

2009 - 057

LICENSE AGREEMENT

THIS Agreement made this 27TH day of SEPT, 20 08, between the CITY OF PRESCOTT, a municipal corporation of the State of Arizona, hereinafter designated "Licensor", and Guidance Helicopters, Inc., hereinafter designated "Licensee". the parties agree as follows:

RECITALS

The parties recite and declare:

- A. Licensor is the owner of an airport known as Ernest A. Love Field at Prescott, Yavapai County, Arizona, together with the improvements located thereon, referred to as the "Airport".
- B. Licensee is engaged in the business of providing Flight Training and desires to use City facilities in the conduct of an aviation business.
- C. Licensor is willing to allow Licensee to use a portion of the Airport together with such rights and privileges as are set forth in this Agreement.

In consideration of the above recitals, the terms and covenants of this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

AGREEMENT

A. 1. Description of Property. Licensor hereby grants to Licensee the exclusive use of that portion of the Airport owned by Licensor at Ernest A. Love Field, Prescott, Arizona, described as follows:

- a) Approximately 21,495 square feet of the Echo ramp space adjacent to 6565 Crystal Lane,

as more particularly described in the attached Exhibit "A".

2. Right of Ingress/Egress. Licensee, its employees, customers, passengers, guests, and other invitees, shall have the right of ingress to and egress from the premises. Such right shall also extend to persons or organizations supplying materials or furnishing services to Licensee, to include vehicles, machinery, and equipment reasonably required by such persons or organizations. The above described rights of ingress and egress shall be exercised only in accord with Airport Rules, Regulations and Guidelines which are in effect and as may be amended from time to time.

3. Use of Premises. Licensee covenants and agrees to use the licensed premises for aeronautical related activities and for no other purpose without the prior written permission of the Airport Manager.

4. At the commencement of the term, Licensee shall accept the

premises and fixtures in their existing condition. No representations, statements or warranties, express or implied, have been made by or on behalf of the Licensor as to the condition thereof. In no event shall the Licensor be liable for any defect in such property or any limitations on its use.

B. License Payment; Payment Adjustment; Demand.

1. License Payment.

- a) For the period July 01, 2008 through July 01, 2013, Licensee shall pay to Licensor the sum of Two Hundred Thirty Two and 86/100 dollars, (\$232.86) exclusive of applicable tax.

Payments shall be due and payable in advance of the first day of each month prior to the month to which it applies. Failure to pay the amount of the monthly payment by the twentieth (20th) day of the month in which it is due shall be grounds for termination of this Agreement.

2. Late Charge. Any payment not received by the twentieth (20th) day of the month in which it is due shall result in a late charge of 1.5% per month of the amount due.

3. License Payment Adjustments. Any adjustments to license payments shall only be made after 30 days notice to Licensee of said increase.

4. Demand. Demand for license payments shall not need to be made at any time, on the premises or elsewhere, and Licensee shall pay the license payments without demand being made therefore. Without waiver of this provision, it is the common practice for Licensor to bill its account receivables on a monthly basis. Nevertheless, the terms of this subparagraph govern over any terms contained on such bill.

C. 1. Duration. Subject to earlier termination as provided in this Agreement, the term of this Agreement shall be month-to-month, commencing on July 01, 2008.

2. Peaceable Enjoyment. Licensor covenants to keep Licensee in peaceable possession and enjoyment of the premises during the term of this Agreement.

D. Indemnity. Licensee shall assume all risks incident to the use of the premises and shall indemnify Licensor against any loss, damage, or expenses resulting from personal injury or damage to, or loss of property caused in any manner by Licensee, its customers, agents, employees or invitees, and against any loss, damage or expense resulting from injury to Licensee, its customers, agents or employees or invitees.

E. Sublease or Assignment. Licensee may not sublet or assign the premises.

F. Licensor's Right of Entry. Licensee shall permit Licensor, acting through and under the supervision of the Airport Manager, to have access to and to enter the licensed premises at all reasonable and necessary times to inspect the premises and in order to exercise any right or power reserved to Licensor under the terms and provisions of this Agreement, or under the rules and regulations of the Airport, as they may be amended from time to time. Licensor shall notify Licensee prior to entry, if feasible, except in the case of an actual emergency.

G. Licensee Responsibilities.

1. Licensee shall comply with all statutes, ordinances, rules and regulations that are applicable to Licensee's occupation and for use of the premises.

2. Licensee shall provide for and supply at its expense all electrical, water, telephone, sewer, trash, snow removal and janitorial services with respect to buildings and facilities used by Licensee.

3. Licensee shall procure and maintain in force liability insurance covering the licensed premises and Licensee's activities thereon in minimum amounts as follows: \$1,000,000.00 each person; \$1,000,000.00 each occurrence; \$1,000,000.00 property damage. Licensor shall be named as an additional insured and shall be furnished with copies of all insurance policies obtained by Licensee. Licensee agrees to notify Licensor in writing as to any amendment to or cancellation of such policies. Licensee shall obtain insurance as required by this subparagraph as a condition to this Agreement becoming effective and maintain said insurance during the existence of this Agreement. All insurance shall be written by companies approved by the City, with insurance companies licensed and authorized to do business in the State of Arizona by the State Department of Insurance.

4. Licensee shall be responsible for the payment of the first \$75 per occurrence of any repair, service or maintenance to the premises and shall throughout the duration of this Agreement, maintain, service and keep in good repair the interior structure of the demised premises, including but not limited to, floors, ceilings, walls, doors, glass, cleaning, partitions and electrical fixtures, HVAC system, water heater, filters, fire detectors/extinguishers and plumbing. Licensor shall be responsible for payment of any repair, service or maintenance charges above the first \$75. Licensee shall surrender the premises upon the cancellation or termination of the Agreement herein or renewal thereof in the same condition as received, ordinary wear and tear excepted. Licensee shall at its sole expense, repair any damage to the premises occasioned by the removal of its trade fixtures, furnishings and equipment, which shall include the patching and filling of holes, painting of walls and repair of any structural, architectural or visual damage.

5. Licensee agrees to repair or replace without delay and at its

sole cost, expense and risk, any and all portions of the licensed premises that may be damaged by theft, burglary, vandalism or by premises that may be damaged by theft malicious mischief. Such repairs and replacements shall be made promptly, as and when necessary. All repairs and replacements shall be in quality and class at least equal to the original work. On default of the Licensee in making such repairs and replacements, Licensor may, but shall not be required to, make such repairs and replacements, chargeable to the Licensee's account, and the expense thereof shall constitute and be collectable as additional rent.

6. Licensee shall at all times comply with all applicable federal grant compliance requirements as more particularly set forth in Exhibit "B", attached hereto and made a part hereof.

7. Licensee shall provide and maintain at licensee's expense all outdoor signs related to advertising Licensee's business activity. The location, color, size and design of outdoor signs must be approved in advance by the Licensor.

H. Licensor Responsibility. The responsibility of the Licensor under this Agreement shall be that specified in this agreement.

I. 1. Improvements. Improvements, excluding trade fixtures and equipment, including additions, changes and other improvements shall not be constructed or placed upon the demised premises without the prior written consent of Licensor. All additions, changes and other improvements erected or placed on the demised premises shall remain thereon and shall not be removed therefrom, and at the cancellation/termination of this Agreement, all such improvements shall become the property of Licensor, free and clear of all encumbrances or liens whatsoever. Licensor reserves the right to enforce this provision beyond the cancellation/termination of this Agreement. All improvements shall be made in accordance with applicable codes and laws.

2. Nonsubordination. The interest of Licensor in the real property, facility or this Agreement shall never be subordinated to any other interest.

3. Licensee shall, at its own expense, comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the duration or any part of the duration hereof regulating the use by the Licensee of the premises.

4. Licensee shall not install, operate or maintain on the licensed property any electrical equipment which will overload the electrical system therein or any part thereof, beyond its reasonable capacity for proper and safe operation as determined by Licensor.

J. Disadvantaged Business Enterprise (DBE) Assurances.

1. Policy. It is the policy of the Department of Transportation (DOT) that disadvantaged business enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in

whole or in part with federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 23 apply to this Agreement.

2. DBE Obligation. The Licensor agrees to insure that disadvantaged business enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance on contracts and subcontracts financed in whole or in part with federal funds provided under this Agreement. In this regard, the Licensor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. The Licensor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.

K. Notices. Any notices required under this Agreement shall be deemed sufficient if made in writing and sent by certified mail to either party at the following addresses:

Licensor: City of Prescott
City Clerk
201 South Cortez
Prescott, Arizona 86303

with a copy to:

Airport Manager
6546 Crystal Lane
Prescott, Arizona 86301

Licensee: Guidance Helicopters, Inc.
C/O _____
6565 Crystal Ln.
Prescott, AZ 86301

L. Modification. This License Agreement contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing, signed by the parties.

M. Terms Binding on Successors and Assigns. The covenants, conditions and terms of this Agreement shall extend to and be binding upon the Licensor and Licensee, their heirs, personal representatives and assigns, if any.

N. Notice of Lien and Statutory Applicability.

1. It is expressly agreed by and between the parties that this Agreement is subject to the provisions of Title 33, Chapter 3, Article 4 of the Arizona Revised Statutes.

2. Licensor shall have a possessory lien from the date rent is unpaid and due in all personal property stored within the licensed premises. Property stored in the licensed premises may be sold to satisfy the lien if Licensee is in default. In order to provide notice of sale to enforce the Licensor's possessory lien, Licensee

agrees to and shall disclose, upon request by Licensor, any lienholder or secured parties who have an interest in property that is or will be stored on the premises.

3. It is expressly agreed by and between the parties that this Agreement is subject to the provisions of Title 33, Chapter 7, Article 7 of the Arizona Revised Statutes.

O. Personal Interest. Licensee warrants that it did not collude with any other party or parties for the purpose of preventing any other bid for this Agreement being made.

P. Attorney Fees; Costs. In the event of any litigation or other proceeding concerning this Agreement, the prevailing party shall be entitled to its reasonable costs and attorney fees from the other party.

Q. Conflict of Interest. Pursuant to A.R.S. 38-511, the City of Prescott may cancel this contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of Prescott is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. In the event of the foregoing, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this contract on behalf of the City of Prescott from any other party to the contract, arising as a result of this contract.

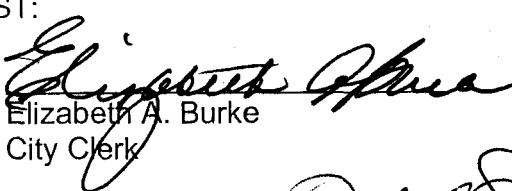
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

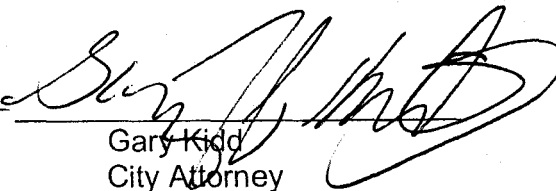
LICENSOR:



CITY OF PRESCOTT
Benjamin Vardiman, Airport Manager


ATTEST:


Elizabeth A. Burke
City Clerk



Gary Kidd
City Attorney

LICENSEE:



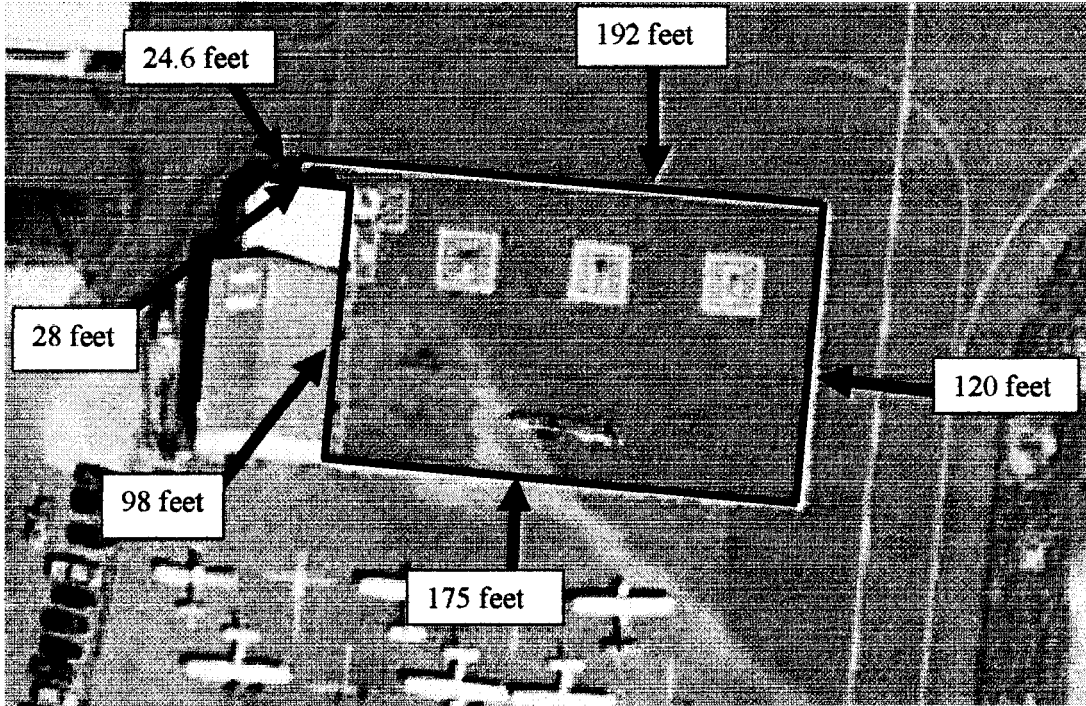
JOHN L. STONECIPHER PRESIDENT/CEO
GUIDANCE HELICOPTERS, INC.

RS/

04-30-07

EXHIBIT A

Guidance Helicopters Inc.,
License Agreement



FEDERAL PROVISIONS

1. The Lessee, for himself, his heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does 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 the 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 Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, 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.
2. The Lessee, for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the Lessee 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.
3. That in the event of breach of any of the above nondiscrimination covenants, the Lessor 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. This provision does not become effective until the procedures of 49 CFR, Part 21 are followed and completed including expiration of appeal rights.
4. Lessee shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, THAT the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.
5. Noncompliance with Provision 4 above shall constitute a material breach thereof and in the event of such noncompliance, the Lessor shall have the right to terminate this Lease Agreement and the estate hereby created without liability therefore or at the election of the Lessor or the United States either or both said Governments shall have the right to judicially enforce provisions.

6. Lessee agrees that it shall insert the above five provisions in any Lease Agreement by which said Lessee grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on the premises herein leased.
7. The 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, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the Subpart. The Lessee assures that it will require that its covered suborganizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effort.
8. The Lessor reserves the right to further develop or improve the landing area of the airport as it sees fit, regardless of the desires or view of the Lessee and without interference or hindrance.
9. The Lessor reserves the right, but shall not be obligated to the Lessee to maintain and keep in repair the landing area of the airport and all publicly-owned facilities of the airport, together with the right to direct and control all activities of the Lessee in this regard.
10. This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between Lessor and the United States, relative to the development, operation or maintenance of the airport.
11. There is hereby reserved to the Lessor, 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 premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on Ernest A. Love Field.
12. Lessee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.
13. The Lessee by accepting this expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the land leased hereunder above the mean sea level elevation of 5,030 feet. In the event the aforesaid covenants are breached, the owner reserves the right to enter upon the land leased hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Lessee.

14. The Lessee by accepting this Lease agrees for itself, its successors and assigns that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from Ernest A. Love Field or otherwise constitute a hazard. In the event the aforesaid covenant is breached, the owner reserves the right to enter upon the premises hereby leased and cause the abatement of such interference at the expense of the Lessee.
15. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

FEDPROVS
02/10/97

CONTRACT CHECKLIST

| | |
|---|--|
| CONTRACT NO.: <div style="text-align: center; font-size: 1.2em;">2009-057</div> | PROJECT NAME: <div style="font-size: 1.2em;">License Agmt. - Echo Ramp</div> |
| DATE OF CONTRACT: <div style="text-align: center; font-size: 1.2em;">9-29-08</div> | PARTIES: <div style="font-size: 1.2em;">Guidance Helicopters Inc</div> |
| AMOUNT OF CONTRACT: <div style="font-size: 1.2em;">\$232.86 / 2nd</div> | EXPIRES: TEMPORARY RENEWAL? <div style="font-size: 1.2em;">Month to month YES/NO</div> <small>If no term, submit notice in writing to Clerk's Office when project completed.</small> |
| COUNCIL APPROVAL: YES/NO <input checked="" type="radio"/> YES <input type="radio"/> NO IF YES, DATE _____ | RESOLUTION / ORDINANCE: YES/NO <input checked="" type="radio"/> YES <input type="radio"/> NO IF YES, NUMBER _____ |
| TO BE RECORDED? YES/NO <input checked="" type="radio"/> YES <input type="radio"/> NO | SPECIAL DIRECTIONS: |

*** REMINDERS ***

- *ARE ALL DATES AND BLANKS FILLED IN?
- *ARE EXHIBITS/LEGAL DESCRIPTIONS AND ATTACHMENTS INCLUDED?
- *HAVE ALL OTHER (NON-CITY) PARTIES' SIGNATURES BEEN OBTAINED?
- *ARE ORIGINALS TABBED FOR SIGNATURE?
- *IS NOTARIZATION NEEDED? TABBED?



**STARR
COMPANIES**

GLOBAL INSURANCE & INVESTMENTS

3353 Peachtree Road NE, Suite 1000
Atlanta, GA 30326

Certificate of Insurance

Certificate Holder: CITY OF PRESCOTT
201 S. CORTEZ
PRESCOTT, AZ 86303

Named Insured: GUIDANCE ACADEMY, LLC, IT'S DBA'S, PARENTS AND SUBSIDIARIES, AFFILIATES,
OFFICERS, DIRECTORS, AND EMPLOYEES
6565 CRYSTAL LANE
PRESCOTT, AZ 86301

Policy Period: From NOVEMBER 30, 2015 To NOVEMBER 30, 2016

Policy Number: 1000206840-03

Issuing Company: STARR INDEMNITY & LIABILITY COMPANY

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

| Aviation Commercial General Liability | Limits of Insurance |
|---|-------------------------------------|
| Each Occurrence Limit | \$ <u>3,000,000.</u> |
| Damage to Premises Rented to You Limit | \$ <u>100,000.</u> Any one premises |
| Medical Expense Limit | \$ <u>5,000.</u> Any one person |
| Personal & Advertising Injury Aggregate Limit | \$ <u>2,000,000.</u> |
| General Aggregate Limit | \$ <u>NOT APPLICABLE</u> |
| Products/Completed Operations Aggregate Limit | \$ <u>2,000,000.</u> |
| Hangarkeepers Limit | |
| Each Aircraft Limit | \$ <u>500,000.</u> |
| Each Loss Limit | \$ <u>1,000,000.</u> |
| Hangarkeeper's Deductible | \$ <u>7,500.</u> Each Aircraft |

THE CERTIFICATE HOLDER IS INCLUDED AS AN ADDITIONAL INSURED UNDER LIABILITY COVERAGES BUT ONLY AS RESPECTS THE OPERATIONS OF THE NAMED INSURED.

THE CERTIFICATE HOLDER WILL BE PROVIDED WITH THIRTY (30) DAYS (TEN (10) DAYS IF FOR NON-PAYMENT OF PREMIUM) NOTICE OF CANCELLATION OR MATERIAL CHANGE

AS RESPECTS THE FOLLOWING:

- 1993-067 (TAILWHEELS)
- 1988-142 (MH PROPERTIES)
- 2011-003 (MACCURDY DRIVE)
- 2011-100 (6540 CRYSTAL LANE)
- 2009-057 (ECHO RAMP)
- 2009-068 (SOUTH RAMP)
- 2002-249 (6585 & 6595 CRYSTAL LANE - 6-PAC HANGARS)
- 2015-082 (QUONSET HUT), 6524 JANINE DRIVE, PRESCOTT, AZ
- 2015-089 (LINCOLN HANGAR), 6567 JANINE DRIVE, PRESCOTT, AZ

Certificate Number: 6.1
Issued By and Date: NOVEMBER 30, 2015 (JT)

By 
(Authorized Representative)

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):

CITY OF PRESCOTT
201 S. CORTEZ
PRESCOTT, AZ 86303

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

SECTION II - WHO IS AN INSURED is amended to include as an additional Insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- A. In the performance of your ongoing operations; or
- B. In connection with your premises owned by or rented to you.

All other provisions of this policy remain the same.

This endorsement becomes effective NOVEMBER 30, 2015 to be attached to and hereby made a part of:
Policy No. 1000206840-03
Issued to GUIDANCE ACADEMY, LLC

By STARR INDEMNITY & LIABILITY COMPANY

Endorsement No. TBA

Date of Issue NOVEMBER 30, 2015 (JT)

By 
(Authorized Representative)

Starr 10060 (2/06)