

AMENDMENT NUMBER 1
to
Tenancy Permit

This Amendment Number 1("Amendment") shall amend that certain Tenancy Permit ("Permit") dated September 1, 2013, by and between Signature Flight Support Corporation ("Signature") and the City of Fresno ("Permittee"). For purposes of this Amendment, Signature and Permittee may from time to time hereinafter be individually referred to as a "Party" and collectively as the "Parties".

NOW, THEREFORE, as of December 5th, 2016, and in consideration of the mutual covenants contained herein and other good and valuable consideration, the Parties agree as follows:

1. Section 3, **Term**, the Parties agree to extend the Permit term for three years, effective January 1, 2017 through December 31, 2019.
2. Section 4.a., Base Rent, shall be as follows for the term January 1, 2017 through December 31, 2019:

Office Space:	\$1,125.00/month
T-Hangar/Corporate Hangar Space	\$1,675.00/month
TOTAL MONTHLY BASE RENT	\$2,800.00

Section 4.b., Annual Base Rent Adjustment shall continue to be three percent (3%) annually, effective January 1, 2018.

3. Except as otherwise provided herein, all the terms, provisions, covenants and conditions of the Permit shall be and continue in full force and effect.

EXECUTED this _____ day of December, 2016.

Accepted and agreed as stated herein:

SIGNATURE FLIGHT SUPPORT CORPORATION

CITY OF FRESNO

By: _____

By: _____

Name: Brent D. Kendrick

Name: _____

Its: Station Manager

Its: _____

Date: _____

Date: _____



MCDONALD AVIATION, LLC

November 17, 2016

City of Fresno
Police Department Skywatch Unit
4941 East Anderson Avenue, Office X
Fresno, California 93727

Dear Sir or Madam,

Signature Flight Support Corporation and the City of Fresno's Police Department Skywatch Unit will enter into a three year agreement for dedicated, exclusive use of approximately 5,295 square feet of hangar space commonly referred to as T-hangar/Corporate hangar space X-4, X-5 and X-6, and also for the exclusive use of 1,000 square feet of office space at 4941 East Anderson Avenue, Fresno commonly referred to as suite number "Office X." This agreement will commence on January 1, 2017 and will expire on December 31, 2019.

McDonald Aviation, LLC is hereby acknowledging that this agreement extends past the Fixed Base Operator ("FBO") Operating and Management Services Agreement between McDonald Aviation, LLC and Signature Flight Support Corporation, currently set to expire on July 21, 2018, and that, if Signature Flight Support ceases to do business at Fresno Yosemite International Airport, McDonald Aviation, LLC will honor and continue the City of Fresno's Police Department agreement per the terms and conditions that have been contracted between Signature Flight Support Corporation and the City of Fresno.

Very truly yours,

David L. McDonald

DLM:els

TENANCY PERMIT

THIS TENANCY PERMIT ("Permit") is entered into this 1st day of September, 2013, by and between Signature Flight Support Corporation, a Delaware corporation, with its principal offices located at 201 South Orange Avenue, Suite 1100S, Orlando, Florida 32801 ("Signature") and, the City of Fresno, a California municipal corporation, by its Fresno Police Department Air Support Unit-Skywatch, with its principal offices located at 4941 East Andersen Avenue, Fresno, California 93727("Permittee"). For purposes of this Permit, Signature and Permittee may from time to time be referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, McDonald Aviation, LLC, successor to Burgundy Parnters, LLC ("McDonald") maintains a lease agreement for certain land and operating rights effective December 1, 2004 ("Master Lease") with the City of Fresno ("Authority") at the Fresno-Yosemite International Airport ("Airport"). As of July 22, 2010 McDonald engaged Signature as its exclusive operator to maintain, operate, administer and manage the fixed base operation pursuant to the Master Lease. The Master Lease and all Amendments thereto are incorporated herein and are available for Permittee's inspection and review. In consideration of the mutual covenants and agreements set forth, the Parties hereby agree as follows:

1. Permitted Space ("Space"):

a. Office Space. Exclusive use of approximately 1,000 square feet commonly referred to as Suite(s) No. Office X.

b. T-Hangar/Corporate Hangar Space. Dedicated, exclusive use of approximately 5,295 square feet also commonly referred to as T- Hangar/Corporate Hangar, X-4, X-5, X-6 ("T-Hangar/Corporate Hangar Space").

2. Term.

a. Subject to section 2, subdivision (b) below, this Permit shall be for an initial term of three (3) years commencing April 1, 2013 ("Effective Date") and expiring March 30, 2016 ("Initial Term") and month-to-month thereafter (collectively, "Term"). After the Initial Term, either Party may terminate this Permit with or without cause by furnishing the other thirty (30) days advance written notice.

b. In the sole event of non-appropriation relating to this Permit, Permittee shall have the right to terminate this Permit at the end of any Fiscal Year of the City of Fresno, in the manner and subject to the terms specified in this paragraph. Permittee shall endeavor to give written notice of such termination not less than thirty (30) days prior to the end of such Fiscal Year, and shall notify Signature of any anticipated termination. For purposes of this Permit, "Fiscal Year" shall mean the twelve month fiscal period of the City of Fresno which commences on July 1 in every year and ends on the following June 30. For purposes of this paragraph, "non-appropriation" shall mean the failure of the City of Fresno or its governing body to appropriate money for any Fiscal Year of the City of Fresno sufficient for the continued performance of this Permit by Permittee.

6. Notice Address of Permittee. Any notice or demand required under this Permit may be sent to Permittee's address as indicated below. If to Signature, then to the address in the Notice section of the General Terms and Conditions.


In the case of Permittee:
Fresno Police Department Air Support Unit
Attention: Skywatch Sergeant
4941 East Andersen Avenue
Fresno, California 93727
(559) 454-2626
(559) 454-2627 Fax

Entire Agreement. The General Terms and Conditions and Exhibits attached hereto are herein incorporated by reference. This Permit constitutes the entire agreement between the Parties with regard to the Space. All prior correspondence, memoranda, negotiations, or understandings (written or oral) are merged into and superseded by this Permit. This Permit shall be interpreted simply according to the plain meaning of its terms and not strictly for or against a Party regardless of which Party drafted it.

IN WITNESS WHEREOF, the authorized representatives of Signature and Permittee have executed this Permit as of the later of the dates set forth below.

CITY OF FRESNO, a California municipal corporation as Permittee

Signature Flight Corporation, a Delaware corporation

By: 
Name: Jerry Dyer

By: 
Name: Sami Teittinen

Title: Chief of Police

Title: _____
(CFO),

ATTEST:
YVONNE SPENCE, CMC
City Clerk


By: 

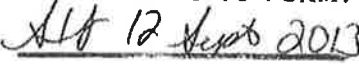
Name: Maria A. Sastre

By: 
Deputy 11/21/2013

Title: President
(President)

APPROVED AS TO FORM:
City Attorney's Office

By: 
Mary Anne B. Tooke, Deputy City Attorney

APPROVED AS TO FORM:

LEGAL DEPT.

Aircraft owner/operator) to be performed by Signature. Such ancillary services may include, but are not limited to, the sale of aircraft parts and components, temporary hangar space, the performance of aircraft maintenance and avionics, fueling, defueling, deicing and interior/exterior cleaning (collectively, "Ancillary Services"). Signature agrees to furnish and/or perform such Ancillary Services at the request of the Permittee at Signature's prevailing and locally-established rates or as otherwise negotiated between Signature local management and Permittee. Such requests may be made by Permittee verbally or pursuant to a verbal or written request. If such Ancillary Services are provided, Permittee agrees to pay Signature for all such work, which shall be subject to all of the terms and conditions of this Permit.

9. Prohibited Uses. Permittee shall not use the Space for and shall not permit the operation of a fixed base operation or any business substantially similar to any of Signature's authorized general or commercial aviation operations at the Airport. Permittee expressly warrants and represents without limitation that it shall not at any time during the term of this Permit undertake for itself or cause to be undertaken through others, including, but not limited to its employees, agents, subcontractors, or invitees, any services permitted to Signature under the Master Lease, including, but not limited to the following:

- a. Installation of any fuel storage and dispensing facilities (including mobile delivery of fuel);
- b. Receipt and storage of any fuel product, including, but not limited to, aviation and motor fuels;
- c. Into-plane or into-truck delivery of any aviation or motor fuels;
- d. Rotorcraft or aircraft sales or rentals (Permittee demonstration flights excluded);
- e. Flight training (Permittee in-house flight training excluded);
- f. Rotorcraft or aircraft radio and instrument sales and service (avionics);
- g. Specialized rotorcraft or aircraft repair service for a third party;
- h. Air transport of mail or cargo for hire;
- i. Hangaring or servicing of aircraft for a third party, including without limitation that of a transient or non-based tenant, subtenant, sub-permittee, guest, or invitee of the Permittee;
- j. Deicing of aircraft;
- k. Temporary parking of aircraft, including overnight parking of aircraft;
- l. Maintenance/ avionics services for a third party;
- m. Other activity adverse or disruptive to Signature or Airport interests as may be determined by Signature in its reasonable judgment.

10. Third Party Vendors. Any third party seeking access to any part of the Space and/or Signature's leasehold to perform any commercial activity ("Third Party Vendor") may enter Signature's leasehold (including the Space) only after the Third Party Vendor has:

- a. Executed the Vendor Release, an exemplar of which is attached as Exhibit A;
- b. provided Signature with a Certificate of Insurance for the requisite insurance coverage; and,

15. **Non-Exclusive Easements.** Signature grants to Permittee a non-exclusive easement to transition Permittee's Aircraft, if applicable, to and from the Hangar Deck Space or other aircraft storage space controlled by Signature to an Airport taxiway and to provide ingress and egress to and from the Space for authorized vehicles, including, all vehicles and other equipment required by Permittee's employees, vendors, contractors and authorized subcontractors. All vehicles and vehicle operators shall fully comply with Signature's and the Authority's rules and regulations regarding Airport and Aircraft Operations Area (AOA) access.

16. **Airport Security.** Permittee shall comply at its own expense with all applicable security requirements, including, but not limited to, those of Signature, Federal Aviation Regulations ("FAR") and the TSA, any Airport Security Program, all as amended from time to time. Permittee shall take all action necessary or as directed by Authority to ensure that Permittee's Related Parties comply with such requirements. If Signature or the Authority incurs any fines as a result of Permittee's acts or omissions or those of Permittee's Related Parties, Permittee agrees to pay all such fines and penalties in accordance with its indemnification obligation set forth herein and to cure any security deficiency immediately. Signature and the Authority reserve the right to take whatever action necessary to cure any security deficiency if Permittee fails to remedy the security deficiency promptly and to be reimbursed any and all costs and expenses associated with such action.

17. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANY INDEMNITY SET FORTH IN THIS PERMIT, THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE, DIMINUTION OR LOSS OF VALUE, LOSS OF USE, LOSS OF ANTICIPATED PROFITS OR THE COST ASSOCIATED WITH SUBSTITUTE OR REPLACEMENT AIRCRAFT.

18. **Insurance.**

a. **Minimum insurance dollar limits required of Permittee:**

i. **Aircraft Hull and Liability**

- (1) **Aircraft hull.** All risk aircraft hull insurance for 100% of total aircraft cost insuring against loss to aircraft or other property.
- (2) **Aircraft liability.** Aircraft liability insurance (ground/flight) with a minimum combined single limit at least equal to the requisite commercial general liability (below) covering bodily injury (including passengers) and property damage.
- (3) **Aircraft hull and liability coverage.** Hull and Liability coverage shall be conditionally waived if this Permit does not include the storage of an aircraft. This conditional waiver shall be automatically revoked and Permittee shall obtain the requisite coverage if this Permit is later amended to add aircraft storage space.

ii. **Liability - Airport Premises**

set forth in quotations) "Signature, its parent, Subsidiary, related, and affiliated companies and the Authority" as additional insureds with the exception of All Risk Property where Signature should be named as Loss Payee. If the required liability policies do not contain a standard separation of insured provision, they shall be endorsed to provide cross liability coverage. All required insurance policies, except (1) worker's compensation and (2) employer's liability shall contain a waiver of subrogation in favor of "Signature, its parent, subsidiary, related, and affiliated companies and the Authority". All required insurance policies shall be evidenced by certificates of insurance that provide at least thirty (30) days advance written notice of any cancellation or changes adverse to the interests of Signature Flight Support Corporation or its subsidiaries. Permittee may send insurance certificates to: Signature Insurance Department, PO Box 12010, Hemet, CA 92546-8010.

c. Minimum insurance amounts stated shall not be lowered without express written consent of Signature Flight Support Corporation. Higher insurance limits may be required by the Airport, in which case, the Airport's limits shall supersede the limits stated above.

d. The certificates of insurance, with respect to the insurance requirements described above, shall state that such coverage is primary and without right of contribution from any insurance carried by Signature and that the liability assumed by Permittee under this Agreement has been specifically insured under the policies above, but such insurance in no way limits Permittee's liability hereunder.

e. PERMITTEE ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF ANY LIABILITY INSURANCE COVERAGE OR TO INSURANCE POLICY LIMITS REQUIRED IN THIS PERMIT.

19. Indemnification.

a. Permittee's Indemnification. Permittee shall be liable for the acts or omissions of itself and its officers, directors, employees, agents, servants, vendors, contractors, subcontractors, and invitees (collectively, "Permittee's Related Parties") without limitation and further agrees to indemnify, defend, and forever hold harmless Signature, the Authority and their respective officers, directors, employees, agents, servants, contractors, subcontractors, vendors, invitees (collectively, "Signature's Related Parties") from and against any and all claims, liabilities, losses, demands, fines, suits, penalties, actions, judgments or other expenses arising out of the performance of this Permit or use of the Space, including, but not limited to, FAA and TSA fines or assessments, reasonable attorneys' fees and costs (collectively, "Damages") incurred by Signature or its Related Parties and arising from any negligent acts or omissions of Permittee or Permittee's Related Parties; provided, however, that this indemnity does not apply to Damages caused by the negligence or willful misconduct of Signature or its Related Parties. Such indemnification is subject to and limited by Paragraph 17 Limitation of Liability.

b. Signature's Indemnification. Signature shall be liable for the acts or omissions of itself and its Related Parties without limitation and further agrees to indemnify, defend, and forever hold harmless Permittee and its Related Parties from and against any and all Damages incurred by Permittee or its Related Parties and arising from any negligent or willful acts or

disposing of any Regulated Substances, as well as any and all reasonable attorneys' fees (collectively, "Environmental Damages") resulting from the use and occupancy or any negligent act or omission of Permittee or its Related Parties on the Space during the term of this Permit. Permittee shall not be responsible for retroactive Environmental Damages, without limitation, any type of Environmental Damages or any environmental conditions that existed before the Effective Date. The indemnities set forth herein Paragraph 20(c) shall survive the termination or expiration of this Permit.

e. Environmental Protection Procedures. Permittee shall conduct its operations to meet or exceed requirements set forth in applicable local, state, and federal laws and in accordance with safe and proper industry practices in order to prevent environmental accidents. Such practices include but are not limited to the following:

- (i) Permittee shall at all times protect the drain from spills of Regulated Substances and agrees to instruct all its employees, agents, servants, contractors, subcontractors, invitees, and other representatives in writing regarding such requirement and the proper operation and maintenance of this drainage system;
- (ii) Permittee shall properly label all containers and shall not place or maintain open containers outside of the Space;
- (iii) Permittee shall cover all trash containers placed or maintained outside the Space.

21. Compliance With Laws. Each Party shall comply and shall require all of its Related Parties to comply with all prevailing and applicable federal, state and local rules, regulations, orders, and laws of all jurisdictions having authority, including, but not limited to the Airport, FAA, and TSA, in which the space is located.

22. Brokers. The Parties acknowledge that no broker was in any way involved consummating this Permit and that no conversations or prior negotiations were had with any broker. The indemnities in paragraph 19, above, shall be applicable to claims by any broker for a brokerage commission arising out of this Permit.

23. Notice. Any notice or demand required under this Permit may be by personal service, courier, United States mail (certified mail/postage prepaid only), or facsimile transmittal. Notices served by United States mail are deemed properly delivered effective the third (3rd) business day and personal service, courier delivery, or facsimile transmittal are deemed served at the time and date of receipt confirmation provided that such notice is addressed to the Permittee as set forth in Paragraph 6 of the Tenancy Permit or to Signature as follows:

Signature Flight Support Corporation
Attention: General Counsel
201 South Orange Avenue, Suite 11DOS
Orlando, Florida 32801
Facsimile: (407) 648-7352

With a copy to the General Manager of the Signature base where Permittee is a tenant.

27. **Governing Law.** This Permit shall be construed, interpreted, and enforced in accordance with the laws of the state in which the Space is located.

28. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE THEIR RIGHT TO TRIAL BY JURY.

29. **Assignment and Subletting.** Permittee shall have no right to assign, transfer, mortgage, pledge, hypothecate or encumber this Permit or any interest herein or sublet the Space or any part thereof, or permit the use of the Space by any other party without Signature's prior written consent. Any such contemplated assignment or subletting may further be subject to advance, written approval by the Authority. Any such transactions in violation of the foregoing requirement shall be considered null and void and shall constitute an immediate Default, for which no cure period is available.

30. **Fuel Purchases.** Permittee's fuel requirements are currently provided pursuant to a contract with a third party fuel provider. As a material consideration for Signature to enter into this Permit, Permittee agrees that Signature shall be invited to bid in the next request for proposal (or bid invitation or equivalent procurement process) for provision of Permittee's Skywatch fuel requirements when Permittee's current fuel contract expires. This consideration is in exchange for Signature furnishing Permittee the use of Signature's general aviation terminal facilities and amenities, as well as, furnishing other basic and customary services ("Services") related to the Aircraft based or operated from the Space. The potential for such fuel purchases constitutes an integral part of the basis of bargain and material consideration for Signature to enter into this Permit.

31. **Aircraft Towing.** Permittee shall have the primary responsibility to tow its Aircraft at the Airport provided Permittee has properly trained and qualified employees who can provide the necessary towing services with equipment suitable for towing the Aircraft.. Signature and its Related Parties agree not to undertake the towing/repositioning of the Aircraft, except in the event of an emergency. "Emergency" is defined as an unanticipated and sudden event in which the safety, security or integrity of an Aircraft or a person is in imminent peril or jeopardy.

32. **Time of Essence.** Time is of the essence in this Permit.

33. **Amendment.** No amendment, modification or alteration of the terms of this Permit shall be binding unless it is in writing and executed by both Parties.

34. **Entire Agreement.** All Exhibits attached hereto are fully incorporated into the terms and conditions of this Permit. This Permit constitutes the entire agreement and all prior correspondence, memoranda, negotiations, or understandings (written or oral) and is merged into and superseded by this Permit, excepting the Parties' joint and several obligations under the Master Lease. This Permit shall be interpreted simply according to the plain meaning of its terms and not strictly for or against with Party regardless of which Party drafted it.

Exhibit A
Third Party Vendor Release ("Release")

SIGNATURE FLIGHT SUPPORT CORPORATION, a Delaware corporation, ("Signature"), which maintains a Fixed Base Operation ("FBO") at _____ Airport, _____ ("Airport"), by its execution hereof, hereby authorizes the following person or entity, ("Vendor"), to enter the FBO premises on a temporary basis, consistent with the terms and conditions hereinafter stated.

1. Vendor. The name, address, and telephone number of the Vendor are as follows:

Name: _____ Address: _____
Telephone: _____ Email: _____
Service provided ("Service"): _____

2. Services To Be Performed. Vendor shall enter Signature's Premises for the sole purpose of performing Service at the request of Signature or its customer, Permittee, tenant, Aircraft owner, pilot or other designated representative. Vendor shall be authorized only to perform the Service noted above and only in the area(s) designated for such Service by local Signature management. Vendor expressly agrees that at no time shall its activities infringe upon the or its customers' ability to operate aircraft or use Signature's leasehold, including, but not limited to, ingress and egress from the FBO, offices, shops, ramps or parking lots.

3. Compliance With Laws. Vendor represents that it shall adhere to the prevailing and applicable rules of the Airport, Federal Aviation Administration ("FAA"), and the Transportation Security Administration ("TSA").

4. Indemnification. Vendor agrees to indemnify, defend and hold harmless Signature and the Airport, their respective officers, directors, agents and employees and Signature's parent, subsidiary, related and affiliated companies from and against any and all liabilities, damages, injuries, losses, claims, fines, penalties or Judgments, of any kind whatsoever (including those arising from third parties), including all costs, attorneys' fees, and expenses incidental thereto, which may be suffered by, or charged to, Signature by reason of any loss of or damage to any property or injury to or death of any person arising out of or by reason of any breach, violation or non-performance by Vendor or its agents, servants, consultants, contractors, subcontractors, licensees or employees of any covenant or condition of this Release or by any act or failure to act or negligence of such persons.

5. Insurance. Before commencing Services, Vendor shall evidence the following types and amounts of insurance:

- i. Liability - Airport Premises
 - (1) Commercial General - Combined single limit \$5,000,000 per occurrence, products and completed operations
 - (2) Motor Vehicle - Combined single limit \$5,000,000 per occurrence
 - (a) This coverage is conditionally waived if Vendor does not have a motor vehicle that is both (1) registered in its name