

SANTA FE REGIONAL AIRPORT LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into this 28th day of February, 2018, by and between the CITY OF SANTA FE, NEW MEXICO, a municipality and political subdivision of the State of New Mexico ("Lessor"), and Spectra Yates, LLC, a New Mexico Limited Liability Company ("Lessee") (collectively, the "Parties").

WHEREAS, Lessor owns and operates the Santa Fe Regional Airport ("Airport"), and is desirous of leasing to Lessee certain premises at said Airport; and

WHEREAS, Lessee is desirous of constructing one or more hangars for the purpose of storing aircraft and renting hangar space to third parties; and

WHEREAS, the Parties have the right and power to enter into this Lease for the purposes and upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

1. EFFECTIVE DATE.

This Lease shall become effective forty-five (45) days after the date it is adopted and approved by the Governing Body of the City of Santa Fe, unless a referendum is held pursuant to Section 3-54-1 NMSA 1978, and upon execution by the Parties (the "Effective Date"); however, this Lease shall be fully executed no later than April 14, 2018.

2. LEASED PREMISES.

Lessor leases to Lessee and Lessee leases from Lessor that certain real property located at the Airport and identified as Lease Lot L14 as more particularly shown on Exhibit A attached hereto and made a part hereof, containing 3.735 acres (162,696.6 square feet) (collectively, the "Premises"), together with the unimpeded and unlimited right of access thereto from a road to be built by Lessee.

3. USE OF THE PREMISES AND RIGHT TO CONSTRUCT.

A. Lessee shall use the Premises solely for the purpose of constructing aircraft hangars and related improvements (the "Improvements") for storage of aircraft and for sublease to others for storage of personal or business owned aircraft, conduct of aircraft-for-hire business or other similar aircraft related businesses. No other commercial business activities of any kind shall be conducted on the Premises by Lessee or its sub-lessees. No vehicle of any type shall be parked on the Premises or inside any hangar except those used for transportation to and from the Premises. No long term parking or storage of any other vehicle shall be permitted unless specifically approved in writing as an exception by Lessor, and if the hangars' primary use remains as aircraft storage. Lessor reserves the right to revise vehicle parking provisions of this Article 3A at any time Lessor may deem necessary with not less than thirty (30) days advance written notice to Lessee.

B. Lessee shall have the right to erect and maintain such Improvements upon the Premises as are depicted on Exhibit B attached hereto, provided such Improvements are consistent with the then applicable Airport Master Plan, Airport Minimum Standards Ordinance, the Building Code Requirements of the New Mexico Construction Industries Division, and any City of Santa Fe ordinance. Title to such Improvements, installations, and equipment, shall remain in the Lessee during the term of this Lease and Lessee shall have the right to remove the Improvements and equipment at any time during the term of the Lease. Upon expiration of this Lease the Lessee has the option to remove all Improvements within thirty (30) days. If the Lessee does not wish to exercise this option then title to such Improvements as remain shall pass to Lessor.

C. Lessee shall, at its own expense, prepare plans and specifications for the Improvements which shall be submitted to and approved by the Airport Manager prior to any construction commencing. Lessor assumes no liability or responsibility for any defect in any Improvements constructed from such plans or specifications.

D. Lessee must commence construction of the Improvements within twelve (12) months of the effective date of this Lease, and complete construction of the Improvements within twenty-four (24) months thereafter or this Lease will be null and void, provided, however, that the commencement and completion times may be extended on a day-for-day basis for delays caused by adverse weather or other unforeseen circumstances as determined by the City Manager.

E. The Premises is not directly served by any access road, although Lessor has plans to construct such an access road in the future as shown on the Airport Master Plan. Lessee shall construct an access road to provide access to said Premises from Aviation Drive as shown on Exhibit C attached hereto, and at no cost to Lessor, providing such access road or pavement construction is consistent with the then applicable Airport Minimum Standards Ordinance, the Building Code requirements of the New Mexico construction Industries Division, the building code requirements of the City of Santa Fe, any City of Santa Fe ordinance, and existing lease agreement easements; if any. The gate shall include powered operation and code activated entry controls and shall be placed in the chain link fence bordering the west side of Aviation Drive as shown in Exhibit "B" attached hereto and shall be constructed to airport standards. The access road shall be constructed of asphalt to airport standards and will extend westward from Aviation Drive, through the aforementioned gate, to the property line, and will also extend northward to the extension of the property line and shall be 22 feet wide with 25 foot radius corners where required and as shown on Exhibit C attached hereto. Title to such gate and access road shall become the property of the Lessor upon completion of construction. Lessor will assume all responsibility for repair, maintenance and replacement of said gate and access road upon completion of construction.

F. The Premises are not directly served by any sewer line. Lessee shall construct a new sewer line from the east property line of Lot to the existing airport pressure line approximately four hundred 400 feet to the south and constructed to City of Santa Fe Wastewater Division standards. This sewer line shall be designed, sized, and constructed to accommodate future connections from all remaining Lots north of the Premises to the degree that future usage can be reasonably predicted. Title to such sewer line shall become the property of the Lessor upon completion of construction. Lessor will assume all responsibility for repair, maintenance and replacement of said sewer line upon completion of construction.

G. Portions of the Premises are served by taxiway A. Lessee shall have the right to construct an apron or other pavement to provide access from said Premises to said taxiway, at no cost to Lessor and subject to approval by the Airport Manager, providing such apron or similar pavement construction is consistent with the then applicable Airport Minimum Standards Ordinance, the Building Code requirements of the New Mexico Construction Industries Division, the building code requirements of the City of Santa Fe, City of Santa Fe ordinance, existing lease agreement easements, and applicable FAA apron or pavement construction requirements and standards, if any. Title to such apron or pavement construction shall become the property of the Lessor upon completion of construction. Lessor will assume all responsibility for repair, maintenance and replacement of said pavement upon completion of construction.

H. Lessee must receive prior written approval from Lessor and Lessor will obtain all approvals from the Federal Aviation Administration for any and all Improvements to be placed on the Premises. Lessee shall provide a schedule for completion dates of all Improvements at the time plans for construction or alterations are presented to the Lessor for review and approval, which approval will not be unreasonably withheld. Prior to commencing construction of any Improvements on the Premises, Lessee must demonstrate its financial capability to complete and pay for such construction by way of an irrevocable letter of credit, irrevocable financing commitment, performance bond or other means satisfactory to Lessor.

I. Lessee shall have the right to remodel, remove, demolish or destroy any of the Improvements constructed by Lessee on the Premises without compensation to Lessor, so long as the Premises are left in a safe and slightly condition and provided that Lessor has received the prior written consent of Lessor for such action, which consent shall be provided within not less than thirty (30) days and shall not be unreasonably withheld.

J. Lessor shall control automobile access to any leasehold ramp, apron, taxiway or similar property where aircraft operation of any type could reasonably be expected to occur by installing new or maintaining existing chain link fencing and a minimum of two powered and code activated nonexclusive use vehicle access security gates of Lessor's choice along Aviation Drive and as depicted in Exhibit B. Lessee shall be allowed to move the existing powered and code activated gate located on the south end of the Premises to the east side of the Premises along Aviation Drive as depicted on Exhibit "B" at no cost to Lessor and subject to approval by the Airport Manager. All gates shall remain secured at all times. Lessee shall not interfere in any way with the use of these security gates by authorized airport vehicles, emergency vehicles or other authorized vehicles or authorized personnel traveling to adjacent or nearby properties. Lessee shall unconditionally grant access to these adjacent or nearby properties by allowing said vehicles or personnel to travel across the Premises utilizing the most direct route. Lessee shall take no action intended to delay or discourage use of these security gates or access to said properties. For the purposes of this paragraph, "authorized" means, vehicles or personnel who have been provided with keys or codes necessary to activate these gates by airport management, Lessee, or other airport leaseholders.

4. TERM OF LEASE.

A. Term. This Lease shall be for a thirty (30) year term beginning on the Effective Date (the "Initial Term"). Upon expiration or other termination of the Initial Term or any Renewal Term as provided for herein, Lessee shall peacefully surrender and vacate the Premises.

B. Option to Renew. The Lessor hereby grants to Lessee the option to renew this Lease Agreement for two additional five (5) year terms (each five (5) year period a "Renewal Term"). The terms and conditions of such Renewal Term shall be the same terms and conditions as are set forth in this Lease Agreement except for ground space rent which shall increase from the rate in effect at the end of the previous lease term pursuant to Article 6, Paragraph A and Paragraph C of this Lease Agreement. Provided, however, that at such time as either Renewal Term is exercised, this Lease Agreement will be amended to conform to all federal and other regulations and grant requirements related to the Airport development and operation. Lessee shall notify Lessor in writing of its intention to exercise the renewal option not less than three (3) months before the expiration of the Initial Term; otherwise, the option shall be deemed to have been waived. At the expiration of this Lease Agreement, Lessee shall, at Lessor's sole discretion, be afforded the opportunity to negotiate and enter a new Lease Agreement with the City of Santa Fe for use of the Premises.

C. Termination. Lessee may terminate this Lease at any time, by giving sixty (60) days prior written notice to Lessor, or otherwise in accordance with Paragraph 11 of this Lease. Lessor may terminate this Lease in accordance with Paragraph 10 of this Lease. Upon termination of this Lease by either party, Lessee's rights to use the Premises shall cease and Lessee shall peacefully vacate the Premises, removing its Improvements, personal property, including, without limitation, items such as signs, trade fixtures, hoists, and conveyors, at its own expense within forty-eight (48) hours of written notification of termination by Lessor. All permanent leasehold Improvements shall, upon termination, be and become the property of Lessor, unless provided otherwise elsewhere in this Lease. Termination by Lessor shall not relieve the Lessee of liability for any damages sustained by Lessor caused by Lessee's breach of this Lease.

5. HOLDOVER.

In the absence of a new lease agreement entered into before the expiration of the Initial Term or any Renewal Term under this Lease, Lessee shall be allowed to hold over for a period not to exceed sixty (60) days from the expiration date of such term. Holding over by Lessee after the expiration of the Initial Term or any Renewal Term under this Lease, whether with or without the consent of Lessor, shall not operate to extend or renew this Lease. Any such holding over shall be construed as a tenancy from month to month at the rents reserved in this Lease under the terms herein.

6. RENT AND FEES.

Lessee agrees to pay to Lessor, at the office of the Airport Manager, at the Airport, or at such place as Lessor may designate from time to time, for the use of the Premises the following rents and fees:

A. Ground Space Rent. Lessee shall pay to Lessor as annual rent for the Premises ("Annual Rent") Twenty six thousand thirty one and 00/100 Dollars (\$26,031.00). Annual Rent is calculated at a rate of Sixteen Cents (\$.16) per usable square foot for the Premises.

B. Schedule of Payments for Ground Space Rent. The fixed rental as Provided in Paragraph 6A (above) shall be payable to Lessor annually in advance on the anniversary of the effective date of this Lease.

C. Adjustments to Annual Rent. The Annual Rent as computed above shall be adjusted at the end of every year during the Initial Term and any Renewal Term with an increase of Two Percent (2%) per annum. The required lease payments are shown in Exhibit D, Payment Schedule.

D. Percentage of Gross Receipts Fees. Lessee shall pay to Lessor the following: A sum equal to Two Percent (2%) of the adjusted gross receipts from all business conducted and carried on by Lessee upon the Premises. In addition, Lessee shall require that any corporation member or sub-lessee conducting any aircraft-for-hire or other aviation related business notify Lessor of the intent to conduct such business, and require that any sub-lessee conducting any aircraft-for-hire or other aviation related business pay to Lessor the following: A sum equal to Two Percent (2%) of the adjusted gross receipts from all business conducted and carried on by sub-lessees upon the Premises. The term "adjusted gross receipts" as used in this Lease shall mean the aggregate amount of all sales made, and services performed, for cash, on credit or otherwise, of every kind, name and nature. Adjusted gross receipts shall also include the aggregate value of all goods, wares and merchandise received for property services, at the selling price thereof, as if the same had been sold for cash. There shall be excluded from adjusted gross receipts: (a) federal, state and municipal sales taxes, excise taxes, gross receipts taxes and all other similar taxes separately stated and/or collected from customers; and (b) bad debts and uncollectible accounts. This adjusted gross receipts fee shall be increased or decreased at such time as any other similar lease fee is adjusted or implemented. This adjusted gross receipts fee is due and payable annually within Thirty (30) days of the end of each calendar year for the preceding calendar year. Lessee, upon notification by the Airport Manager of any sub-lessee in default of this requirement, shall require that the sub-lessee in default vacate the Premises within 30 calendar days from receipt of said notification.

E. Security and Fire Protection Fees. Lessor reserves the right to impose fair and equitable fees for security and fire protection should such services be provided by Lessor.

F. Late Payment Penalty. If the fixed rental payment as provided in Paragraph 6A and 6C (above) is not received within the twenty-five (25) days of its due date, Lessee shall pay a finance charge of 1.5% per month (18% annually) on such past due payment for each month or partial month thereafter that any payment due is not made.

G. Annual Statement. Lessee shall submit via electronic mail a detailed statement to Lessor to accompany the annual payment, on a form satisfactory to Lessor, that shows the gross revenues of Lessee upon which compensation to Lessor is payable under this Lease for the preceding calendar year, which statement shall be subscribed and sworn to as correct by Lessee or certified by a licensed accountant. The statement shall show such reasonable detail and breakdown by Lessee's payment for gross receipts percentage fees due. Lessee shall include with the

breakdown of all rents, fees, and charges due Lessor for the preceding calendar year's business. Such statement shall contain, at a minimum, all annual activities and shall be subscribed and sworn to as correct by Lessee or certified by a licensed accountant.

7. RECORDS AND AUDIT.

A. In addition to the monthly statement required under Paragraph 6G (above), Lessee shall provide and maintain true and accurate records of adjusted gross receipts under this Lease for a period of six (6) years from the date the record is made.

B. All records, accounts, books, delivery receipts and data on business activities maintained pursuant to Paragraph 7A (above) or elsewhere under this Lease shall be subject to inspection and audit by Lessor at Lessor's expense at all reasonable times; provided, however Lessor shall notify Lessee of any inspection or audit at least five (5) business days prior to any inspection or audit. However, if an audit reveals a discrepancy of more than five percent (5%) of the gross receipts reported and the gross receipts as determined by the audit for any 12 month period, and if Lessor requires an additional audit, the full cost of such additional audit shall be borne by the Lessee. Records shall be maintained for a period of not less than six (6) complete lease years.

C. The records and statements of business done by Lessee along with any other information obtained or inspected pursuant to this provision shall be considered proprietary information and shall not be subject to use or disclosure by Lessor for any purpose other than the ascertainment of rents, fees and charges under this Lease. Lessor may use the information and data provided by Lessee to compile gross receipts reports for airport activity reports provided the identity of Lessee is not disclosed.

8. INSURANCE.

A. Insurance Required. Lessee shall, at its sole cost and expense, procure and maintain at all times during the term of this Lease insurance coverage with limits not less than those set forth herein with insurers and under forms of policies satisfactory to Lessor, acceptance of which shall not unreasonably be withheld. A binder of all insurance policies required by this Lease shall be provided to the Airport Manager no later than the time of execution of this Lease, including certificates of insurance, as well as respective policy endorsements thereof. Said policies, if reasonably available, shall be procured from insurance carrier(s) authorized to do business in the State of New Mexico and rated A-, VII or better by A.M. Best. Certificates and insurance policies shall name Lessor, its directors, officers, employees, agents and trustees as additional insureds to all policies referenced in this Section, except the workers' compensation and employer's liability, and property insurance policies. Lessee's insurance policies shall be primary and without right of contribution from any other insurance as may be carried by Lessor, waive all rights of subrogation against the Lessor, inclusive of workers' compensation insurance, and provide not less than thirty (30) days written notice of cancellation or of any material change in coverage. However, Lessee shall be responsible for such notification to Lessor of cancellation or material change whether or not the insurer complies. Lessee shall promptly replace any policies terminated or cancelled and shall ensure no gaps in coverage. Lessor has and hereby reserves for all purposes of this Lease the right to revise the insurance requirements set forth

herein as to amounts, limitations and types of insurance, and Lessee hereby agrees to comply with such revised requirements upon reasonable notice from Lessor. Lessee is required to provide and maintain the following insurance and in the amounts indicated below:

1. Worker's Compensation and Employer's Liability. Lessee shall comply with all applicable provisions of the New Mexico Worker's Compensation Act; the Subsequent Injury Act; and the Occupational Disease Disablement Law. Such insurance shall include coverage permitted under N.M. Stat. Ann. 52-1-10 NMSA 1978, for safety devices. Lessee shall procure and maintain complete Employer's Liability Insurance in an amount of not less than \$1,000,000 per accident for bodily injury or disease. If Lessee elects to be self-insured, Lessee shall comply with the applicable requirements of law. Lessee shall require any subcontractor or sub-lessee similarly to provide such coverage, or qualify as a self-insured, for all their employees. Lessor, its officers or employees shall not be responsible for any claims or actions occasioned by Lessee's failure to comply with the provisions of this subparagraph. It is expressly understood that employees of Lessee are not Lessor's employees for any purpose.

2. Aviation Commercial General Liability. Lessee shall procure and maintain an aviation commercial general liability insurance policy for bodily injury, property damage and personal and advertising injury, including but not limited to, coverage for premises and operations, products and completed operations, and contractual liability in an amount not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate.

3. Hangar-Keeper Legal Liability Coverage. Lessee shall procure and maintain hangar-keeper's legal liability insurance with liability limits of not less than the aggregate value of all aircraft stored in the hangar.

4. Commercial Automobile Liability. Lessee shall procure and maintain commercial automobile liability coverage for all owned, leased or hired vehicles in an amount of not less than \$1,000,000 per accident for bodily injury and property damage until such time as all Improvements have been completed.

5. Property Insurance. Lessee shall procure and maintain "All Risk" property coverage against loss or damage to Lessee's structures, improvements, trade fixtures, business personal property and equipment caused by fire and lightning, vandalism and malicious mischief, with extended coverage. Such extended coverage shall include loss or damage by explosion, windstorm, riot, aircraft, vehicle damage and such other hazards as are normally covered by such insurance. Coverage provided shall be at full replacement cost. Lessee shall be named as loss payee under the policy as its interest appears.

6. Builder's Risk Insurance (Course of Construction). During construction, Lessee shall procure and maintain builder's risk insurance utilizing an "All Risk" or Special Causes of Loss form covering damages to the work with limits equal to the completed value of the project, with no coinsurance penalty provisions. The policy shall name Lessor as loss payee, as its interests may appear.

B. Additional Requirements. If any of the policies required to be maintained by Lessee under this Lease are written on a claims-made basis, the following shall apply:

1. The retroactive date must be shown, and must be before the date of this Lease Agreement.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after termination of the Lease;
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to this Lease, Lessee must purchase an extended reporting period for a minimum of five (5) years after termination of the Lease.

9. INDEMNIFICATION.

To the fullest extent permitted by law, Lessee agrees to defend, indemnify and hold harmless Lessor, its directors, officers, employees and agents for any loss, liability, claims suits actions, regulatory proceedings, or expenses, including attorney's fees for injury to or death of any person, or any loss or destruction of any property arising out of or attributable to Lessee's negligent use or occupancy of the Premises, except any loss, liability, claims, suits, actions, regulatory proceedings or expenses caused by the negligence or willful misconduct of Lessor, its agents or employees. Lessee expressly waives any and all claims against Lessor for any compensation for any and all losses or damage sustained by reasons of any defect, deficiency or impairment of any electrical service system or electrical appliances or wires serving the Premises. The defense and indemnification obligations of Lessee under this Lease are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained herein. It is agreed that if any part of this indemnification is found to conflict with applicable laws, such part shall be unenforceable only insofar as it conflicts with said laws, and that this indemnification provision shall be judicially interpreted and rewritten to provide the broadest possible indemnification legally allowed and shall be binding upon Lessee. This indemnification agreement shall survive the termination of this Lease.

10. TERMINATION BY LESSOR.

Lessor may terminate this Lease by giving Lessee written notice of any alleged default under or breach of this Lease, provided that Lessee shall have thirty (30) days after receipt of such notice within which to cure such default or breach for any of the following:

A. Termination for Non-Payment. If Lessee shall default in any payment obligations contained herein, and the default shall continue for thirty (30) days after the effective date of written notice thereof to Lessee, given by Lessor in accordance with the provisions of this Lease, then Lessor shall have the option to declare the Initial Term or Renewal Term, as applicable, ended, without forfeiture, waiver or release of Lessor's rights to any sum of money due, and to recover and enjoy possession of the Premises, whether with or without process of law. In the event of termination for non-payment, Lessor may, at its option, attach a landlord's lien to any of the Improvements or other property of Lessee on the Premises, and notwithstanding any other provision of this lease to the contrary, said Improvements or other property may not be removed from the Premises without Lessor's prior written approval.

B. Termination for Default other than Payment.

1. If Lessee shall default in the performance of any terms, covenants, agreements or conditions of this Lease other than in the performance of payment obligations, as set forth above, including, without limitation, Lessee's failure to complete the Improvements on schedule as provided for elsewhere in this Lease, as such schedule may be modified from time to time by the agreement of the Parties, and the default shall continue for thirty (30) days after the written notice thereof to the Lessee, given by Lessor in accordance with the provisions of this Lease, then Lessor shall have the option to declare the Term ended, without forfeiture, waiver or release of Lessor's rights to any sum of money due, and to recover and enjoy possession of the Premises, whether with or without process of law. However, if any default or breach may not reasonably and capably be cured within thirty (30) days after written notice thereof, and if Lessee promptly and diligently attempts to cure the default or breach, Lessor shall give Lessee reasonable additional time to cure the default or breach and Lessee shall pay Lessor for all costs incurred by Lessor as a result of Lessee's default and such payment shall be made promptly upon Lessee's receipt of written demand from Lessor.

2. No waiver of default by Lessor of any of the terms, covenants, agreements or conditions hereof to be performed, kept and observed by Lessee shall be construed to be a waiver of any subsequent default of any of the terms, covenants, agreements and conditions herein contained to be performed, kept and observed by Lessee. The acceptance of Annual Rent or other fees by Lessor for any period or periods after a default of any of the terms, covenants, agreements and conditions herein contained to be performed, kept and observed by Lessee, shall not be deemed a waiver of any right on the part of Lessor to terminate this Lease for failure by Lessee to so perform, keep or observe any of the terms, covenants, agreements or conditions of this Lease.

C. Other Termination. Lessor may terminate this Lease only by giving the Lessee thirty (30) days written notice and opportunity to cure, with or without process of law, upon or after the happening of any one of the following events:

1. If Lessee fails to cure any default set forth in Paragraph 10 B (1) of this Lease within the periods set forth therein, Lessor may declare this Lease to be terminated and to re-enter the Premises or any part thereof, with or without the process of law, to expel, remove and put out Lessee or any other persons occupying the Premises. Lessee shall pay all costs, including reasonable attorney's fees and expenses and court costs that may arise in enforcing the covenants, conditions and terms of this Lease.

2. The filing by Lessee of a voluntary petition in bankruptcy, or the institution of proceedings in bankruptcy against Lessee and the adjudication of Lessee as bankrupt pursuant to such proceedings.

3. The taking of a court of jurisdiction of Lessee and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act.

4. The appointment of a receiver of Lessee's assets.

5. The termination or other termination of any insurance policy issued in compliance with this Lease shall automatically terminate this Lease, unless another policy has been filed and approved pursuant to this Lease.

6. If Lessee should breach any of the nondiscrimination covenants, Lessor shall have the right to terminate this Lease to reenter and repossess said Premises and hold the same as if said Lease had never been made or issued. Lessee shall be entitled to credit for the re-letting of the Premises at the fair market value for the remainder of the term.

11. TERMINATION BY LESSEE.

Lessee may terminate this Lease and terminate all or any of its obligations hereunder at any time that Lessee is not in default in the payment of any rents or fees to Lessor pursuant to this Lease by giving Lessor sixty (60) days advance written notice of its intentions to discontinue its business activities on the Premises.

12. RIGHTS OF LESSOR.

Lessor reserves the right to:

A. Operate the Airport in the best interest of the public and the right, without interference or hindrance, to maintain, improve, or further develop the landing area or public use facilities of the Airport as it sees fit, regardless of any protests of Lessee and to lease additional space to other concessions at the Airport regardless of any objection of Lessee. Lessor may relocate Lessee if the physical development of the Airport or the Airport Terminal requires relocation of Lessee, provided the Lessor gives sixty (60) days' written notice to Lessee and Lessor compensates Lessee for the Premises in one of the two following methods, at the Lessor's expense:

Method A. If Lessor determines it has vacant land available at the Airport which is generally comparable in location to that being taken for development, then Lessee shall relocate the Lessee-owned facilities to the new location in substantially similar form to that then existing. The Lessor shall reimburse Lessee within sixty (60) days for Lessee's actual expenses of relocation of its facilities, subject to Lessor's prior approval of the reasonableness of such expenses.

Method B. If Lessor determines that Lessee cannot be relocated as described in Method A above, then Lessor shall purchase from Lessee the Lessee-owned facilities, to which title shall then pass in fee simple to Lessor. The amount to be paid by Lessor to Lessee shall be the fair market value of the Improvements taken. Fair market value of the Improvements shall be determined by an appraiser selected by Lessee, and Lessor's consent to Lessee's selection of an appraiser shall not be unreasonably withheld. The cost of the appraisal of the fair market value of the Improvements shall be paid by Lessor, and the parties agree to be bound by the appraiser's determination of the fair market value of the Improvements.

B. Enter upon the Premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this Lease and any federal, state, or city laws, ordinances, regulations, rules and codes now or hereinafter in effect.

13. RIGHTS OF LESSEE.

A. Lessee shall have the right, but shall not be required:

1. In common with others so authorized, to use common areas of the Airport, including runways, taxiways, aprons, roadways, floodlights, landing lights, signals and other conveniences for the take-off, flying and landing of aircraft.
2. To the non-exclusive use, in common with others, of the Airport, appurtenances and improvements thereon, but this shall not restrict the right of Lessor to charge visitors a fee for the use of such areas.
3. To install, operate maintain, repair and store, subject to approval of Lessor in the interests of safety and the convenience of all concerned, all equipment necessary for the conduct of Lessee's business.
4. Of access to and from the Premises, limited to taxiways, streets, driveways and sidewalks designated for such purposes by the Lessor, and which right shall extend to Lessee's employees, passengers, guests and patrons.

B. Lessee and its sublessees are authorized, but not required, to provide the following services and to engage in the following activities:

1. Lease of aircraft hangars for the purpose of private or business aircraft storage together with all other normal, reasonable and related activities (except as may be excluded elsewhere in this Lease), provided that all such activities shall be consistent with the Airport Minimum Standards Ordinance as the same may be amended from time to time;
2. Private aircraft storage;
3. Conduct aircraft-for-hire or other aviation related business together with all other normal, reasonable and related activities except as may be excluded elsewhere in this Lease and to be consistent with the then applicable Airport Minimum Standards Ordinance as the same may be amended from time to time.

C. So long as Lessee conducts its business in a fair, reasonable and workmanlike manner, to peaceably have and enjoy the Premises, and all the rights and privileges herein granted.

14. MAINTENANCE OF IMPROVEMENTS.

Lessee shall maintain the Improvements, keep the Premises in good order, make such repairs as are customary, remove abandoned equipment from the Premises and shall not deposit the same on or any portion of the Airport except on such areas as shall be reasonably designated by Lessor. Lessee shall be responsible for providing all customary and necessary janitorial and custodial services on the Premises and shall be responsible for snow, rubbish and trash removal and weed control, together with any work necessary to assure that the Premises do not detract from the Airport.

15. TRANSFER OF INTEREST.

Except as otherwise provided herein, Lessee may not, without the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed at any time during the term of this Lease, sell, lease, assign, transfer or permit be acquired, this Lease or any interest herein. Lessee may sublease any portion of the leasehold interest to parties who will provide aviation-related services permitted hereunder, and who accept the terms of this Lease pursuant to any sublease agreement. Lessee shall, however, be permitted to enter into a leasehold mortgage, collateral assignment or security interest in the form approved by Lessor, for construction and/or business operation financing purposes. However, the amount secured by such financing shall not exceed the value of the Improvements on the Premises and the value of any other leasehold improvements owned by Lessee pursuant to leases (other than this Lease) between Lessor and Lessee. Leasing and subleasing of hangar and tie down space on the Premises, to individual aircraft owners, shall be allowed without Lessor's consent.

16. OBSERVATION OF LAWS, RULES AND REGULATIONS.

Lessee and Lessor agree to observe and obey during the Term of this Lease, all laws, ordinances, minimum standards, rules and regulations promulgated and enforced by Lessor, and by any other proper authority having jurisdiction over the conduct of operations at the Airport, including the federal government, the state and the City now or hereafter in effect.

17. UTILITIES, REFUSE AND SEWER.

Lessee is responsible for providing all installation and service cost for all utility needs at Lessee's sole expense. Lessee agrees that if in the future Lessor decides to provide sewer or refuse service, then Lessee will pay a reasonable and fair charge for such service(s). Until such time, Lessee shall be responsible for its own sewer service and garbage disposal.

18. ALTERATIONS AND IMPROVEMENTS.

A. Lessee shall not make or suffer or permit to be made any alterations, additions or improvement whatsoever in or about the Premises without first obtaining the written consent of the Airport Manager and the City Manager. If Lessor gives such consent, all alterations or improvements shall be done solely at the Lessee's expense and in accordance and in compliance with all applicable municipal, state and federal ordinances, laws, rules and regulations. Alterations or improvements shall be compatible with the general décor of the Airport Terminal or with such design standards as Lessor may adopt from time to time. Lessee has Lessor's consent to place temporary buildings on the Premises prior to, and during, construction.

B. Lessee shall allow no liens of mechanics, materialmen, laborers, architects, artisans, contractors or subcontractors to be created against or imposed upon the Premises. Lessee shall, upon request by Lessor, provide a labor and materialman's bond to cover all work and materials and labor arising out of such alterations, additions or improvements. No default shall occur if Lessee contests the amount or validity of any such lien, and actively litigates such claim to conclusion. Lessee may bond against such liens, as may be allowed by law, without constituting a default hereunder.

19. DESTRUCTION OF PREMISES.

If at any time during the Term of this Lease, the Premises shall be totally or partially destroyed by fire, earthquake, flood, or other calamity, then Lessee shall have the option to rebuild or repair the Improvements and Lessee shall rebuild and repair the Premises, providing such rebuilding or repairing shall be commenced within a period of thirty (30) days after receipt of notice in writing to Lessor by Lessee that such calamity has occurred. In such case a just and proportionate part of the rental payment per month shall be abated until such demised property shall have been rebuilt and repaired. In case, however, Lessor within thirty (30) days following receipt of notice in writing by Lessee of such damage or destruction elects not to consent to Lessee's election to rebuild or repair said property, Lessor shall so notify Lessee and thereupon this Lease shall terminate and become null and void. In such event, the Lessor shall compensate Lessee for the fair market value of the Improvements less any insurance proceeds collected by Lessee as a result of the event.

20. FAIR AND NONDISCRIMINATORY SERVICES.

Lessee, in the conduct of its authorized business activities shall furnish good, prompt and efficient service in compliance with all applicable laws, rules and regulations adequate to meet the demand for its services at the Airport, and shall furnish such service on a fair, equal and not unjustly discriminatory basis to all users thereof, and agrees to furnish such services at fair, equal and not unjustly discriminatory prices for each unit of sale or service; provided, however, that Lessee shall be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchases. Lessee agrees to operate the business in an ethical and professional manner and shall keep the Premises in a safe, clean, orderly and inviting condition at all times, satisfactory to the Lessor. Lessee shall not permit its employees or agent to solicit customers on public property.

21. TITLE VI CIVIL RIGHTS ASSURANCES.

A. Lessee, for itself, its personal representative, successors in interest, and assigns, as part of the consideration under this Lease, does hereby covenant and agree as a covenant running with the land that:

1. No person on the grounds of race, color, sex, disability or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Premises.
2. In the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, sex, disability or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination.
3. Lessee shall use the premises in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of

the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

B. Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, disability or sex be excluded from participating in any employment activities covered in 14 CFR part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the service or benefits of any program or activity covered by this subject. Lessee assures that it will require that its covered sub-organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by CFR Part 152 Subpart E, to the same effect.

22. AIRCRAFT SERVICE BY OWNER OR OPERATOR OF AIRCRAFT

No right or privilege has been granted which would prevent Lessee or sub-lessees from performing any maintenance, repair on its own aircraft as long as such work or services are not contrary to any Federal State or Local law, rule, regulation, now or hereafter in effect.

23. ENVIRONMENTAL PROTECTION.

A. Lessee shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance or other act or thing which may disturb the quiet enjoyment of the Airport or surrounding property. Lessee shall provide, as necessary, a separate drainage, collection, and/or separation system to ensure that no untreated liquid waste from any type of operation, including vehicle cleaning, fueling, and oil change operations, will enter the Airport storm drainage or sanitary system.

B. Lessee shall, at all times, comply with all applicable laws, rules and regulations of the federal, state, and local governmental agencies. Lessee shall not permit any activity which directly or indirectly produces objectionable or unlawful amounts or levels of air pollution, noise, glare, heat emission, electronic or radio interference with navigational and communications facilities for the operation of the Airport and for Airport use by aircraft, trash or refuse accumulation, vibration, prop-wash or jet blast, or which is hazardous or dangerous by reason or risk of explosion, fire or harmful emission. Any waste oil storage tanks shall be in approved containers and in accordance with all environmental and fire protection regulations.

C. Hazardous substances are any substance, material, or waste (including any petroleum products, solvents, thinners, herbicides and soil sterilants and aircraft deicing fluids) which is or becomes designated, classified or regulated as being "toxic," "hazardous," a "pollutant," or is in the future given a similar designation under any federal, state or local law, regulation or ordinance.

D. Lessee agrees to defend, indemnify and hold Lessor harmless from and against all liabilities, claims, actions, foreseeable and unforeseeable consequential damages, costs and expenses (including sums paid in settlement of claims and all consultant, expert and legal fees and expenses of Lessor's counsel) or loss directly or indirectly arising out of or resulting from the presence of any hazardous substance as a result of Lessee's or sub-lessee's activities on the

Premises, subsequent to the execution of this Lease but before, during or after construction, in or around any part of the property or the soil, groundwater or soil vapor on or under the property, including those incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work, or any resulting damages or injuries to the person or property of any parties or to any natural resources. Upon demand by Lessor, Lessee shall defend any investigation, action or proceeding alleging the presence of any hazardous substance as a result of Lessee's or its subtenant's occupancy of the leased property, in any such location which affects the property or which is brought the Lessor, whether alone or together with Lessee or any other person, all at Lessee's own cost and by counsel to be approved by Lessor in the exercise of its reasonable judgment. Should Lessee fail to defend such action, then Lessor may elect to conduct its own defense at the expense of the Lessee. Lessee shall comply and cause all occupants of the property to comply with all laws, regulations, and ordinances governing or applicable to hazardous substances. Lessee acknowledges that hazardous substances may permanently and materially impair the value and use of real property. Lessee shall promptly notify Lessor if it knows, suspects or believes, there may be any hazardous substance in or around the property or in the soil, groundwater, on or under the leased property, or that Lessee or the property may be subject to any threatened or pending investigation by any governmental agency under any law, regulation, or ordinance pertaining to any hazardous substance. Lessee shall have no obligation to defend, indemnify, or hold harmless Lessor from any claims, causes of action, or damages which arise on account of Lessor's own conduct, the conduct of third parties other than Lessee's subtenants, or which is attributable to pre-existing conditions or events over which Lessee exercises no control, even though the Premises may be impacted hereby.

24. NONEXCLUSIVE RIGHTS.

A. Lessee shall have the exclusive right and privilege of engaging in and conducting a business on the Premises under the terms and conditions set forth herein, provided, however, that this Lease shall not be construed in any manner to grant Lessee or those claiming under Lessee in this Lease the exclusive right to use the common areas and facilities of said Airport other than the Premises.

B. Lessor shall have the right to lease other portions of the Airport or Airport Terminal to other lessees, including other ground, air and transportation services. Lessor shall not in the future lease any other Airport premises to any other lessees providing the same or similar services and activities authorized in this Lease at rental rates or terms more favorable or less restrictive to the lessees than set forth in this Lease without Lessee's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. Lessee understands and agrees that nothing in this Lease shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958, as amended.

25. TAXES AND LICENSES.

A. Lessee shall promptly pay any and all taxes, personal property tax, leasehold tax, gross receipts tax, transaction privilege tax or other exaction assessed or assessable and pay all license fees and permit fees applicable to the Lessee's operation, and acquire and keep current, all licenses, municipal, state or federal, as the result of Lessee's operations at the Airport pursuant to this Lease, and shall not allow any of said taxes, excises or license to become delinquent.

B. Lessee shall not permit any mechanics' or materialman's or any other lien to be placed or foreclosed upon the Premises or improvements thereto. Lessee shall have the ability to contest payment demand by a contractor. Should the Lessee withhold payments to a contractor, the Lessee shall be required, at Lessor's option, to deposit with Lessor or a court of competent jurisdiction, an amount equal to the amount in dispute.

26. SUBORDINATE PROVISIONS.

This Lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States or the State of New Mexico relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development of the Airport.

27. OBSTRUCTIONS.

Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport which, in the opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft. Lessee shall, upon approval by Lessor and prior to any construction of any nature within the boundaries of the airport, prepare and submit to the Airport Manager and the Federal Aviation Administration, Airports District Office, 2601 Meacham Blvd., Ft. Worth, TX, 76137 one executed set (four copies) of FAA form 7460-1 "Notice of Proposed Construction or Alterations", as required by Federal Aviation Regulation Part 77. This notice must be submitted at least thirty (30) days prior to the date of the proposed construction/alteration or the date that an application for a construction permit is filed, whichever is earlier.

Should a Federal Aviation Administration Obstruction Evaluation determine that obstruction lights are needed or required on new construction, or should Federal Aviation Administration rules and regulations change to require obstruction lights on existing structures which previously did not require obstruction lights, Lessee agrees to install, maintain and operate such obstruction lights on the top of buildings or structures to be placed on the Premises. If Lessee fails to install, maintain and operate such obstruction lights then the Lessor shall have the right to install, maintain and operate the same at Lessee's expense.

28. SIGNS.

Lessee shall not erect or mount any signs on the Premises without approval of Airport Manager.

29. AMENDMENT IN WRITING.

No amendment between Lessor and Lessee relative to the leasehold interest herein shall be valid and enforceable unless in writing and executed by both Lessor and Lessee.

30. CHOICE OF LAW.

In the event of contest or legal dispute regarding this Lease, this Lease shall be construed according to the laws of the State of New Mexico and applicable City Ordinances.

31. APPROVALS, CONSENTS AND NOTICES.

Notices required to be given to Lessor shall be hand-delivered, sent via email, overnight courier service, or by certified mail, postage prepaid, addressed to:

Airport Manager
Santa Fe Regional Airport
P.O. Box 909
Santa Fe, New Mexico 87504-0909
505.955.2901
naschiavo@santafenm.gov

With a copy to:

City Manager
P.O. Box 909
Santa Fe, New Mexico 87504-0909
505.955.6848
bksnyder@santafenm.gov

City Attorney
P.O. Box 909
Santa Fe, New Mexico 87504-0909
505.955.6961
kabrennan@santafenm.gov

Any approvals, consents and/or notices to be given to Lessee shall be hand-delivered, sent via overnight courier service or sent by certified mail to:

Spectra Yates, LLC
100 N. Guadalupe Street, Ste. 205
Santa Fe, NM 87501
505-983-8400
dalbin@spectraholdingslp.com

Or to such other addresses as may be provided from time to time by each of the Parties to the other in accordance with the notice requirements of this Paragraph 31.

32. PARAGRAPH HEADINGS.

The paragraph and subparagraph headings contained in this Lease are inserted for reference and convenience and are not intended to define or limit the scope of any provision of this Lease.

33. INVALID PROVISIONS.

In the event any covenant, condition or provision contained in this Lease is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provisions contained in this Lease shall not affect the enforceability of the balance of this Lease; provided that the invalidity of such covenant, condition or provision does not materially prejudice either Lessor or Lessee in its respective rights and obligations contained in this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

ATTEST:

Yolanda Y. Vigil
Yolanda Y. Vigil, City Clerk
cc mtg 2/28/18

Javier M. Gonzales
Javier M. Gonzales, Mayor

APPROVED AS TO FORM:

Kelley Brennan
Kelley Brennan, City Attorney

APPROVED:

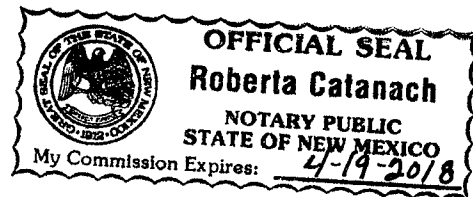
Adam Johnson 3.12.18
Adam Johnson, Finance Director

David Albin
David Albin, Spectra Yates, LLC

STATE OF NEW MEXICO)
COUNTY OF SANTA FE)

This instrument was acknowledged before me on February 6, 2018 by
David Albin, the MANAGER of SPECTRA YATES, LLC, a
New Mexico LLC.

Roberta Catanach
Notary Public
My Commission Expires: 4/19/2018



DESCRIPTION OF A PORTION OF LEASE PARCEL L14

ALL THAT PORTION OF LEASE PARCEL 14 OF THE SANTA FE MUNICIPAL AIRPORT PROPERTY WITHIN SECTION 10, TOWNSHIP 16 NORTH, RANGE 8 EAST, N.M.P.M., SANTA FE COUNTY, NEW MEXICO

WHICH PORTION MAY BE MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PORTION, WHICH LIES
N07°00'41"E 277.38 FEET FROM NGS CONTROL STATION "SANTAIR" HAVING
NAD83 NEW MEXICO STATE PLANE CENTRAL ZONE COORDINATES OF GRID
N:1683224.17 GRID E:1691695.66, LAT.:35°37'34.066"N LON.:106°04'38.797"W,
THENCE S54°57'59"E A DISTANCE OF 201.10 FEET;
THENCE S00°52'43"W A DISTANCE OF 551.98 FEET;
THENCE N54°59'31"W A DISTANCE OF 511.00 FEET;
THENCE N35°02'01"E A DISTANCE OF 457.00 FEET;
TO THE POINT OF BEGINNING, MORE OR LESS,
HAVING AN AREA OF 3.735 ACRES, MORE OR LESS, AS SHOWN ON EXHIBIT
B ATTACHED HERETO AND MADE A PART OF THIS DESCRIPTION.

Diego J. Sisneros

DIEGO J. SISNEROS

N.M.P.L.S. #13986 1/26/2018

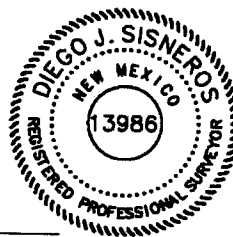
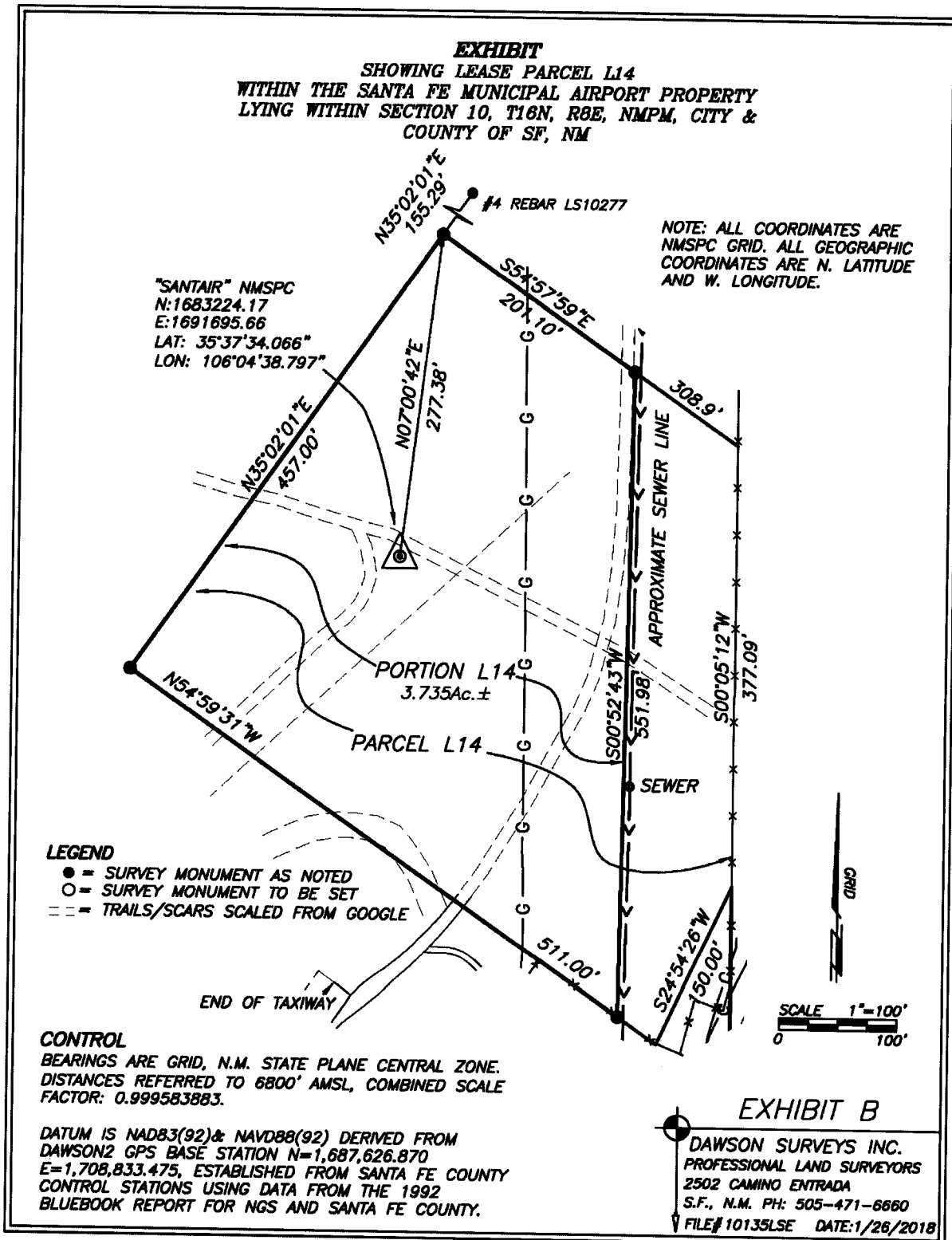


EXHIBIT A

Exhibit B



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Exhibit D

PAYMENT SCHEDULE			
<u>YEAR</u>	<u>PAYMENT</u>	<u>YEAR</u>	<u>PAYMENT</u>
2018	\$26,031.00	2033	\$35,034.30
2019	\$26,551.62	2034	\$35,734.98
2020	\$27,082.65	2035	\$36,449.68
2021	\$27,624.31	2036	\$37,178.68
2022	\$28,176.79	2037	\$37,922.25
2023	\$28,740.33	2038	\$38,680.70
2024	\$29,315.13	2039	\$39,454.31
2025	\$29,901.44	2040	\$40,243.40
2026	\$30,499.47	2041	\$41,048.26
2027	\$31,109.45	2042	\$41,869.23
2028	\$31,731.64	2043	\$42,706.61
2029	\$32,366.28	2044	\$43,560.75
2030	\$33,013.60	2045	\$44,431.96
2031	\$33,673.87	2046	\$45,320.60
2032	\$34,347.35	2047	\$46,227.01