

LEASE AGREEMENT

THIS LEASE executed in Roswell, New Mexico on this 1st day of May 2025 by and between the CITY OF ROSWELL, NEW MEXICO, a municipal corporation, hereinafter "Landlord", AEVEX AEROSPACE, LLC, as individual, hereinafter "Tenant".

WHEREAS Landlord has agreed to lease to Tenant the real property described below, together with the improvements thereon, in Chaves County New Mexico, and Tenant has agreed to lease said real property and improvements from Landlord.

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

1. GRANTING CLAUSE AND PREMISES. For the term, at the rent and otherwise upon the terms, provisions and conditions contained herein, Landlord hereby lets and leases unto Tenant the surface only to the following real property, together with all improvements located thereon:

Bunker No. 1130, 1131, 1137, each consisting of 1,560 square feet and Bunker No. 1144 consisting of 2,080 square feet of useable space, more or less, located at the Roswell Air Center, identified on a plat attached hereto and made a part hereof, identified and listed as Exhibit "A" (Premises).

2. TERM. The Lease term is for five (5) years, commencing on May 1, 2025 and ending April 30, 2030 unless sooner terminated by provision hereof.
3. RENT. Tenant agrees to pay to Landlord as rent for Bunker No. 1130, 1131, and 1137 the sum of Eleven thousand Two hundred twenty-seven dollars and eighty-two cents (\$11,227.82) annum, payable in 12 monthly installments of \$935.65 and an annual rent for Bunker No. 1144 the sum of four thousand nine hundred ninety dollars and eighty-five cents (\$4,990.22, payable in 12 monthly installments of \$415.85 for the first year of the lease. Thereafter rent will be adjusted annually by CPI or 3%, whichever is greater.. If Tenant fails to pay all rent and other fees due for any month by the tenth calendar day of the month that said rent and fees are due, Tenant shall pay to Landlord an additional 2% finance charge, as a penalty, each month until the full amount of that month's rent is paid. This penalty shall be immediately payable without limiting Landlord in the exercise of any other right or remedy to which it may be entitled by reason of Tenant's failure to pay rent when due. All rent shall be paid to Landlord without abatement, reduction or set offset any kind except as herein specifically provided.
4. SECURITY DEPOSIT. Tenant has paid in advance \$1,267.50 as security for Tenant's full and faithful performance of all terms of this lease. This amount shall be used by Landlord at the termination of this Lease Agreement toward
 - a. Payment for rent or penalties due Landlord
 - b. Reimbursement of the costs of cleaning and repairing damages (beyond normal

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wear and tear) to the Premises

- c. The cost of removal of any hazardous material not properly disposed of by Tenant.

Landlord shall be the sole and reasonable judge of all cleaning and repairs required for the Premises and the amounts needed for these purposes. Upon termination or expiration of this Lease the security deposit shall first be applied to necessary cleaning and removal, repairs and the remaining balance, if any, may then be applied to rentals and penalties then owing to Landlord. Any refund of the security deposit due Tenant will be delivered or mailed in accordance with Paragraph 26 of this Agreement within 60 days after the termination of this Lease Agreement.

5. GENERAL.

- a. Priority.
 - i. Safety and security are the Airport's first priorities. All personnel working and doing business on Airport property must comply with Airport Rules and Regulations at all times and model the significance of safety and security for co-workers, passengers, and members of the public.
- b. Definition of Restricted Area.
 - i. For the purpose of this Lease, any area on Airport property, whether within a building, in the terminal or on the ramp or airfield area, including but not limited to all Secured Areas, Sterile Areas, Restricted Areas, and the Air Operations Area (AOA), shall be referred to collectively as the "Restricted Area."
- c. Airport Security Program.
 - i. This lease includes the non-Sensitive Security Information (SSI) requirements set forth in the Airport Security Program (ASP) issued by the Director under 49 C.F.R. 1542.
- d. Enforcement.
 - i. Any person who violates or compromises Airport security, or creates or engages or participates in any unsafe, unsecure, or hazardous condition or activity at the Airport may have his/her access privileges immediately revoked on a temporary or permanent basis at the sole discretion of the Airport. Any person or entity responsible in whole or in part for any security violation shall also be responsible for any resulting cost, including but not limited to any fine imposed by a regulatory agency or remediation of property damage or personal injury.
- e. Federal, State, and/or Local Laws or Regulations –
Every Person using the Airport shall comply with all Federal, State, and/or Local Laws, Airport Rules and Regulations, Tenant Directives, and/or decisions, including those of executive, legislative or judicial agencies or bodies, now or hereafter in effect, and applicable to the Person's use of the Airport.
 - i. Every Roswell Air Center tenant, and/or lessee, or any other Person doing business with the Airport, shall comply with all federal, state, and/or local

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laws, airport rules and regulations, tenant directives and/or decisions; including those of executive, legislative, or judicial agencies or bodies, now or hereafter in effect, and applicable to that tenant's, lessee's, or other Person's operations at the Airport.

- f. Safety and Security Regulations – Adherence to Airport Security Directions.
 - i. All Persons will obey lawful orders and directions of Airport Security Coordinator, Roswell Police Officers, or other Persons responsible for insuring compliance with these Rules and Regulations. All orders or directions will be consistent with the Airport Security Program, Rules and Regulations, and applicable state, federal and local laws.
- g. The Airport is operated under 49 CFR Part 1542 (Airport Security) and 14 CFR Part 139 (Airport Certification)
 - i. The Tenant will comply with all applicable requirements of the Airport Security Program, Airport Certification Manual, and Airport Emergency Plan. Upon written notice from Airport, Tenant will, at its sole expense, promptly correct any violation or omission under the Airport Security Program or Airport Certification Manual within the time specified in the notice.
 - ii. The Tenant will coordinate any Airport security matter with the Airport Security Coordinator or their designee.

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- 6. **CONDITION OF PREMISES.** Tenant accepts the Premises as is, in its present condition. Tenant acknowledges that any requirements for accessibility and/or public accommodation(s) are Tenant's responsibility. Tenant agrees that the Premises is in good repair and condition except as noted herein. Tenant agrees that, at the expiration of the term hereof, it shall yield up and deliver the Premises to Landlord in as good repair and condition, broom clean, as when received, except for loss resulting from ordinary use and wear.

- 7. **MAINTENANCE.**

- a. Tenant shall maintain the Premises in a safe and clean condition, in good order and repair. Tenant further agrees, at its sole cost and expense, to maintain the Premises, including improvements, in a clean and policed condition at all times and to keep trees, shrubbery, and grass irrigated, trimmed and attractively maintained.
- b. Further, Tenant shall maintain and replace, when necessary, the plumbing and electrical systems as well as all glass, heating, air conditioning, and other similar fixtures and equipment located on or in any portion of the Premises.
- c. Tenant shall make necessary corrections and/or adjustments to maintenance practices as inspections reasonably determine. Landlord shall be the sole and reasonable judge of the quality of maintenance and, upon written notice by

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Landlord to Tenant, Tenant shall be required to perform whatever maintenance Landlord deems reasonably necessary, provided, however, such maintenance shall be consistent in quality with that required of other City Tenants in comparable facilities. If said maintenance is not undertaken by Tenant within ten (10) days after the date Landlord gives Tenant written notice of corrections needed, Landlord shall have the right to enter upon the Premises and perform the necessary maintenance, the cost of which shall be two times the cost for parts and labor and borne by Tenant.

8. **TAXES, LICENSES AND UTILITIES.** During the term hereof, Tenant shall pay all taxes, licenses, charges, fees or assessments levied or to be levied upon personal-property, fixtures or equipment placed by Tenant upon said Premises, of whatsoever kind or nature, incident to or arising out of the conduct of Tenant's business. Failure to have an appropriate current license or permit shall be a breach of this Lease. Tenant shall pay all utilities used on the Premises, including but not limited to telephone, electricity, gas, and water.
9. **PERSONAL PROPERTY AND FIXTURES OF TENANT.** All personal property and fixtures of Tenant in the Premises shall be kept at the sole risk of Tenant, and Landlord shall not be liable for any damage thereto or to Premises or to Tenant for interruption of business or otherwise. Tenant hereby waives all causes or rights of recovery against Landlord, its agents, employees, invitees and tenants for any loss to such personal property and fixtures on the Premises or to consequential loss arising therefrom caused by fire or other casualty, whether negligently caused or not.
10. **EQUIPMENT AND IMPROVEMENTS.**
 - a. Except as otherwise provided herein, Tenant shall have the right to install such equipment as may be necessary for the conduct of its business on the Premises; and at the expiration or termination of the Lease Tenant shall have the right to remove all of such equipment installed by Tenant that is removable without damage to the Premises. In addition, Tenant shall, upon written demand by Landlord, at Tenant's sole cost and expense, forthwith and with all due diligence, remove any alterations, additions, or improvements made by Tenant pursuant to this Paragraph 9.
 - b. Tenant shall obtain written consent from Landlord prior to making or permitting any major additions, alterations or improvements on the Premises (including but not limited to, modification to any security boundary wall or fence, installing carpeting, air conditioning, painting, or attaching anything to the walls other than by plug-in). Landlord may withhold consent in its sole and absolute discretion. In the event that the consent is given and Tenant makes any major alterations, additions or improvements, such work shall be done in such a manner that no mechanic's lien, materialman's lien or other lien of any kind shall be created against or imposed upon the Premises or any part thereof. Tenant shall indemnify

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and save harmless Landlord from any and all liability and claims for damage of any kind and nature which may be made or accrue against Landlord on account of any such major alterations, additions or improvements. At the expiration or termination of this Lease such improvements shall become the property of Landlord and the value thereof does not offset against any amounts claimed by Landlord as owing under the terms of this Lease. Tenant agrees to bear all costs and expenses incident to the occupancy and maintenance of the structure and improvements placed therein-including snow clearance.

11. INSURANCE.

- a. Landlord will provide fire and extended coverage to the Premises during the term of the Lease. Tenant agrees to reimburse Landlord for insurance premium based upon the pro-rata per square foot cost attributable to the Premises as determined and billed by Landlord. Tenant understands that fire and extended coverage does not cover the property of Tenant or any property on the premises that does not belong to Landlord.
- b. Tenant shall maintain in full force and effect a policy or policies of general public liability insurance (Exhibit B) in which Landlord is named an additional insured to the extent of the liabilities assumed by Tenant hereunder, covering both parties against claims for injury, death or damage to persons or property occurring upon, in or about the Premises, in such limits as set forth in the New Mexico Tort Claims Act or as may be amended. Tenant shall provide Landlord written evidence of this insurance within thirty (30) days of the effective date of the Lease.

12. DAMAGE OR DESTRUCTION OF PREMISES.

- a. In the event the Premises suffers damage by fire or other perils or casualty covered by fire and extended coverage insurance, Landlord may, in its sole and absolute discretion, repair or rebuild the same within a reasonable time after the event causing such damage. This Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction of the rent from the date of damage and during repairs. Proportionate rent reduction is based upon the extent to which the damage and making of such repairs shall reasonably interfere with the business carried on by Tenant in the Premises as determined by Landlord. If the damage is due to the fault or neglect of Tenant or its employees, as determined by Landlord in its sole discretion, there shall be no reduction of rent. Landlord may authorize or direct construction of an alternative structure or may elect to retain any insurance proceeds received by it if Landlord deems reconstruction or construction of an alternative structure to be impractical or unreasonable in its sole discretion.
- b. In the event the Premises are damaged to any extent as a result of any cause other than the perils covered by fire and extended coverage insurance, Landlord shall in its sole discretion have the option to:

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- i. Repair, reconstruct or restore the Premises within a reasonable time of the event causing the damage, in which case this Lease shall continue in full force and effect, but the rent shall be proportionately reduced as provided above in 12(a) during the period of such repair, reconstruction or restoration.
 - ii. Give notice to Tenant at any time within sixty (60) days after such damage occurs, terminating this Lease as of the date specified in such notice, which date shall be no more than thirty (30) days after the giving of such notice. In the event of giving Tenant such notice of termination, this Lease shall terminate and all interests of Tenant in the Premises shall cease on the date so specified. With such notice, Tenant shall pay the rent, as proportionately reduced, based upon the extent, if any, to which such damage interfered with the business, carried on by Tenant in the Premises, up to the date of such termination.
 - c. With regard to Landlord's duty or option to repair, reconstruct or restore the Premises within a reasonable time of the event causing the damage as provided in 11a. and b. above, Landlord shall act promptly and with due diligence, but Landlord shall not be responsible for delays caused by factors beyond Landlord's control, including but not limited to delays because of strikes, work slowdowns or stoppages, accidents, acts of God, failure of any governmental or other authority to act in a timely manner, or delays caused by contractors. If such delays occur, Tenant agrees that Landlord shall not be responsible for damages, nor shall Landlord be deemed to be in default under this Lease.
 - d. Landlord shall not be required to repair any damage by fire or other casualty, or to make any repair or replacements of any leasehold improvements, fixtures, or other personal property of Tenant.
13. **LIABILITY.** Landlord shall not be liable to Tenant or to Tenant's employees, customers, visitors or any other person or entity for any death or injury or damage to person or property arising from any cause whatsoever which shall occur in any manner in or about the Premises in connection with, or arising out of Tenant's operations and use of the Premises. Tenant agrees to indemnify and save harmless Landlord from any claim for death, injury, damage or loss, which may occur in any manner in or about the Premises, unless such death, injury, damage or loss is proximately and solely caused by negligent act or omission to act of Landlord's Agents.
14. **CONDEMNATION OR GOVERNMENTAL TAKING.** In the event that the Premises or any portion thereof shall be condemned for public or quasi-public purpose, or shall be taken by any governmental authority in any manner whatsoever during the term hereof, the parties hereto agree to the following:
- a. In the event that the Leased Premises shall be totally condemned or taken, or condemned or taken so as to render the remainder thereof unusable for purposes

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for which said Premises was leased, this Lease shall terminate as of the effective date of such condemnation or taking.

- b. In the event that a portion of the leased Premises is condemned or taken, but such condemnation or taking does not render the remainder thereof unusable for the purposes for which the Premises was leased, Tenant's obligation under this Lease shall continue in full force and effect. However, the amount of rent payable by Tenant shall be reduced in the proportion of which the leased Premises condemned or taken bears to the total area of the leased Premises. In such event, Tenant shall bear any necessary costs of relocating its equipment and placing the remaining Premises in proper and usable condition.
- c. In the event of total or partial condemnation or taking of the leased Premises as previously mentioned, all compensation awarded or paid upon a total or partial taking of the Premises shall belong to Landlord. Tenant shall have no right or cause of action against Landlord; provided, however that Tenant shall be entitled to participate in any award to the extent that such award includes the loss, if any, sustained by Tenant as a result of the termination of this Lease or diminution of its leasehold estate. The value of any fixtures condemned or taken if such fixtures were installed by Tenant and are located upon the Premises at the time of such condemnation or taking. Tenant reserves the right to proceed independently of Landlord with any claim for compensation for damages to which Tenant may become entitled because of such total or partial condemnation or taking.

15. **CONDITIONS OF DEFAULT.** If at any time during the term of this Lease, Tenant shall:

- a. Default in the payment of any installment of rent or any other sums specifically to be paid by Tenant hereunder and such default shall not have been cured within ten (10) days after Landlord shall have given to Tenant written notice specifying such default.
- b. Default in the observance of any of the Tenant's covenants, agreements or obligations hereunder, other than the covenants to pay rent or any other sum herein specified to be paid by Tenant, and such default shall not have been cured within thirty (30) days after Landlord shall have given to Tenant written notice specifying such default; provided, however, that if the default complained of shall be of such nature that he same cannot be completely remedied or cured within such thirty (30) day period, then such default shall not be an enforceable default against Tenant for the purposes of this paragraph if Tenant shall have commenced curing such default within such thirty (30) day period and shall proceed with reasonable diligence and in good faith to remedy the default complained of.
- c. Without further possibility of appeal or review:
 - i. Be adjudicated bankrupt or insolvent.
 - ii. Have a receiver or trustee appointed for all or substantially all of its business or assets.

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- iii. Suffer an order to be entered approving a petition filed against Tenant seeking reorganization of Tenant under the Federal Bankruptcy laws or any other applicable law or statute of the United States or any state thereof.
 - d. Make an assignment for the benefit of its creditors, or file a voluntary petition in bankruptcy or a petition or answer seeking reorganization or arrangement under the Federal Bankruptcy law or other applicable law or statute of the United States or any state thereof, or shall file a petition to take advantage of any insolvency act or shall assent to the appointment of a receiver or trustee of all or a substantial part of its business and property.
 - e. Leave the Premises vacant or deserted for a period of ten (10) consecutive days without prior Landlord written consent.
 - f. Use the Premises for purposes other than those set forth in Paragraph 18 hereof, or fail to use the Premises for any purpose for a period of sixty (60) consecutive days and such lack of use shall continue for thirty (30) days after Landlord has given Tenant written notice specifying the default.
16. REMEDIES OF LANDLORD FOR DEFAULT. If Tenant is in default of this Lease, then Landlord shall have the following remedies:
- a. Landlord may sue to collect any and all sums which may accrue to Landlord by virtue of the provisions of this Lease and/or for any and all damage that may accrue by virtue of the breach of this Lease, Tenant hereby waiving all demands for rent.
 - b. Landlord may sue to restrain by injunction any violation or threatened violation of the covenants, conditions or provisions of this Lease.
 - c. Landlord may, without further notice to Tenant and without further demand for rent due or for the observance or performance of any of said terms, conditions or agreements, immediately re-enter the Leased Premises by force or otherwise, without being liable therefor, and remove all persons and property therefrom, using such force as may be necessary. If this Lease shall be terminated before its expiration by reason of Tenant's default, or if the Tenant shall abandon or vacate said Premises before the expiration of the term of this Lease, the same may be re-rented by Landlord (but Landlord shall not be obligated so to do) for such rent and upon such terms as Landlord may see fit and Tenant shall stand liable to Landlord for any deficiency. Any costs incurred in storing Tenant's property shall be considered additional damages recoverable by Landlord.
 - d. If Tenant shall at any time be in default in fulfilling any of the covenants of the Lease, Landlord may, but shall not be obligated so to do, and without notice to or demand upon Tenant, take or cause to be taken such action or make such payment as may be required by such covenant, at Tenant's risk and expense, and all expenses, costs and liabilities of Landlord incurred under this paragraph shall be deemed additional rent hereunder and shall be payable to Landlord on demand together with interest thereon at the rate of fifteen percent (15%) per annum.

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- e. The remedies of Landlord hereunder shall be cumulative and not exclusive of any other remedy hereunder or to which Landlord may be lawfully entitled. The failure of Landlord to insist upon strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of such or any other covenant or option, nor shall the receipt by Landlord of rent with knowledge of any default by Tenant, or any other action of Landlord except a waiver expressed in writing signed by Landlord, be deemed a waiver of such default, nor shall the acceptance of any sum of rental less than the sum provided for in this Lease alter the rental terms hereof or absolve Tenant from its obligation to pay the full rental herein provided, but the acceptance of any lesser sum than the full rent herein stipulated shall be an acceptance of the amount paid on account of the full rent due.
17. **LEGAL FEES.** If any person not a party to this Lease shall institute an action against Tenant in which Landlord, involuntarily and without cause, shall be made a party defendant, Tenant shall indemnify and save Landlord harmless from all liabilities, loss damage and expense by reason thereof, including reasonable attorney's fees and all reasonable costs incurred by Landlord in such action. If any action shall be brought to recover any rental under this Lease, or for or on account of any other default/breach of or to enforce or interpret any of the terms, covenants or conditions of this Lease, or for the recovery of possession of the Premises, Landlord shall be entitled to recover from Tenant all reasonable attorney fees and costs.
18. **USE OF THE PREMISES. Security Responsibilities of Tenant, Tenant Employees and Other Persons.**
- a. No person may:
 - i. Tamper, interfere with, compromise, modify, attempt to circumvent, or cause a person to tamper, interfere with, compromise, modify, or attempt to circumvent any security system, measure, or procedure.
 - ii. Enter, or be present within, a Secured Area, AOA, SIDA, or sterile area without complying with the systems, measures, or procedures being applied to control access to, or presence or movement in, such areas.
 - iii. Use, allow to be used, or cause to be used, any airport-issued or airport-approved access medium or identification medium that authorizes the access, presence, or movement of persons or Vehicles in Secured Areas, AOAs, or SIDAs in any other manner than that for which it was issued by the Airport Authority.
 - b. Security Badges
 - i. Airport ID Badge
 - 1. Persons who work or do business on Airport property on a permanent or long-term (longer than 30 days) basis must have an Airport-issued identification in the form of an Airport ID badge.

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An individual holding an Airport ID badge may also be referred to as "badged personnel."

ii. Airport ID Badge Holder and Tenant Security Responsibilities / Access Control Procedures

1. All badged personnel have an affirmative duty to maintain a secure Airport. Airport tenants are responsible for ensuring that their employees, suppliers, contractors, subcontractors, and all other businesses and entities providing services on Airport property comply with Airport Security these Rules and Regulations.
- c. All badged personnel have an affirmative duty to maintain a secure Airport. Airport tenants are responsible for ensuring that their employees, suppliers, contractors, subcontractors, and all other businesses and entities providing services on Airport property comply with Airport Security these Rules and Regulations.
- d. All badged personnel have an affirmative duty to maintain a secure Airport. Airport tenants are responsible for ensuring that their employees, suppliers, contractors, subcontractors, and all other businesses and entities providing services on Airport property comply with Airport Security these Rules and Regulations.
- e. Tenants and tenant employees are responsible for controlling access to doors, gates and other passageways between the AOA and the landside of the airport through their lease areas.
- f. A breach in security caused by a tenant or tenant employee that results in a TSA, Airport Security Coordinator, or Airport Director finding of negligence will be cause to review, suspend, or withdraw access privileges, impose additional training requirements and/or impose other penalties as provided by these Rules and Regulations and the Airport Security Program.
- g. Tenant shall use the Leased Premises solely for the purpose of storing ammunition, explosives, and paperwork, together with such other related uses as shall be reasonably incidental thereto, and for no other purposes, and it shall not use the Leased Premises for any purpose prohibited by the laws of the United States and the State of New Mexico. The Roswell City Code shall bind tenant or as may be amended from time to time and all applicable policies and procedures of the Roswell Air Center (ROW).
- h. Proper disposal of trash, fluids, parts, hazardous or contaminated waste or materials of whatsoever kind, type or description generated on or as a part of Tenant's occupancy of the Premises is the sole and absolute responsibility of Tenant. Tenant shall comply with all Federal, State and local regulations, laws and ordinances of the City of Roswell in disposal of any such materials. Improper disposal of trash, fluids, parts, hazardous or contaminated waste or materials of whatsoever kind, type or description, generated on or as a part of Tenant's occupancy of the Premises shall be grounds for the immediate Lease termination with or without process of law. Tenant represents to Landlord that it will not

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release any hazardous materials at the leased premises or contaminated the leased premises. To the extent it is proven that hazardous materials have been released on the leased premises by Tenant, Tenant's employees or representatives during the term of Tenant's occupancy of the leased premises, Tenant hereby unconditionally agrees at its sole cost to defend, indemnify, protect and hold Landlord harmless from and against any bodily injury, death or property damage, including:

- i. Environmental claims.
 - ii. Environmental expenses, including without limitation, the handling, investigation, treatment, storage decontamination, remediation, removal, transport or disposal of such hazardous materials.
 - iii. Liabilities, losses, damages, fines, penalties, charges, orders, judgments, or liens caused by such release.
- i. Tenant shall operate its business in such a manner as to prevent the performance of any act or creation or maintenance of anything which, in the opinion of Landlord, is or may become a nuisance or otherwise noxious or objectionable condition including, but not limited to, any act or thing resulting in noise, vibration, shock, smoke, dust, odor or other forms of air pollution, or other condition, substance or element in such amount as to affect areas surrounding or adjoining the Premises. Landlord shall be the sole and reasonable judge as to whether or not any act done or thing created or maintained by Tenant on the Premises is or may become a nuisance or otherwise noxious or objectionable condition, and Tenant agrees to abide by Landlord's decision and act in accordance with its directions with respect thereto.
- j. Landlord reserves the right to take any action it considers necessary to protect the aerial approaches to the ROW's airport against obstruction, and together with the right to prevent Tenant from erecting or permitting to be erected any building or other structure on the Premises which, in the opinion of Landlord, would limit the usefulness of the airport or constitute a hazard to aircraft or conflict with a current restriction or master plan.

19. **NONDISCRIMINATION PROVISIONS.** Tenant shall use the Premises in compliance with all requirements imposed by or pursuant to Nondiscrimination in Federally Assisted Programs of the Department of Transportation 49 CFR 21. Landlord shall itself comply with these requirements in its leasing activities.

20. **DOMINANT PROVISIONS.** The parties acknowledge that the Leased Premises are a part of the Roswell Air Center and are therefore subject to the provisions of the Indenture between the United States of America and the City of Roswell, dated 24 January 1968, and filed for record in Book 248, Page 901, Office of the County Clerk, Chaves County, New Mexico and any other agreements or understandings. The provisions of the above-described indenture are hereby incorporated herein by reference and accepted as binding

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by the parties hereto.

21. **ACCESS TO INSPECTION OF PREMISES.** Upon giving reasonable notice to Tenant, Landlord and the Federal Aviation Administration, their agents, or contractors may enter upon the Premises during Tenant's regular business hours and have free access to all buildings and other improvements located thereon for the purpose of inspecting the condition thereof or exercising any right or power reserved to Landlord or the Federal Aviation Administration under the terms and provisions of this Lease.
22. **ASSIGNMENT AND SUBLEASE.** Notwithstanding anything to the contrary in the Lease, Tenant shall have the right to sell, exchange, dispose of, issue, convey or otherwise transfer equity, membership, profits, economic, whether voting or nonvoting interests in AEVEX Aerospace, LLC or any successors in interests in such companies (each, a "Change in Control"), without the consent of Landlord and no amounts shall be payable to Landlord in connection therewith; provided that at least 20 days prior to any proposed Change in Control, Tenant shall notify Landlord in writing of its intention to undertake such a Change in Control. Aevex shall be permitted to sublet any leasehold in maintains hereunder with respect to the premises with the express written consent of the City.
23. **HOLDOVER.** In the event Tenant remains in possession of Premises after the expiration or termination of this Lease, Tenant shall be deemed a tenant from month to month only, at the rental provided for in this Lease plus an additional 5% and Tenant's occupancy shall be governed in all other provisions hereof, except as to the duration of the term, by the provisions of this Lease.
24. **INTERPRETATION OF LEASE AGREEMENT.** Nothing in this Lease Agreement shall be construed or interpreted as limiting, relinquishing or waiving of any rights of ownership enjoyed by Landlord in the Premises; or waiving or limiting Landlord's authority or control over the management, operation or maintenance of property, except as specifically provided for in this Lease Agreement; or impairing governmental rights and police powers of Landlord.
25. **PARAGRAPH HEADINGS.** The paragraph headings contained herein are for convenience and in reference and are not intended to define or limit the scope of any provision of this Lease.
26. **NOTICES.**
- a. All notices, requests or other communications to Landlord shall be given by regular and certified mail addressed to the following:

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**Air Center Manager
1 Jerry Smith Circle
Roswell, NM 88203**

- b. All notices, requests or other communications to Tenant shall be given by regular and certified mail addressed to the following:

**AEVEX AEROSPACE, LLC
440 Stevens Ave. Ste 150
Solana Beach, CA 92075**

27. **EFFECT.** The terms and provisions hereof shall extend to and be binding upon the successors and assigns of the parties hereto.
28. **WAIVERS.** One or more waivers of any covenant, term or condition of this Lease shall not be construed as a waiver of a subsequent default or breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.
29. **GOVERNING LAW; VENUE.** This Lease and the rights and obligations of the parties hereunder shall be governed by New Mexico law. Any suit brought by either party regarding this agreement, default, or breach thereof shall be filed in the courts of Chaves County New Mexico.
30. **TERMINATION.** This lease may be terminated by either party by giving one hundred eighty (180) days written notice.
31. **ENTIRE AGREEMENT AND AMENDMENT.** The parties intend this writing as a final expression of their agreement and as a complete and exclusive statement of the terms thereof, with all negotiations, considerations, and representations between the parties having been incorporated herein. No course of prior dealings between the parties shall be relevant or admissible to supplement, explain, or vary any of the terms of this Lease Agreement. No representations, understandings, or agreements have been made or relied upon in the making of this Lease Agreement other than those specifically set forth herein. This Lease Agreement is the entire Agreement and may be amended only in writing signed by Tenant and approved by Landlord's Governing Body.

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IN WITNESS WHEREOF, this Lease Agreement is executed this ____ day of May 2025.

LANDLORD:
CITY OF ROSWELL, NEW MEXICO

CITY SEAL

Timothy Z Jennings, Mayor

ATTEST:

Hessel Yntema, City Attorney

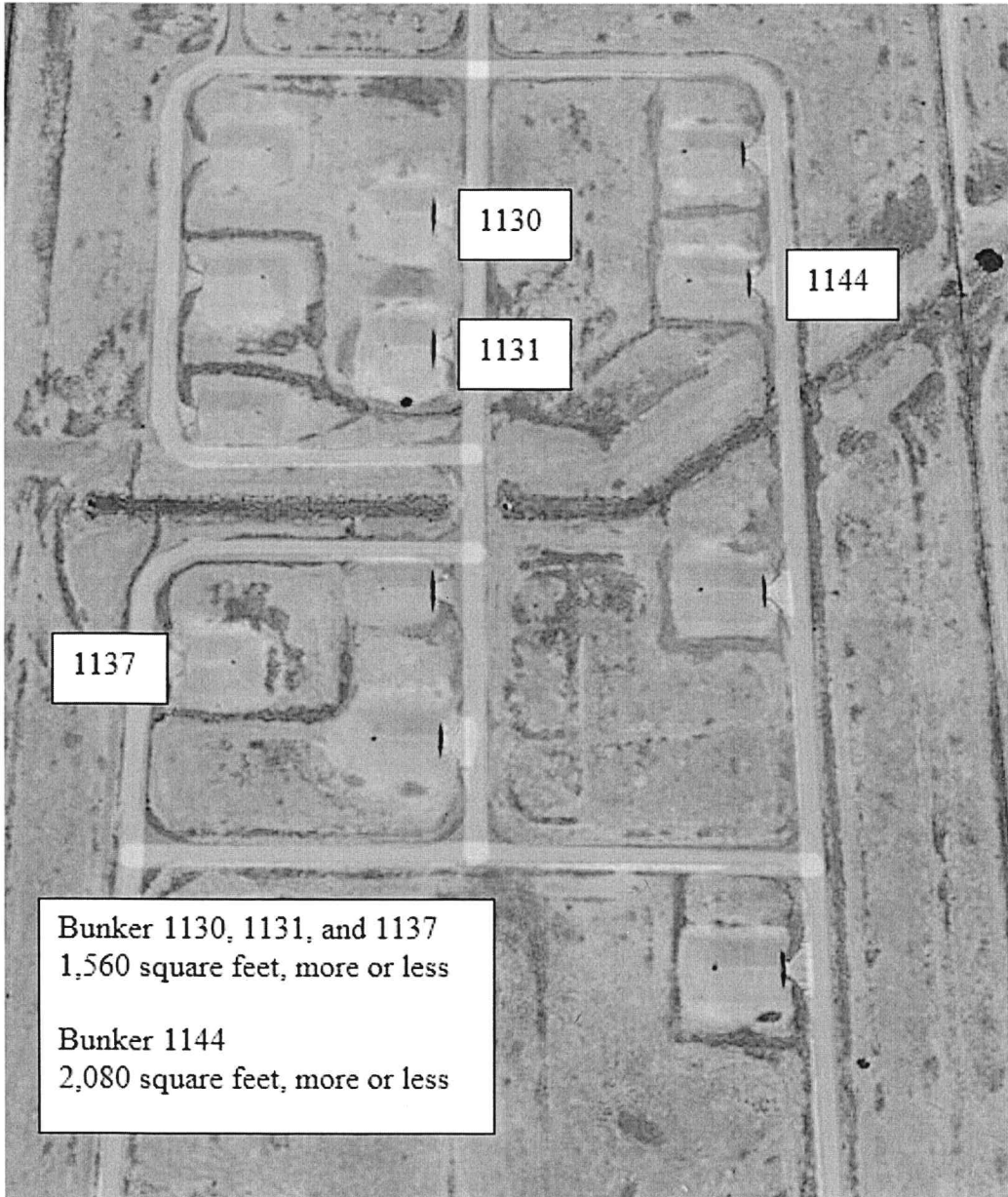
Amalia Martinez, City Clerk

TENANT:
Aevex Aerospace, LLC

Jeremy Watrous (4-pg. 15, 2025.12.27 PDF)
Jeremy Watrous, COO

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EXHIBIT A Premises



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EXHIBIT B Insurance

1. MINIMUM SCOPE OF INSURANCE

a. Aevex Aerospace, LLC shall procure and maintain for the duration of the contracts the following minimum insurance against claims for injuries to persons or damages to property which may arise from or in connections with the performance of the Work herein and the results of the Work by Aevex Aerospace, LLC agents, representatives, employees or subcontractors (check all that apply):

☒ I. **Commercial General Liability ("CGL"):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000.00** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 05 09 or 25 04 05 09) or the general aggregate limit shall be twice the required occurrence.

☒ II. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Aevex Aerospace, LLC has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limits no less than **\$1,000,000.00** per accident for bodily injury and property damage.

☒ III. **Worker's Compensation:** as required by the State of New Mexico, with Statutory Limits and Employer's Liability Insurance with limit of no less than **\$1,000,000.00** per accident for bodily injury or disease.

☐ IV. **Professional Liability (Errors and Omissions):** Insurance appropriate to Aevex Aerospace, LLC profession, with limit no less than **\$1,000,000.00** per occurrence or claim, **\$2,000,000.00** aggregate.

☒ V. **Property Insurance:** against all risks of loss to any and all improvements, betterments and fixtures on or to real property made the subject of this Agreement, at full replacement cost with no coinsurance penalty provisions.

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b. Aevex Aerospace, LLC maintains broader coverage and/or higher limits than the minimum shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by Aevex Aerospace, LLC

2. ADDITIONAL INSURED STATUS

The City, its council members, officials, officers, employees, agents, and volunteers are to be coverage as additional insured on the CGL policy with respect to liability arising out of the Work performed by or on behalf of Aevex Aerospace, LLC, including materials, parts or equipment furnished in connection with the Work. General Liability coverage can be provided in the form of an endorsement to Aevex Aerospace, LLC insurance (at least as broad as ISO Form 20 10 11 85 or both CG 20 10,0CG 20 26, CG 20 33, CG 20 38, CG 20 37 form is later revisions used)

3. PRIMARY COVERAGE

For any claims related to this Agreement, Aevex Aerospace, LLC insurance shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its council members, officials, officers, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its council members, officials, officers, employees, agents, and volunteers shall be excess of Aevex Aerospace, LLC insurance and shall not contribute to it.

4. NOTICE OF CANCELLATION

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

5. WAIVER OF SUBROGATION

Aevex Aerospace, LLC hereby grants to the City a waiver of any rights to subrogation, which any of Aevex Aerospace, LLC insurers may acquire against the City by virtue of the payment of any loss under such insurance. Aevex Aerospace, LLC agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the city has received a waiver of subrogation endorsement for the insurer.

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6. SELF INSURED RETENTIONS

Self-insured retentions must be declared to and approved by the city. The city may require Aevex Aerospace, LLC to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses with the retention.

7. ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers authorized to conduct business in the State of New Mexico with Current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

8. CLAIMS MADE POLICIES

If any of the required policies provide claims-made coverage:

- i. The Retroactive Date must be shown, and must be before the Effective Date of this Agreement or the beginning of the Work hereunder.
- ii. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Work.
- iii. If coverage is canceled or not renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the Effective Date, Aevex Aerospace, LLC
- iv. Must purchase "extended reporting" coverage for a minimum of five years after completion of the Work.

9. VERIFICATION OF COVERAGE

Aevex Aerospace, LLC shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language affecting coverage required by this Section. All certificates and endorsements are to be received and approved by the city before the Work commences. Failure to obtain the required documents prior to commencement of the Work, however, shall not Aevex Aerospace, LLC obligations to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications at any time.

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10. SPECIAL RISKS OR CIRCUMSTANCES

The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

2025 Five Year Lease Aevex 03.26.25 for signature

Final Audit Report

2025-04-15

Created:	2025-04-15
By:	Aric Marriott (amarriott@aevox.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAg300i-eT5QEKJrFzcTllmqB7RICqRCX5

"2025 Five Year Lease Aevex 03.26.25 for signature" History

-  Document created by Aric Marriott (amarriott@aevox.com)
2025-04-15 - 8:25:14 PM GMT
-  Document emailed to Jeremy Watrous (jwatrous@aevox.com) for signature
2025-04-15 - 8:25:19 PM GMT
-  Email viewed by Jeremy Watrous (jwatrous@aevox.com)
2025-04-15 - 8:25:41 PM GMT
-  Document e-signed by Jeremy Watrous (jwatrous@aevox.com)
Signature Date: 2025-04-15 - 8:27:39 PM GMT - Time Source: server
-  Agreement completed.
2025-04-15 - 8:27:39 PM GMT



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