Vehicles may use the worn vehicle paths and are prohibited from the sand dunes. Revised 3/25/14

4. License Fees. In consideration for the use of this License, the Licensee agrees to pay the Licenser the following annual business license fee of \$1,500, prior to exercising this license.

5. Conduct.

a. Entry and use under this License by the Licensee and its contractors, agents, representatives, employees, assignees and invitees, shall, at all times, be subject to review and control by duly designated representatives of the Licenser.

b. During the exercise of rights hereby granted, Licensee shall at all times conduct itself so as not to interfere with operation of the Licenser within the Land or Licenser's property adjacent to the land.

c. The Licensor shall have the right, at all reasonable times, to enter onto and inspect the Land and to make such improvements or repairs as it reasonably deems necessary.

d. Licensee shall observe and obey directives from the authorized representative of the Licensor, as well as all other applicable laws, statutes, ordinances, regulations and permitting or license requirements.

e. The Licensee, its contractors, agents and/or representatives shall provide and maintain an emergency contact person and telephone number with the Licensor's representative during the term hereof.

f. The Licensee shall be responsible for the upkeep and maintenance of the Licensed Premises. Such maintenance shall include, but not be limited to, the removal of debris from areas frequented by the Licensee and Licensee's patrons. The Town will continue to empty the Town trash barrels.

6. Limited Use of Space. The space shall be used and occupied by Licensee solely for its intended use stated above. The space may not be used for any other purpose. No other commercial activity of any kind whatsoever shall be conducted by Licensee in, from, or around the space without written consent of the Licensor. The Licensee agrees to and shall comply with all applicable ordinances, resolutions, rules and regulations established by Federal, State, Local Government Agency, or by the Licensor.

7. Licensor Rights Reserved. Licensor reserves for itself the following rights, which Licensee agrees to observe, and Licensee agrees that the same may be exercised by Licensor and that any such exercise of said rights shall not be deemed to effect an eviction or to render Licensor liable for damages by abatement of the license fee or otherwise to relieve Licensee from any of its obligations.

- (a) To adopt from time to time rules and regulations not inconsistent with terms of this lease for the use, protection and welfare of Nantucket Memorial Airport and its occupants, with whom Licensee agrees to comply.
- (b) To enter upon any premises and facilities of the Licensee upon reasonable advance notice for that purpose of inspection or for any purpose incident to the performance of its obligations hereunder, in the exercise of any of its governmental functions or by others with the permission from the Licensor. Licensor in such case is to use its best efforts to avoid disruption of Licensee's operation.

8. APPROVALS AND PERMITS. All local licenses and permits are the responsibility of the licensee. A copy is to be provided to the Airport Manager's office and kept on file. The obligations of the Licensee are conditional upon his obtaining and holding all said approvals, permits and licenses necessary for the operation of a mobile food concession, from all agencies, boards and officers having jurisdiction over the same.

9. **INSURANCE: THE LICENSEE SHALL DEPOSIT WITH THE LICENSOR CERTIFICATES FOR ALL INSURANCE REQUIREMENTS LISTED BELOW PRIOR TO THE COMMENCEMENT OF THEIR TERM, AND THEREAFTER WITHIN THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF ANY SUCH POLICIES. ALL SUCH INSURANCE CERTIFICATES SHALL PROVIDE THAT**

SUCH POLICIES SHALL NOT BE MATERIALLY CHANGED, ALTERED OR CANCELED WITHOUT AT LEAST TEN (10) DAYS PRIOR WRITTEN NOTICE TO EACH ASSURED NAMED THEREIN.

Additional insured:

All certificates will indicate the "**Town of Nantucket/Nantucket Memorial Airport (Licensor) as an additional insured**, under liability coverage, but only as respects operations of the Named Insured as their interests may appear.

Indemnification. Licensee shall indemnify and hold harmless the Licensor, its Commissioners, officers, agents and employees, from all claims and demands of third persons, including employees and members of the Licensee but not limited to those for death, for bodily injuries, or for property damage arising out of the acts or omissions of the Licensee, its officers, members, employees, agents, representatives, contractors, customers, guests, invitees and other persons using Licensee's premises or otherwise arising out of any acts or omissions of the Licensee's employees, members, agents, and representatives, with the exception of Town of Nantucket/Nantucket Memorial Airport's gross negligence or willful misconduct.

Liability Insurance. The Licensee shall maintain, with respect to the leased premises, comprehensive public liability insurance, in the amount of \$1,000,000, with property damage insurance in limits of \$500,000, in responsible companies qualified to do business in Massachusetts, and in good standing therein, insuring the Licensee as well as Licensor against injury to persons or damage to property as provided (unless different amounts specified on front page of contract).

Worker's Compensation Insurance. The Licensee shall maintain and keep in force Workers' Compensation Insurance, which is recognized by the Commonwealth of Massachusetts.

10. General Use of Airport and Facilities: Licensor shall have the right to operate in the manner authorized by proper governmental authority and agencies, and shall have the following specific rights and privileges:

a. The Licensor reserves unto itself, its successors and assigns, for the use and benefit of the public a right of flight for the passage of aircraft in the airspace above the surface of the real property as described in the License Agreement, together with the right to cause in said airspace such sound as may be inherent in the operation of aircraft, now known or hereafter used for the navigation of or flight in said airspace, together with the emission of fumes or particles incidental to aircraft navigation, and for the use of said airspace for the landing on, taking off from or operating on Nantucket Memorial Airport.

b. The Licensee expressly agrees for itself, its successors and assigns to prevent the use of the premises for purposes which will create or result in hazards to flight such as, but not limited to, purposes which will (a) produce electrical interference with radio communications, (b) make it difficult for pilots to distinguish between airport lights and others, (c) project glare in the eyes

of the pilots, (d) impair visibility in the vicinity of the airport, or (3) otherwise endanger the landing, take-off or maneuvering of aircraft.

c. The Licensor retains the continuing right in the subject property to prevent the erection or growth of any building, structure, tree, or other objects extending in to the airspace (10 feet above ground level) and to remove from said airspace, at the Licensee's expense or at the sole option of the Licensee, as an alternative, to mark and light as obstructions to air navigation, any such building, structure, tree, or other object now upon, or which in the future may be upon the property together with the right of ingress to, passage over, and egress from Licensee's property for the above purposes. Exceptions to the ten foot height limitation will be reviewed individually upon written submission by Licensee.

d. The Licensee expressly agrees for itself, its successors and assigns, that the reservations and restrictions set forth in this instrument shall run with the land which shall be the servient tenement, it being intended that the lands now and hereafter comprising the Airport shall be the dominant tenement; excepting, however, that such reservations and restrictions shall become void and of no force and effect on such date as the lands comprised in the aforesaid Airport shall cease to be used for Airport purposes.

e. The Licensee for themselves, their heirs, personal representatives, successors in interest and assigns do hereby agree that if any services or activities are to be offered, performed or conducted upon the Land that:

In the exercise of the rights and privileges granted for the furnishing of services to the public, Licensee will

(1) furnish said service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and

(2) charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that the Licensee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

f. It is mutually understood and agreed by the parties hereto that nothing contained in this Agreement shall be construed as granting or as authorizing the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958.

g. The Licensee for themselves, their heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, do hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the Licensee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR, PART 21, Nondiscrimination in Federally assisted Programs of the Department of Transportation, and as said Regulations may be amended.

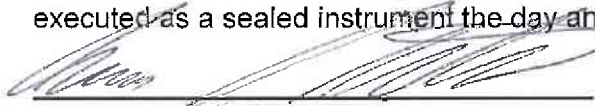
h. The Licensee for themselves, their personal representatives, successors in interest, and assigns as a part of the consideration hereof, do hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, handicap, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and in the furnishing of services thereon, no person on the grounds of race, color, handicap, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Licensee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR PART 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

11. Independent Contractor. It is agreed that Licensee is an independent contractor hereunder and not an agent or employee of Licensor with respect to its acts or omissions.

12. Breach of Covenants. That in the event of breach of any of the above covenants, the Nantucket Memorial Airport shall have the right to terminate the license and to re-enter and repossess said premises and the facilities thereon, and hold the same as if said license had never been made or issued.

13. Assignment. This License is not transferable and no privilege contained herein may be sublet or assigned to any other person or organization without the express written consent of the Licensor.


IN WITNESS HEREOF, the parties hereto have caused this License Agreement to be executed as a sealed instrument the day and year first written above.



(LICENSEE)

Nantucket Memorial Airport Commission
(LICENSOR)

By: Gaven Norton

By: 
Andrew Blenzer

**NANTUCKET MEMORIAL AIRPORT COMMISSION
LEASE AGREEMENT**

This **Lease Agreement** executed on the ___ day of _____, 2014, by and between the **Town of Nantucket** acting by and through the **NANTUCKET MEMORIAL AIRPORT COMMISSION**, an airport commission established pursuant to Massachusetts General Laws, Ch. 90, Sec. 51E, hereinafter called the "Landlord", and **Emily Air LLC** hereinafter called the Tenant, and the Tenant hereby leases the Premises described below in accordance with the following terms and conditions.

In consideration of the mutual covenants and agreements hereinafter set forth, Landlord and Tenant agree as follows:

ARTICLE ONE – Lease Data

Landlord: Nantucket Memorial Airport Commission
14 Airport Road
Nantucket, MA 02554
Attn: Airport Manager
(508) 325-5300

Tenant: Emily Air, LLC
550 Barnstable Road
Hyannis, MA 02601

Premises: 12 Airport Road, Nantucket, MA 02554
8,811 ± Square Feet, As described on Exhibit A1 & A2, attached hereto
and Exhibit A3, which shall be the plan to be produced by Tenant pursuant to Section 2.1 hereof

Permitted Use: Aircraft Storage, Aircraft Maintenance
Charter & Flight School Operations

Base Rent: \$3,876.84 Annually, or \$323.07 Monthly
as adjusted annually in accordance with Section 3.1

Additional Rent:

Annual Business Fee - Currently \$1,500 per year

Local Taxes - Determined by Assessor(s)

All Applicable Rates & Charges – Determined annually

Bond: \$100,000

Commencement Date: _____, 2014

Initial Term: Twenty (20) Years

Options to Extend: One – Ten (10) Year

Security Deposit: \$975.00

Initial Public Liability Insurance Coverage: \$1,000,000

ARTICLE TWO - Premises

2.1 Premises. Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, the Premises, as described on Exhibit A attached hereto and incorporated herein, upon and subject to the terms of this Lease—, together with a non-exclusive right to use the existing driveway access from Macy's Lane Airport Road to the Premises. The Parties agree that, notwithstanding the foregoing, the exact location and extent of the Premises are to be mutually agreed to by the Parties, and shall be shown on a formal plan, stamped by a professional engineer, to be produced by Tenant at its sole expense within thirty (30) days of the date of this Lease. The Parties agree to append such plan to this Lease as part of Exhibit A, and said plan shall be deemed a part of this Lease. Notwithstanding anything to the contrary in this Lease, the Premises may be used only for aeronautical purposes, as such term is defined by the Federal Aviation Administration (FAA), and for no other purpose.

2.2 Obligations of Tenant. The Tenant shall be solely responsible for obtaining all permits, licenses, consents, and approvals required by applicable federal, state or local laws and regulations and by any governmental body having jurisdiction over the use of the Premises and the construction of any buildings and improvements on the Premises which, if permitted by the terms of this Lease and subject to Landlord's prior written approval, Tenant may make undertake. Promptly upon receipt of such permits, licenses, consents and approvals, Tenant shall present copies of the same to the Airport Manager. Landlord may, in its discretion, terminate this Lease without penalty if Tenant shall fail to obtain all such required permits, licenses, consents and approvals within 120 days of the date of this Lease. Tenant also agrees to have any construction completed within one year from the date of this Lease.

2.3 Condition of Premises. The Parties agree that, notwithstanding anything to the contrary in this Lease, the Premises are hereby leased in an "as is" condition without any express or implied representations or warranties whatsoever, it being expressly understood and agreed that Tenant is solely responsible to confirm for itself whether the Premises are suitable for its intended purpose. The Parties also agree that Landlord is not obligated to install services or facilities in the Premises beyond those now in place.

2.4 Public Utilities. Tenant will be responsible for bringing to the Premises, and for making all connection to, public utilities. All connection charges and other costs incurred for public utilities will be paid for by the Tenant.

ARTICLE THREE – Rent and Other Charges

3.1 Base Rent. Tenant shall pay to the Landlord, during the term hereof, the Base Rent set forth in Article One, above, such amount to be paid in twelve equal monthly installments, in advance on or before the first day of each month. Base Rent shall be increased, but not decreased, annually based on the change in the federal CPI-W rate as published by the United States Bureau of Labor Statistics, effective on the anniversary of the Commencement Date specified in Article One, above. Further, on each five year anniversary of the Commencement Date, the Base Rent shall be increased, but not decreased, based on the greater of (i) the change in the CPI-W, as described above and (ii) the fair market rental value of the Premises as of such date as determined by an a qualified independent real estate appraiser identified by the Landlord to which the Tenant has no reasonable objection. Tenant agrees that it shall pay all Rent, and Additional Rent as defined below, without any offset or deduction whatsoever.

3.2 Additional Rent. In addition to the Base Rent, the Tenant shall pay annually, as Additional Rent:

- (i) an annual Business Fee in the amount set forth in Article One, above, as it may be adjusted from time to time by the Landlord for all tenants;

(ii) all taxes, fees and charges assessed against the Premises and the property and any improvements located thereon in accordance with applicable laws and regulations; and

(iii) such other fees and charges as may be required to be paid by the Nantucket Memorial Airport's Fees and Charges, as the same may be amended from time to time.

The Landlord will bill the Tenant for these amounts annually and the payment will be due within 15 days thereafter.

3.3 Security Deposit. On or before the Commencement Date, as set forth in Article One, above, the Tenant shall pay to the Landlord the amount of the Security Deposit, as set forth in Article One, above, which shall be held by the Landlord, without obligation for interest, as security for the performance of the Tenant's covenants and obligations under this Lease. If the Landlord draws upon the Security Deposit, the Tenant shall, within fifteen (15) days after receipt of written notice, replenish the amount of the Security Deposit held by the Landlord.

3.4 Removal and Restoration Bond. At least ninety (90) days prior to expiration of the Initial Term of the Lease (or any extended term if Article 1 allows for an option to extend the Initial Term and such term is extended in accordance with this Lease), the Tenant shall post a bond in the amount set forth in Article 1, or if no such amount is so indicated, an amount (i) sufficient to assure the removal of all improvements, if any, installed on the Premises by Tenant and restoration of the Premises to its original condition (reasonable wear and tear excepted) and (ii) satisfactory to Landlord. Notwithstanding the foregoing, such amount shall be subject to such reasonable adjustment as the Landlord may determine. Upon expiration of the Lease, except as otherwise directed in a subsequent writing by Landlord, Tenant shall remove all its property and Tenant-installed improvements from the Premises and restore the Premises to its original condition (reasonable wear and tear excepted), failing which Landlord may use the removal and restoration bond for such purpose, and Tenant shall be responsible to pay for any costs incurred by Landlord in so doing in excess of the amount payable under the bond.

3.5 Late Payment Fee. Any amount due from Tenant to Landlord under this Article Three or otherwise due under this Lease that is not paid when due shall bear and accrue interest at the rate of one and one-half percent (1.5%) per month from the due date until receipt of payment. Any partial payments received on said indebtedness shall be applied first to interest, and then to principal. With respect to any payment of additional Rent that is determined to be due as a result of an audit, the late payment fee shall be assessed beginning on the date such additional amount of Rent should have been paid.

ARTICLE FOUR – Term and Extensions

4.1 Term. This Lease shall commence on the Commencement Date set forth in Article One, above and, subject to earlier termination in accordance with the terms hereof, continue for the Initial Term set forth in Article One, above.

4.2 Extension Options. The Tenant shall have such options to extend this Lease as set forth in Article One, above, provided that, (i) at the time of both the exercise and extension of the this Lease, the Tenant is in full compliance with the terms and conditions here and (ii) throughout the term of the Lease, the Tenant has not been in any material default hereunder. The Tenant shall exercise any option hereunder by giving written notice to the Landlord by certified mail, return receipt requested, postage prepaid to Landlord, no later than six (6) months prior to the expiration of the then-current term.

Except as may be otherwise agreed in writing by the Parties in the form of an amendment to this Lease, all provisions of the Lease shall apply for any extended term, except that the Base Rent for the initial year of the extension period shall be the Base Rent for the final year of the then-current term, as adjusted as provided in Section 3.1, above, which amount shall be increased similarly thereafter.

4.3 Holding Over. If, after the termination or expiration of this Lease, Tenant shall remain in possession without any express written agreement as to such holding over, Tenant shall be deemed to be a tenant at sufferance from day to day at a daily rental rate equal to two hundred fifty percent (250%) of the Base Rent previously in effect. During such continued occupancy, all other provisions of this Agreement (except as to the term) shall be in effect.

ARTICLE FIVE - Rules and Regulations Governing the Airport

5.1 Acceptance of Airport Rules and Regulations. Tenant shall observe and obey all requirements, rules, laws and regulations promulgated by the Landlord and other local, state and federal agencies and governmental bodies having jurisdiction over the Nantucket Memorial Airport, including, but not limited to, the Nantucket Memorial Airport Commission, ~~Federal Aviation Administration (the FAA)~~, and the Massachusetts Aeronautics Commission. In addition to, and not to the exclusion or in limitation of, all other applicable rules, requirements, and regulations promulgated by the FAA, Tenant agrees to conduct its operations in compliance with the Federal Aviation Regulations, so called, including all amendments hereafter made, as embodied in 49 C.F.R. Part 107, as the same may be amended or superseded from time to time. Tenant further agrees to comply with all fire fighting and safety equipment requirements consistent with the nature of the Premises to comply with local codes and fire regulations of the Town of Nantucket and will not take, or fail to take, any action that would or can be reasonably expected to adversely affect the insurability of the Premises or any other portion of the Airport.

(a) Tenant acknowledges the existence of a body of procedures for the abatement of noise caused by aircraft which have been adopted by the Airport and community as of December 1, 1987, as part of a study performed under Part 150 of the Federal Air Regulations. It is further understood that all tenants conducting commercial airlines operations, or general aviation operations, at the Nantucket Memorial Airport are required to comply with those flight procedures as a condition of their tenancy. Each tenant must satisfy the Nantucket Memorial Airport of their continuing compliance no more seldom than once each year prior to lease renewal and at any time that the Airport Commission has reason to believe that non-compliance has occurred. A finding after hearing that the tenant has failed to comply with such flight procedures shall be deemed to be sufficient cause for non-renewal or cancellation of tenant's lease.

(b) Lessee will recognize the importance of federal funding to the Airport under the Airport Improvement Program (or other future program) and will submit to the DOT (whether required by the DOT or not) Form Number 1800-31 on a timely basis with a copy to the Airport Manager's office. This report is for reporting enplanements, from which our Airport receives its federal funding for capital improvement projects. Also, monthly enplanement numbers shall be supplied to the Airport Manager's office within 15 days after the month being reported.

5.2 Non-Discrimination Assurances. The Tenant, for itself, its heirs, personal representatives and its successors and assigns, does hereby covenant and agree:

(a) That in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a U.S. Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended;

(b) As a covenant running with the Premises that (i) no person on the grounds of race, color, handicap, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (ii) that in the construction of any

improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, handicap, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (iii) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended;

(c) If the U.S. Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended;

(d) That the breach of any of the above nondiscrimination covenants constitutes a material breach of this Lease and the Landlord shall have the right to terminate the Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

5.3 Liability for Fines and Penalties. Should Tenant, its customers, agents, employees, officers or guests violate said rules, regulations or covenants, and should said violations result in a citation or fine to the Landlord, then Tenant shall fully reimburse the Landlord for said citation or fine and for all costs and expenses, including reasonable attorney's fees, incurred by the Landlord in defending against the citation or fine. All such amounts shall constitute additional amounts due under the Lease and shall be paid within fifteen (15) days of Tenant's receipt of notice thereof.

ARTICLE SIX – Use of Premises

6.1 Use of Premises: The Tenant shall use the Premises solely for the purposes set forth in Article One and the activities necessary and incidental thereto, including any additional activities as approved by the Landlord.

ARTICLE SEVEN – Tenant Covenants and Restrictions

7.1 Liens and Alterations: Tenant shall not permit any mechanic's liens or similar liens to remain upon the Premises for labor and materials furnished to Tenant in connection with work of any character performed at the direction of the Tenant and shall cause any such lien to be released of record without cost to Landlord within sixty (60) days of the filing of the lien. Landlord shall not, under any circumstances, be liable for the payment of any expenses incurred or for the value of any work done or material furnished to the Premises or any part thereof, all of which expenses shall be paid by Tenant. Tenant shall cause all contractors to carry workers' compensation insurance in accordance with statutory requirements and comprehensive public liability insurance and automobile liability insurance covering such contracts on or about the Premises in amounts reasonably acceptable to Landlord; and Tenant agrees to submit, and cause its contractors to submit, certificates evidencing such coverage to Landlord prior to the commencement of and during the continuance of such work.

Notwithstanding anything to the contrary in this Lease, Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of the Landlord, which may be withheld in Landlord's sole and absolute discretion. All such alterations, additions or improvements shall be at Tenant's expense.

Tenant shall procure and pay for all necessary permits before undertaking any work on the Premises, and shall cause all such work to be performed in a good and first-class workmanlike manner and in accordance

with the requirements of insurers, employing new materials of prime quality and shall defend, hold harmless, exonerate and indemnify Landlord from all injury, loss or damage to any person or property occasioned by such work. Tenant improvements, alterations and repairs shall be done and materials and labor furnished at Tenant's expense, and the laborers and material men furnishing labor and materials to the Premises or any part thereof shall release Landlord and the Premises from any liability.

All structural and nonstructural improvements and additions made by Tenant, including the existing woodframe hangar building now located upon the Premises (i.e., alterations or additions which are not of a structural nature and may be removed without damage to the Premises, as reasonably determined by Landlord) shall be the exclusive property of the Landlord ~~Tenant, and all nonstructural alterations and additions shall be the exclusive property of Tenant.~~ So long as it is not in default of any of its obligations under the Lease, Tenant may at any time, at its sole option, remove any such ~~nonstructural alteration or addition and improvements and reconstruct similar improvements upon the Premises~~ restore the Premises to the same conditions as prior to such alteration or addition, reasonable wear and tear excepted.

7.2 Assignment and Subletting: Tenant shall not sublet, underlet, mortgage, pledge or encumber this Lease any portion of the Premises without, in each instance, having first obtained the prior written consent of Landlord. Any assignment or sublease under such consent shall, notwithstanding such consent, be void unless the assignee or sub-Tenant acknowledges in writing that it will be bound by and subject to the terms of this Agreement. No permitted assignment or subletting shall in any way impair the continuing primary liability of the Tenant-assignor hereunder and no consent by the Landlord in a particular instance shall be deemed to be a waiver of the obligation to obtain the Landlord's consent in a subsequent instance. As used herein, the term "assign" or "assignment" shall be deemed to include, without limitation, any transfer of Tenants interest in the Lease by operation of law. See also the provisions of Article Twelve hereof.

7.3 Aeronautics Restrictions. Tenant shall have the right to operate in the manner authorized by proper governmental authority and agencies, and shall be subject to the following restrictions:

(a) The Landlord reserves unto itself, its successors and assigns, for the use and benefit of the public a right of flight for the passage of aircraft in the airspace above the surface of the real property as described in this Lease, together with the right to cause in said airspace such sound as may be inherent in the operation of aircraft, now known or hereafter used for the navigation of or flight in said airspace, together with the emission of fumes or particles incidental to aircraft navigation, and for the use of said airspace for the landing on, taking off from or operating on Nantucket Memorial Airport.

(b) The Tenant expressly agrees for itself, its successors and assigns to prevent the use of the Premises for purposes which will create or result in hazards to flight such as, but not limited to, purposes which will (i) produce electrical interference with radio communications, (ii) make it difficult for pilots to distinguish between airport lights and others, (iii) project glare in the eyes of the pilots, (iv) impair visibility in the vicinity of the airport, or (v) otherwise endanger the landing, take-off or maneuvering of aircraft.

(c) The Landlord retains the continuing right in the Premises to prevent the erection or growth of any building, structure, tree, or other objects extending in to the airspace (above 45 feet Mean Ground Level) and to remove from said airspace, at the Tenant's expense or at the sole option of the Landlord, as an alternative, to mark and light as obstructions to air navigation, any such building, structure, tree, or other object now upon, or which in the future may be upon the property together with the right of ingress to, passage over, and egress from Tenant's property for the above purposes.

(d) The Tenant expressly agrees for itself, its successors and assigns, that the reservations and restrictions set forth in this instrument shall run with the land which shall be the servient tenement, it being intended that the lands now and hereafter comprising the Airport shall be the dominant tenement; excepting, however, that such reservations and restrictions shall become void and of no force and effect on such date as the lands comprised in the aforesaid Airport shall cease to be used for Airport purposes.

(e) The Tenant for itself, its heirs, personal representatives, successors in interest and assigns do hereby agree that if any aeronautical services or activities are to be offered, performed or conducted upon the Premises that:

In the exercise of the rights and privileges granted for the furnishing of aeronautical services to the public, Tenant will

(i) furnish said service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and

(ii) charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) It is mutually understood and agreed by the parties hereto that nothing contained in this Lease shall be construed as granting or as authorizing the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958.

7.4 Maintenance and Repair; Nuisance. Tenant agrees that it shall not injure, deface or otherwise harm the Premises or use the Premises in any manner that will constitute waste. Tenant will maintain the Premises and any structures or other improvements constructed thereon in good condition and repair, including painting the exterior of the building to prevent rusting or deterioration of any portions thereof; shrubbery, plantings and lighting will also be maintained. Any visible damage or defacement to the building, windows, or appurtenances will be corrected by the Tenant as quickly as possible to prevent a continuing condition of apparent disrepair or will remove the damaged remains from the Premises, and any replacement structure will be subject to the same terms and conditions as the original structure. Tenant shall not create, permit, or suffer to exist any unsafe condition. It shall be solely responsible to remove snow and ice from the Premises. The Tenant will not make or suffer any unlawful, improper, noisy or offensive use of the Premises, or permit any use that shall be liable to endanger, affect, or make voidable any insurance on the Premises, or the building or any of its contents, or to increase the cost of any such insurance. Tenant covenants and agrees that the Premises shall not be used for any objectionable, unlawful purpose, or for any purpose which will constitute a nuisance; that it will permit Landlord to enter the Premises at all reasonable times for the purpose of inspecting the same and that upon the termination of this Lease it will quietly and peacefully surrender possession of the Premises to Landlord in good order and condition, ordinary wear and tear, damage by the elements and unavoidable casualty only excepted. If Tenant shall fail to keep the Premises in the condition required herein or to make repairs are required to be made by Tenant pursuant to the terms hereof, Landlord shall have the right, but not the obligation, after giving thirty (30) days' notice to Tenant (or without notice in any emergency), to make such repairs or perform maintenance work or any other work required of Tenant pursuant to this Lease and charge the reasonable cost thereof to Tenant as Additional Rent.

7.5 Sanitation. Tenant shall supply at its own expense a receptacle suitable for the disposal of refuse and shall be responsible for the disposal of all refuse. Tenant shall not permit any refuse to accumulate so as to constitute a fire or health hazard within the Premises. If Tenant fails or neglects to keep the Premises and area herein described in a clean and sanitary condition at all times, Landlord shall have the right, without any obligation to do so, to enter upon the Premises and put them in a clean and sanitary condition in the event that Tenant fails to do so within twenty-four (24) hours after notice of any such condition. In the event the Tenant fails to comply with any such notice and Landlord acts to clean the Premises, Tenant shall reimburse Landlord for all cost and expense incurred by Landlord to clean the Premises

7.6 Airport Construction and Development. Tenant recognizes that from time to time during the term of this Lease it may be necessary for Landlord to initiate and carry forward programs of construction, expansion, maintenance and repair, and that such construction, expansion, maintenance and repair or relocation to an equal or better location may temporarily inconvenience or temporarily interrupt Tenant in its operations at

the Airport. Tenant agrees that no liability shall be attached to Landlord, its agents or employees by reason of such relocation, temporary inconvenience or temporary interruption, so long as Landlord has made reasonable efforts to mitigate the effect of such work on the Tenant, and Tenant waives any right or claim to damages or other consideration therefor, except for reasonable and proportionate rental abatement in the event the Premises may not be used during any such period of time, or, in the alternative, the cost of the relocating the Tenant to an alternative location.

7.7 Hazardous Materials. Tenant shall not use, handle, store or dispose of any Hazardous Waste, Hazardous Material, Oil or radioactive material, as such terms are used or defined in Section 2 of Chapter 21C, Section 2 of Chapter 21D, and Section 2 of Chapter 21E of the General Laws of Massachusetts, and the regulations promulgated thereunder, as such laws and regulations may be amended from time to time (collectively "Hazardous Materials") in, under, on or about the Premises except for such storage and use consented to by Landlord in advance in writing, which consent may be withheld in Landlord's sole and absolute discretion. Any Hazardous Materials on the Premises, and all containers therefore, shall be used, kept, stored and disposed of in conformity with all applicable laws, ordinances, codes, rules, regulations and orders of governmental authorities. Any violation of said laws, rules or regulations shall be deemed a material breach of this Lease for which Landlord may terminate this Lease. Tenant shall (i) notify Landlord immediately of any discovery, release or threat of release of any Hazardous Materials on or from the Premises and any loss or damage or claim of loss or damage resulting therefrom, (ii) be solely responsible for remediating all contamination in full compliance with all applicable statutes, regulations and standards, at Tenant's sole cost and expense, and, in addition to all other rights and remedies available to Landlord, (iii) indemnify, defend and hold Landlord harmless from and against all liability, loss, damage, costs and expenses (including without limitation, reasonable attorney's fees and expenses), causes of action, suits, claims, demands, or judgments of any nature in any way suffered, incurred, or paid as a result of the presence or release or threatened release of Hazardous Materials on or from the Premises which is caused or exacerbated by Tenant, its agents, employees, contractors, representatives, licensees, or invitees. Tenant hereby acknowledges and agrees that Landlord shall have no responsibility to Tenant, its agents, employees, representatives, permittees and invitees, for the presence of such Hazardous Materials on the Premises or be required to abate or remediate the same. This provision shall survive the expiration or termination of this Lease.

ARTICLE EIGHT - Indemnity and Public Liability Insurance

8.1 Tenant's Indemnity. To the maximum extent this agreement may be made effective according to law, Tenant agrees, in addition to all other rights and remedies available to Landlord, to defend, indemnify and save harmless Landlord from and against all claims, expenses or liability of whatever nature from any suits, claims and demands arising directly or indirectly (i) from the failure of the Tenant's or Tenant's contractors, agents, employees or invitees to comply with the terms of this Lease or with any applicable laws, codes, bylaws, rules, orders regulations or lawful direction now or hereafter in force of any public authority and any accident, injury or damage whatsoever to any person, or to the property of any person, occurring on or about the Premises or (ii) from any accident, injury or damage however caused to any person or property on the Premises or occurring outside of the Premises but on the Airport property, in each case where such accident, damage or injury results or is claimed to have resulted from any act, omission or negligence on the part of Tenant or Tenant's contractors, agents, employees, or invitees or anyone claiming by or through the Tenant; and (iii) from any and all costs and expenses incurred in connection with any cleanup, remediation, removal or restoration work required by any federal, state or local governmental authority because of the presence of any Hazardous Materials on or about the Premises to the extent that Tenant or Tenant's contractors, agents, employees or invitees or anyone claiming by or through the Tenant caused or contributed to such environmental occurrence, in these cases, occurring after the date of this Lease until the end of the term of this Lease and thereafter so long as Tenant is in occupancy of any part of the Premises. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof, including, without limitation, reasonable attorneys' fees at both the trial and appellate levels.

8.2 Insurance. Tenant agrees to maintain in full force from the date upon which Tenant first enters the Premises for any reason, throughout the term of this Lease, and thereafter so long as Tenant is in occupancy of any part of the Premises and agrees prior to the commencement of the Lease, and thereafter on or before January 1 of each term of this Lease, to deliver to the Landlord a certificate of insurance evidencing compliance with the requirements herein:

(a) A policy of general liability and property damage insurance with respect to the Premises and the property of which the Premises are a part, naming the Tenant as an insured and the Landlord as an additional named insured, in the minimum amount of \$1,000,000 bodily injury and property damage for each occurrence, with a combined single limit of \$3,000,000 annual aggregate limit under which Tenant and Landlord are named as an insured. Landlord shall have the right from time to time to increase such minimum amounts upon notice to Tenant, provided that any such increase shall provide for coverage in amounts similar to like coverage being carried on like coverage being carried on similar property in the Nantucket area;

(b) A policy of fire and extended coverage insurance upon its building and leasehold improvements, furniture, furnishings, fixtures and equipment to the full insurable value thereof and any applicable equipment vendors or lenders give the Airport satisfactory releases from fire and extended coverage liability;

(c) A policy of Workers' Compensation insurance during any construction, maintenance or repair of the Premises by the Tenant or any of its contactors, covering the obligations of the Tenant and or its contractors in accordance with Massachusetts Workers' Compensation or Benefits law. Prior to the commencement of any construction, maintenance or repair of the Premises, the Tenant shall deliver to the Landlord a copy of the certificate of insurance which shall also name the Landlord as an additional insured.;

(d) Automobile Liability Insurance of not less than \$1,000,000 per occurrence covering owned, hired and non-hired vehicle use and shall name the Landlord as an additional insured.;

(e) Such other insurance as may reasonably be required by the Landlord.

Without limiting Landlord's other rights under any other provisions of this Lease, if Tenant shall fail to keep the Premises insured as provided herein, and if such failure shall continue for a period of ten (10) days following written notice by Landlord to Tenant thereof, then Landlord, without further notice to Tenant, may take out and pay for such insurance, and the amount of such payment shall become due and payable as Additional Rent on demand.

8.3 Tenant's Risk. To the maximum extent this agreement may be made effective according to law, Tenant agrees that all of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and all persons claiming by, through or under Tenant which, during the Term of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere on the Property, shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes or sprinklers, by theft or from any other cause, no part of said loss of damage is to be charged to or borne by Landlord unless due to the negligence or misconduct of Landlord, its employees, agents, or contractors.

8.4 Injury Caused By Third Parties. To the maximum extent this agreement may be made effective according to law, Tenant agrees that Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons other than Landlord and Landlord's employees, agents and contractors.

8.5 Waiver of Subrogation. Insofar as, and to the extent that, the following provision shall not make it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the locality in which the Property is located (even though extra premium may result therefrom)

Landlord and Tenant mutually agree that any property damage insurance carried by either shall provide for the waiver by the insurance carrier of any right of subrogation against the other, and they further mutually agree that, with respect to any damage to property, the loss from which is covered by insurance then being carried by them, respectively, the one carrying such insurance and suffering such loss releases the other of and from any and all claims with respect to such loss to the extent of the insurance proceeds paid with respect thereto.

THE TENANT SHALL DEPOSIT WITH THE LANDLORD CERTIFICATES FOR ALL INSURANCE REQUIREMENTS LISTED ABOVE PRIOR TO THE COMMENCEMENT OF THEIR TERM, AND THEREAFTER WITHIN THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF ANY SUCH POLICIES. ALL SUCH INSURANCE CERTIFICATES SHALL PROVIDE THAT SUCH POLICIES SHALL NOT BE MATERIALLY CHANGED, ALTERED OR CANCELED WITHOUT AT LEAST TEN (10) DAYS PRIOR WRITTEN NOTICE TO EACH ASSURED NAMED THEREIN.

ARTICLE NINE – Default and Landlord’s Remedies

9.1 Tenant's Default. If at any time subsequent to the date of this Lease any one or more of the following events (herein referred to as a "Default of Tenant") shall happen, Landlord may, in addition to all other rights and remedies available to it, terminate this Lease upon ten days’ notice to Tenant and Tenant will then quit and surrender the Premises to Landlord, and Tenant shall remain liable as herein provided (Tenant hereby waiving any rights of redemption under Massachusetts General Laws c. 186 §11)::

- (i) Tenant shall fail to pay the Base Rent, payment of Additional Rent when due and such failure shall continue for ten (10) days after written notice thereof; or
- (ii) Tenant shall fail to pay charges hereunder when due and such failure shall continue for ten (10) days after notice to Tenant; or
- (iii) Tenant shall neglect or fail to perform or observe any other covenant herein contained on Tenant's part to be performed or observed and Tenant shall fail to remedy the same as soon as practicable and in any event within thirty (30) days after written notice to Tenant specifying such neglect or failure, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly (and in any event within such thirty (30) day period) to remedy the same and to prosecute such remedy to completion with diligence and without interruption; or
- (iv) Tenant's leasehold interest in the Premises shall be taken on execution or by other process of law directed against Tenant; or
- (v) Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future Federal, State or other statute, law or regulation for the relief of debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any part of its properties, or shall admit in writing its inability to pay its debts generally as they become due; or
- (vi) A petition shall be filed against Tenant in bankruptcy or under any other law seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future Federal, State or other statute, law or regulation and shall remain undismissed or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or if any debtor in possession (whether or not Tenant) trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed without the consent or acquiescence of Tenant and such appointment shall remain unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive); or

(vii) If a failure of Tenant to pay Base Rent or charges as set forth in clauses (i) and (ii) above shall occur but be cured by Tenant within the applicable grace period on three or more occasions within any rolling 365 day period, such shall constitute a Default of Tenant.

9.2 Re-entry by Landlord. If this Lease shall have been terminated as provided in this Article, or if any execution or attachment shall be issued against Tenant or any Tenant's property whereupon the Premises shall be taken or occupied by someone other than Tenant, then Landlord may, without notice, re-enter the Premises, either by force, summary proceedings, ejectment or otherwise, and remove and dispossess Tenant and all other persons and any and all property from the same, as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

9.3 Damages. In the event of any termination as provided in this Article, Tenant shall pay the Base Rent and other sums payable hereunder up to the time of such termination, and thereafter Tenant, until the end of what would have been the Term of this Lease in the absence of such termination, and whether or not the Premises shall have been relet, shall be liable to Landlord for, and shall pay to Landlord, as liquidated current damages, the Base Rent and other sums which would be payable hereunder if such termination had not occurred, less the net proceeds, if any, of any reletting of the Premises, after deducting all reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, costs to restore the Premises to its original condition (reasonable wear and tear excepted), advertising, expenses of employees, and alteration costs and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord monthly on the dates which the Base Rent would have been payable hereunder if this Lease had not been terminated.

At any time after such termination, whether or not Landlord shall have collected any current damages as set forth in Section 9.3, as liquidated final damages and in lieu of all such current damages beyond the date of such demand, at Landlord's election Tenant shall pay to Landlord an amount equal to the excess, if any, of the Base Rent and other sums as hereinbefore provided which would be payable hereunder from the date of such for what would be the then unexpired Term of this Lease if the same remained in effect, discounted to present value at a rate of 8% per year, over the then fair net rental value of the Premises for the same period, also discounted to present value at a rate of 8% per year.

9.4 Reletting of Premises. In case of any Default by Tenant, re-entry, expiration and dispossession by summary proceedings or otherwise, Landlord may (i) re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and may grant concessions or free rent to the extent that Landlord considers reasonably advisable and necessary for the purpose of reletting the Premises; and such actions and the making of any alterations, repairs and decorations to the Premises in connection therewith shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the Premises are re-let, for failure to collect the rent under such re-letting. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

9.5 No Limitation of Remedies. The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

9.6 Costs. All reasonable costs and expenses incurred by or on behalf of Landlord (including, without limitation, reasonable attorneys' fees and expenses at both the trial and appellate levels) in enforcing its rights hereunder in connection with any Default of Tenant shall be paid by Tenant.

[9.7 Lender's Rights – See also the provisions of Article Twelve hereof, regarding the rights of a Lender in the event of Tenant default.](#)

ARTICLE TEN – Tenant Obligation Upon Lease Termination

10.1 Restoration of Premises. Subject to the provisions hereof, upon the expiration or earlier termination of this Lease, the Tenant shall have the obligation, at its expense, to dismantle and remove the structures it has constructed upon the Premises and to remove and dispose of any hazardous waste deposited thereon by the Tenant, and to restore the Premises to its original condition, reasonable wear and tear excepted. Such removal and restoration shall be commenced only after written notice is given to the Landlord and shall be completed within forty-five (45) days; provided, however, that if, upon receipt of such notice, the Landlord determines that Tenant is in default of any provision hereof, which default is not otherwise cured by Tenant or Tenant's mortgagee or lender within thirty (30) days of Landlord's receipt of such notice. Landlord, in its discretion may elect by written notice to instruct the Tenant not to remove the improvements, or any part thereof, and may take possession thereof as security for the performance of the terms hereof. Landlord, in its discretion may elect by written notice to instruct the Tenant not to remove the improvements, or any part thereof, and may take possession thereof as security for the performance of the terms hereof, unless Tenant or Tenant's mortgagee or lender cures any and all defaults or nonperformance within thirty (30) days of Tenant's receipt of such written notice. ~~subject however to the rights of Tenant's then mortgagee, lender or any assignee or transferee of such mortgagee or lender.~~ Notwithstanding Landlord's election to take possession of the improvements, Tenant shall continue to be obligated to restore the Premises as aforesaid.

10.2 Removal of Personal Property. The Tenant shall at the expiration or other termination of this Lease remove all Tenant's goods and effects from the Premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the Tenant, either inside or outside the Premises). Tenant shall deliver to the Landlord the Premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the Premises, in good condition, damage by fire or other casualty only excepted. In the event of the Tenant's failure to remove any of Tenant's property from the Premises, Landlord is hereby authorized, without liability to Tenant for loss or damage thereto, and at the sole risk of Tenant, to remove and store any of the property at Tenant's expense, or to retain same.

10.3 Environmental Inspection. Within forty-five (45) days before or after the termination of the Lease, Tenant shall at its sole cost and expense have a Site Assessment performed by a certified engineer to be performed on the Premises as to the presence of Hazardous Materials as defined in G.L. c. 21E, and will promptly forward a copy thereof to the Landlord.

ARTICLE ELEVEN – Miscellaneous

11.1 Notices. Whenever under this Lease a provision is made for any demand, notice, or declaration of any kind or where it is deemed desirable or necessary by either party to give or serve any such notice, demand, or declaration to the other, it shall be in writing sent by certified or registered mail, return receipt requested with postage prepaid at the address set forth in Article One, above, or at such other addresses as the parties may from time to time designate by written notice to the other party, as it may be changed by notice duly given hereunder.

11.2 Waiver. One or more waivers of any covenant, term, or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval of either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

11.3 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of rent nor any of the other provisions contained in this Lease nor any act or acts of the

parties shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

11.4 Governing Law. The law of the Commonwealth of Massachusetts shall govern the validity, performance, and enforcement of this Lease.

11.5 Successors. The provisions, covenants, and conditions of this Lease shall be binding on the legal representatives, heirs, successors, and permitted assigns of the respective parties.

11.7 Amendments. Except as provided herein, no subsequent alterations, amendments, changes, or additions to this Lease shall be binding upon Landlord or Tenant unless and until reduced to writing and signed by both parties. Submission of this Lease by Landlord to Tenant for examination shall not bind Landlord in any manner, and no lease, contract, option, agreement to lease, or other obligation of Landlord shall arise until this Lease is signed by Landlord and delivered to Tenant.

11.8 Quiet Enjoyment: Landlord agrees that, on payment of the rentals herein provided for and the performance of the covenants and agreements on the part of the Tenant to be performed hereunder, Tenant shall have peaceful and quiet use and possession of the Premises.

11.9 Severability. If any provision of this Lease is declared to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision, provided, however, that the remainder of the Lease shall be enforced to the fullest extent permitted by law.

11.10. Notwithstanding anything to the contrary in this Lease, Landlord does not waive and hereby reserves all rights, remedies and defenses under G.L. c. 258.

ARTICLE TWELVE Lender's Rights

12.1. Pledge of Lease. Notwithstanding any term of this Lease to the contrary, TENANT may pledge and assign this Lease together with all rights related thereto as security for a loan made to TENANT by Cape Cod Five Cents Savings Bank in the original principal amount of \$340,000.00, or such other loan to a future first mortgage lender in an amount to be determined, as subject to LANDLORD's consent to, which shall such consent not to be unreasonably withheld, provided that, in the event that such bank or any such lender succeeds to the interests of Tenant hereunder, the Premises shall be used only for aeronautical purposes, and for no other purpose.

12.2. Lender's Right's. If LANDLORD receives written notice from a lender by certified mail, return receipt stating that the lender has made a loan secured by the Lease, which notice identifies the Lender and states the Lender's address and is accompanied by copies of the relevant loan documents, then such lender ("Lender") shall have the following rights together with such other rights as may be granted under the Lease:

- (a) LANDLORD agrees to accept payment and performance from Lender as if made by TENANT, provided such payment and performance is made within the times stated in this Lease and, if TENANT is in default at the time such notice is received, Lender shall have an additional grace period of thirty (30) days to pay or perform.

No cancellation, surrender assignment, or modification of this Lease, or any sublease or mortgage of the Lease by TENANT shall be effective as to Lender unless consented to in writing by the Lender.

- (b) LANDLORD upon providing TENANT any notice of a default under this Lease, shall at the same time provide a copy of such notice to Lender, and Tenant, upon receiving such a notice from Landlord, shall promptly provide a copy of such notice to the Lender. No such notice by LANDLORD to TENANT shall be deemed to have been duly given unless and until a copy thereof has also been mailed by certified mail, postage prepaid, to Lender, provided that any good faith failure of Landlord to send such notice to Lender shall not constitute a breach of this Lease; nor shall such failure prevent Landlord from terminating this Lease if Lender

received notice of default from Tenant. From and after the date that such notice has been given to Lender, Lender shall have the same period after the giving of such notice for remedying any defaults or terminations which are the subject matter of a notice as is given to TENANT under the Lease.

(c) TENANT hereby authorizes Lender to take any such action to cure TENANT's defaults at such Lender's option and does hereby authorize entry onto the leasehold premises by Lender for such purpose.

~~LANDLORD agrees to recognize such priority as Lender's lien or security interest may have in all sums otherwise due to TENANT on account of a casualty, taking or liquidation of LANDLORD, or the proceeds of the sale of the leasehold covered by Lender's security interest after a surrender of such leasehold to LANDLORD.~~

~~LANDLORD will execute, acknowledge, and deliver to Lender within thirty (30) days after a written request therefore, a written certificate stating that: (i) this Lease is in full force and effect, or if there have been modifications, that the lease is in full force and effect as modified, and setting forth such modifications; (ii) the dates, if any, to which Rent, Additional Rent, and other sums payable hereunder have been paid; (iii) whether or not, to the knowledge of the certifying party, there are then existing any defaults under this Lease, and if so, specifying same; and (iv) such other matters relating to this Lease as may be reasonably required.~~

(d) In the event of foreclosure, the Lender shall have the right, at its option, but subject to the terms of this Lease, to assign or transfer TENANT'S interest in the leasehold to any other assignee or transferee, provided however that at such time and as a condition of any such assignment or transfer, any and all defaults of the TENANT under the lease shall have been cured to the reasonable satisfaction of the LANDLORD, and provided further, that such assignee or transferee shall expressly assume all of the covenants, agreements, ~~or~~ and obligations of the Tenant under this Lease by written instrument to be recorded at the Nantucket Registry District of the Land Court, and such assignee or transferee shall use the Premises only for aeronautical purposes, and for no other purpose.

IN WITNESS WHEREOF, the Landlord and Tenant have caused this Lease Agreement to be executed under seal as of the day and year first above written.

NANTUCKET MEMORIAL AIRPORT
COMMISSION

TENANT:

By: _____

By: _____



**AGREEMENT BETWEEN
THE TOWN OF NANTUCKET
NANTUCKET MEMORIAL AIRPORT
AND
TEAM EAGLE, INC.**



This AGREEMENT, effective the _____, 2014, made by and between the TOWN OF NANTUCKET, acting by and through its Airport Commission, (hereinafter, the "AIRPORT") and Team Eagle, Inc., 141 Sanborn Road, Tilton, NH 03276 (hereinafter, the "CONTRACTOR").

A. Whereas, the AIRPORT desires to engage the CONTRACTOR as an independent contractor to perform the services set forth on EXHIBIT A, attached hereto (the "Services");

B. Whereas, the CONTRACTOR agrees to accept the engagement by the AIRPORT in accordance with the terms set forth herein;

NOW, THEREFORE, the parties, in consideration of the mutual covenants contained herein, agree as follows:

1. The AIRPORT hereby retains the CONTRACTOR to perform the Services and the CONTRACTOR agrees to perform the Services as provided herein. Any written or other materials or intellectual property produced by the CONTRACTOR for the AIRPORT hereunder shall be the property of the AIRPORT and, upon the expiration or termination of this Agreement the CONTRACTOR shall deliver copies of the originals of all such materials, as well as notes, work papers and the like, to the AIRPORT.

2. The term of this Agreement will commence on the effective date above and terminate on June 30, 2014, or when the performance of the Services has been completed in a manner reasonably satisfactory to the AIRPORT. The AIRPORT shall have the right to terminate this Agreement at any time and for any reason upon written notice given to the CONTRACTOR.

3. The CONTRACTOR will perform the Services in a first class, professional manner and in compliance with all applicable federal, state and local laws, regulations and ordinances. The CONTRACTOR shall be subject to the administrative supervision of the Board of Selectmen, or its designee, who shall be responsible for scheduling the work to be done by the CONTRACTOR on a daily or other basis. The CONTRACTOR shall perform the Services in cooperation with AIRPORT personnel as appropriate.

4. The AIRPORT will pay the CONTRACTOR compensation not to exceed \$1,000.00 as payment in full for the Services. This agreement may be subject to budgetary limits and, in such case, the AIRPORT shall not be obligated to pay the CONTRACTOR any amount of fees or expense in excess of \$1,000.00 without the express prior written approval of the Airport Commission.

5. The parties acknowledge that the CONTRACTOR is an independent contractor and not an employee of the AIRPORT. The CONTRACTOR shall not be entitled to any employment fringe benefits to which AIRPORT employees are entitled.

6. To the extent permitted by the CONTRACTOR'S professional liabilities and/or liability insurance, the CONTRACTOR agrees to indemnify and hold harmless the TOWN OF NANTUCKET and its agents, officers and employees from any losses, claims or costs, of whatever kind or nature, suffered by the TOWN OF NANTUCKET or any third party which result from, or are related to, the performance (or failure to perform) by the CONTRACTOR of Services pursuant to this Agreement. The CONTRACTOR shall obtain and maintain such policies of insurance, written by companies licensed to do business in Massachusetts, as may be set forth on Exhibit A and shall add the TOWN OF NANTUCKET/NANTUCKET MEMORIAL AIRPORT as an additional insured thereunder.

IN WITNESS THEREOF:

CONTRACTOR

NANTUCKET MEMORIAL AIRPORT COMMISSION:



Print name: John Desrochers
Title: Parts/Service Manager

Daniel W. Drake, Chairman


Date: 3/13/14

FEIN/SSN: 04-0524681

65482 52405

Department Org./Obj. Code:

As to the Availability of Funds:



Bob Dickenson

EXHIBIT A

1. Description of Services:
One (1) Propshaft, item #2164260 for Oshkosh Snow Blower \$627.04

Plus Freight (Estimate) \$ 150.00

2. Other payment terms: 100% payment upon completion of work, submission of CONTRACTOR'S invoice and approval of invoice by the AIRPORT.

3. Insurance Required (if any): None

EXHIBIT B

TAX COMPLIANCE CERTIFICATION

Pursuant to M.G.L. 62C, §49A, I certify under the penalties of perjury that, to the best of my knowledge and belief, I am in compliance with all laws of the Commonwealth relating to taxes, reporting of employees and contractors, and withholding and remitting child support.

04-0524681

Federal Employer Identification Number



By: John Desrocher, P&S Manager

Team Eagle, Inc.

3/13/14

Date:

HANGAR LEASE

THIS LEASE, dated the ____ day of _____, 2014, between Emily Air, LLC with offices at 550 Barnstable Road, Hyannis, MA 02601 ("LANDLORD") and ISLAND AIRLINES, LLC, a Delaware Limited Liability Company having its principal place of business at 550 Barnstable Road, Hyannis, Massachusetts 02601 ("TENANT").

WHEREAS, LANDLORD desires to lease to the TENANT and the TENANT desires to rent from the LANDLORD, for the term and subject to the provisions herein set forth a certain HANGAR :

NOW THEREFORE, the parties hereby agree as follows:

ARTICLE I

PREMISES and TERM

1.1 LANDLORD leases to TENANT and TENANT rents from LANDLORD the Hangar as shown and described in the Plans and Drawings annexed hereto as Exhibit "A" located at the Nantucket Memorial Airport in Nantucket, Massachusetts.

1.2 COMMENCEMENT and TERM. The Term of this LEASE shall commence on _____, 2014 and end on _____, 2017.

1.3 OPTION TO RENEW. The TENANT shall have the option to renew this Lease for 3 additional three (3) year periods upon written notice to the LANDLORD at least sixty (60) days prior to the Lease termination date. In the event the TENANT exercises said option to renew the Lease then, in that event, the annual rent for each additional period shall be increased by three (3%) percent.

1.4 PERMITTED USES. The TENANT shall use and occupy the demised premises for the operation of its air charter service and storage of its aircraft.

ARTICLE II

RENT

2.1 RENT. The annual rent for the Hangar shall be Seventy-Eight Thousand and 00/100 (\$78,000.00) Dollars payable in equal consecutive monthly installments of Sixty-Five Hundred (\$6,500.00) Dollars in advance commencing _____, 2014.

2.2 ADDITIONAL RENT. In addition to the monthly rent, the TENANT shall pay directly (as "additional rent") utilities, taxes, property insurance and operating expenses affecting the Hangar. The term "utilities" shall mean natural gas, electricity and telephone service as may be billed by the LANDLORD to the TENANT. This Lease shall be treated as "triple net".

ARTICLE III

LIABILITY INSURANCE

3.1 After the Commencement Date, TENANT shall indemnify and hold the LANDLORD harmless against and from any and all liabilities, fines, suits, claims, demands and actions, and costs and reasonable expenses of any kind or nature, including reasonable attorneys' fees, due to or arising out of (a) any default in observing, violation or non-performance of any term, covenant or condition of this Lease on the part of the TENANT to be observed and performed and/or (b) any damage to person or property, including both transient and other aircraft, occasioned by the TENANT'S use and occupancy of the Hangar for any use or occupancy which the TENANT may permit or suffer to be made of the Hangar and/or (c) for any negligent acts committed by the TENANT, its agents, servants or employees.

3.1 CONTENTS' INSURANCE. During the term of this LEASE, the TENANT shall, at its expense and for its own benefit, insure the TENANT'S property in the Hangar (including aircraft hull) against damage and destruction by fire and theft, and shall not hold the

LANDLORD liable for any loss thereof or thereto, absent negligence on the part of the LANDLORD. On the Commencement Date, TENANT shall furnish to LANDLORD a copy of the insurance policy providing such coverage together with a certificate requiring the carrier to notify LANDLORD of cancellation, termination or lapse thereof, and shall on the expiration of the term of any such policy similarly furnish LANDLORD each renewal policy and other certificate as aforesaid.

ARTICLE IV

CARE AND REPAIR OF HANGAR

- 4.1 MAINTENANCE. TENANT shall take good care of the Hangar and shall make all repairs necessitated by its misuse of the Hangar. TENANT acknowledges that opening of the aircraft door in high winds may cause damage to the door which shall be the responsibility of the TENANT. TENANT further agrees to abide by the Nantucket Memorial Airport Regulations pertaining to the storage of hazardous fluids and materials. (These guidelines to be posted in the premises.) LANDLORD warrants that as of the date of occupancy of the premises by TENANT the LANDLORD has abided by these same guidelines.

ARTICLE V

ASSIGNMENT, SUBLETTING and SHORT TERM RENTALS

- 5.1 ASSIGNMENT, SUBLEASE OR CERTAIN OTHER TRANSFERS. TENANT may not, without the LANDLORD'S consent, assign this Lease or sublet the Hangar or any part thereof to any other person or business entity in any form whatsoever or to any subsidiary of TENANT or to any entity resulting from TENANT'S consolidation or merger. Notwithstanding

the foregoing, TENANT may, (1) if applicable, reorganize into or out of a corporate structure or partnership provided (i) that such change does not affect a change in the actual and equitable ownership of TENANT; (ii) LANDLORD is notified in writing of such change within fifteen (15) days thereof . Upon timely notification LANDLORD of such change, the new entity shall be substituted as the TENANT hereunder. Any transfer of interest in TENANT, whether by an individual directly or in said individual's capacity as a shareholder, partner, or member , which transfer is caused by operation of law (other than by reason of insolvency, bankruptcy, repossession or foreclosure) or by death or inheritance, shall not require the consent of the LANDLORD provided that the new party in interest (successor interest) thereto (a) notifies the LANDLORD in writing within fifteen (15) days thereafter of such change and the reason therefore, (b) promptly provides the LANDLORD, if so requested, with proper documentation supporting the stated reason for such change and (c) agrees in writing within said fifteen (15) day period to be bound by the terms hereof. In the event such change is brought about by reason of death, said fifteen (15) day period shall commence upon the expiration of the earlier of either (i) the appointment of the descendant's personal representative or (ii) 120 days after the date of death.

ARTICLE VI

SUBORDINATION

6.1 SUBORDINATION NON-DISTURBANCE AGREEMENT. This Lease shall be subject and subordinate to mortgages which now affect the real property of which the Hangar forms a part and to all renewals, modifications, consolidations and replacements of the presently existing mortgages. LANDLORD shall use it best efforts to obtain and cause to be delivered to

the TENANT, within a reasonable time after the Commencement Date, an agreement from the holder of each such mortgage, which LANDLORD shall promptly execute if so requested, providing, in effect, that so long as no event of default on TENANT'S part has occurred and is continuing, it shall not be joined as a party defendant in any foreclosure action or proceeding which may be taken or instituted by the then holder of the mortgage by reason of any default under the mortgage, and that TENANT shall not be evicted from Hangar nor its leasehold estate hereunder be terminated or disturbed by reason of any default under the mortgage.

6.2 FUTURE MORTGAGES AND LEASE ENCUMBERANCES. This Lease shall also be subject and subordinate to any first mortgage or lease encumbrance by the LANDLORD held by a lending institution, which may hereafter affect the real property and to all renewals, modifications, consolidations and replacements thereof provided the holder of the first mortgage or lease executes and delivers to TENANT an agreement similar in effect to that referred to the preceding paragraph.

6.3 SUBORDINATION AGREEMENT. Although no instrument or act by the TENANT shall be necessary to effect the above subordination, TENANT will, nevertheless, execute and deliver all further instruments that the mortgage holders or lenders may desire to confirm subordination of this Lease on the above terms.

ARTICLE VII

END OF TERM

7.1 Except as otherwise provided herein, TENANT shall, on the last day of the term hereby granted, or upon the sooner termination of said term, peacefully surrender to the LANDLORD the Hangar, together with all alterations, renewals and replacements thereof in good order and repair excepting only such normal wear and tear as could not have been

prevented by ordinary and usual repairs and maintenance, obsolescence in spite of repair and age to or destruction of the Hangar for which insurance proceeds are received by the LANDLORD. Upon such expiration or termination, the LANDLORD may re-enter and repossess the Hangar or pursue any remedy at law for the enforcement of any of the provisions of this Agreement at LANDLORD'S election.

7.2 No holding over by the TENANT after the termination of this Lease shall operate to extend or renew this LEASE for any further term whatsoever by TENANT will by such holding over become the tenant-at-will of the TENANT and after written notice by LANDLORD to vacate the Hangar, continued occupancy thereof by TENANT shall constitute TENANT a trespasser.

ARTICLE VIII

DEFAULT REMEDIES

8.1 DEFAULT, NOTICE, TERMINATION. If TENANT defaults in the performance of any term, covenant or condition of this LEASE including the payment of "additional rent" in a timely manner when billed, LANDLORD may give TENANT written notice of default. If TENANT does not cure any rent or additional rent default within fifteen (15) days, or any other default within thirty (30) days or, if the default is of such nature that it cannot be completed cured within thirty (30) days, if TENANT does not commence the cure within thirty (30) days and thereafter proceed with reasonable diligence and in good faith to cure the default, after notice of default is given, the LANDLORD may terminate this LEASE by giving seven (7) days written notice to TENANT. This Lease shall terminate on the date specified in the notice and TENANT shall quit and surrender the Hangar to LANDLORD. If this Lease is so terminated by

LANDLORD, it may at any time thereafter resume possession of the Hangar by any lawful means and remove TENANT and other occupants and their effects.

8.2 CUMULATIVE REMEDIES. LANDLORD'S remedies hereunder are in addition to any remedy allowed by law.

8.3 LANDLORD'S CURE OF TENANT'S DEFAULT. If TENANT breaches any term, covenant, or condition of this Lease, LANDLORD may, by giving reasonable notice to TENANT (except that no notice need be given in case of emergency) cure the breach at TENANT'S expense. All reasonable expenses, including legal fees, incurred by the LANDLORD in curing the TENANT'S breach shall be deemed additional rent payable on demand.

ARTICLE IX

NOTICES

9.1 Any notice, demand, request or other communication given hereunder or made by either party to the other shall be in writing and mailed, by certified mail in a postage paid envelope addressed as follows:

a) If to TENANT, at its address set forth above, with a copy to:

Kevin F. Dale, Esquire
Vaughan, Dale, Hunter and Beaudette, P.C.
2 Whaler's Lane, P.O. Box 659
Nantucket, Massachusetts 02554

b) If to LANDLORD, at its address set forth above:

or at any other address that TENANT or LANDLORD respectively may designate by written notice under this Article.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 NON-WAIVER. Failure of either party to insist on the strict performance of any term, covenant or condition hereof shall not be construed as a waiver of such term, covenant or condition in any other instance.

10.2 WRITTEN MODIFICATION. This Lease cannot be changed or terminated orally but only by an agreement signed by both parties.

10.3 COVENANT OF QUIET ENJOYMENT. The LANDLORD and its agents, successors and assigns, shall not interfere with the TENANT'S quiet enjoyment of the leased Premises and use of the leased Premises for storage and maintenance of TENANT'S aircraft.

10.4 NO REPRESENTATIONS. Neither party has made any representations or promises, except as contained in this Lease.

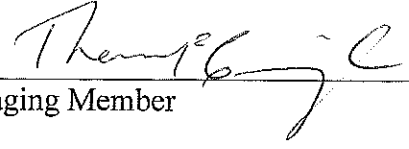
10.5 HEADINGS. Headings in this Lease are for convenience and reference only and shall not be used to interpret or construe its provisions.

10.6 GOVERNING LAW AND VENUE. This Lease shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts and any lawsuits, actions or proceedings arising out of or in connection herewith shall only be brought in the District or Superior Departments of the Massachusetts Trial Court.

10.7 COUNTERPARTS. This Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the LANDLORD and TENANT have duly executed this
Lease the day and year first above written.

LANDLORD: Emily Air, LLC

By: 

Managing Member

TENANT: ISLAND AIRLINES, INC.

By: 

THOMAS F. CUNNINGHAM, Manager,
duly authorized

EXHIBIT "A"

Hangar: Hangar A
Nantucket Memorial Airport
14 Airport Road
Nantucket, MA 02584

HAWGAN
"A"

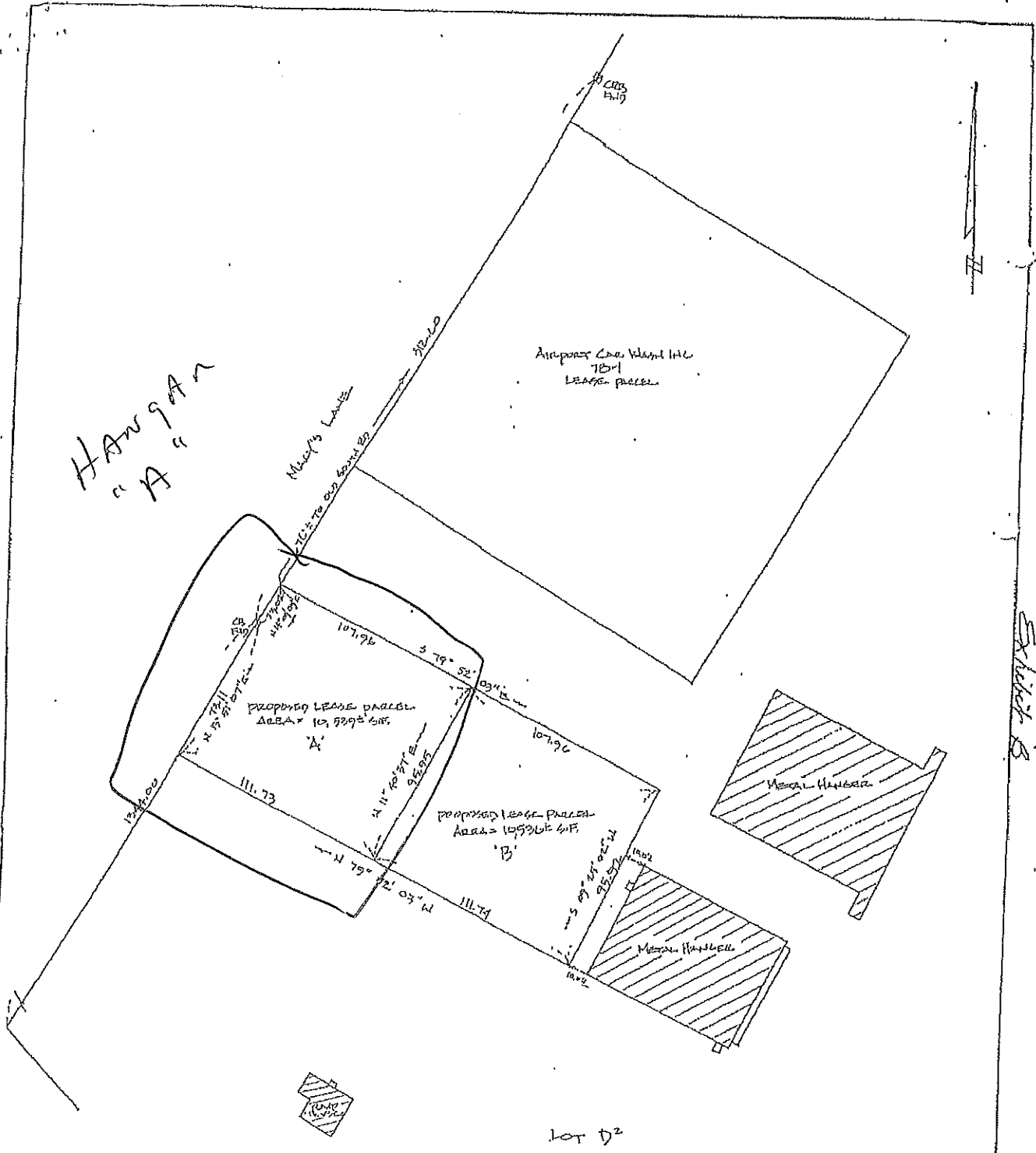


EXHIBIT B

*NOTE:
BEARING SYSTEM BEARS
TO LOCAL ROAD

SEE REVERSE FOR LOCATION
OF LEASE PARCELS IN RELATION
TO NEAREST LOT LINES

CURRENT ZONING MAP: R1Z
MINIMUM LOT SIZE: 5000 sq ft
MINIMUM FRONTAGE: 40 ft
FRONTYARD SETBACK: 20 ft
SIDE AND REAR SETBACK: 5 ft
11.1



PROPOSED LEASE AREAS
IN
NANTUCKET, MASSACHUSETTS
SCALE: 1"=50' DATE: 10/21/94

From: John Giorgio <JGiorgio@k-plaw.com>
Sent: Wednesday, March 19, 2014 2:37 PM
To: 'Daniel W. Drake'
Cc: Libby Gibson; Debbie Dilworth; Tom Rafter ; Janine Torres; Ashley Christ
Subject: RE: Airport support of Chamber of Commerce.

Hi Dan;

I don't think there is any issue with the Airport Commission making what is essentially a grant to the Chamber of Commerce as long as the money is used to promote tourism in the Town.

The prior Finance Director was probably thinking about the so-called Anti-Aid Amendment to the Massachusetts Constitution which generally prohibits the Town from "giving" money to an individual or a non-profit. There is a distinction to be made, however, between simply giving public money away with no strings attached and funding a grant agreement which has as its intended purpose providing services to the Town and its residents. Under the General laws a grant agreement is defined as "an agreement between a governmental body and an individual or nonprofit entity the purpose of which is to carry out a public purpose of support or stimulation instead of procuring supplies or services for the benefit or use of the governmental body." Clearly a grant to the Chamber of Commerce is a valid public purpose intended to provide support and stimulation to the Town and its residents and, of course, the Airport Commission. You may recall that each year Town Meeting appropriates significant sums to fund grant agreements with non-profit organizations to provide services to the residents of the Town. A grant to the Chamber of Commerce by the Airport Commission is similar in nature, and because there is a valid public purpose associated with the grant, in my opinion such a grant does not violate the Anti-Aid Amendment of the Massachusetts Constitution.

Please let me know if you have any further questions.

John

John W. Giorgio, Esq.
Kopelman and Paige, P.C.
101 Arch Street
12th Floor
Boston, MA 02110
jgiorgio@k-plaw.com
Phone: (617) 556-0007
Fax: (617) 654-1735
Mobile Phone: (617) 785-0725

From: Daniel W. Drake [mailto:ddrake@ackquack.com]
Sent: Wednesday, March 19, 2014 1:20 PM
To: John Giorgio
Cc: Libby Gibson; Debbie Dilworth; Tom Rafter ; Janine Torres; Ashley Christ
Subject: Airport support of Chamber of Commerce.

John:

For several years prior to the Spring of 2012, the Airport Enterprise Fund had made payments of \$1000.00 from time to time to the Nantucket Chamber of Commerce to support its promotional efforts for Christmas Stroll and/or Daffodil Weekend. Both of those events provide the airport with substantial revenues.

In April, 2012, the then Finance Director of the Town bounced a payment request, saying that such payments violated the Massachusetts Constitutional provision prohibiting the state and its municipalities – as I understand it) making contributions to charitable organizations. I argued at the time that the Chamber is not a charitable organization under I.R.C. sec 501(c)(3) but rather derived its tax-exemption under another section of the Code relating to certain business associations. I also pointed out that the Commonwealth makes extensive direct grants to the Nantucket Chamber to promote tourism. All that fell on deaf ears and because of everything else going on at the time, the Commission decided not to pursue the issue.

The Commission has discussed in general terms resurrecting its support of the Chamber's efforts for these two weekends so I am now writing to ask whether it is allowable for the Airport to make payments to the Nantucket Chamber of Commerce to support its tourism promotion without running afoul of the State constitution.

If there is a problem, nother option might be buying an ad in the event program (essentially the same thing because for the \$1000.00 the sponsor gets an ad in the program.)

Please let me know if you need anything else.

I look forward to hearing from you.

Dan

Daniel W. Drake
PO Box 194
Nantucket, MA 02554

Office: 508-325-7753
Home: 508-228-4833
Cell: 508-221-0770