INVITATION TO BID (ITB)

Hickory Regional Airport – Hickory, North Carolina
Corporate Hangar W4
Due Date: Friday, November 21, 2025
Time: 2:00 PM

CONTACT PERSON FOR QUESTIONS:
Chad Hunsucker, Airport Director
E-mail: chunsucker@hickorync.gov
Phone: 828-327-0147

BACKGROUND INFORMATION

The City has an aviation corporate hangar available, more particularly described as Corporate Hangar W4, containing an open shell approximately 12,000 sq ft with the hangar door measuring 90' wide x 27' tall and includes an interior one-story 3,000 sq ft space that consists of offices, storage, kitchen, restrooms and 2,500 sq ft of covered vehicle parking. The City is issuing this ITB to solicit bids to lease Hangar W4.

Lease of the premises will be subject to a written CUP/Lease in substantially the same form as the attached Exhibit A. All normal utilities (e.g., water, electrical, sewer, and gas) are available and would be the responsibility of the tenant. Trash and telecommunications utilities are also available. Landside access is provided through a security gate via an Airport surface road. Property has airside access by taxiways to Runway 06/24. Initial lease term is not expected to exceed 5 years. The City may agree to mutual options following the initial lease term based on lessee's business plan and/or capital investment. ***Please note the minimum initial rent required by the City is $7,500.00 per month.**

RESPONDANT INSTRUCTIONS:

1. **Preparation of Statement of Interest**
   All submittals must be complete, accurate and free from ambiguity or irregularities of any kind. The only requested submission is the Statement of Interest form which is attached to this RFI. Respondents are encouraged to complete the Statement of Interest Form utilizing the electronic form provided.

   The City cannot and does not make any representations or warranty with regard to the information, data, documentation and material conveyed in this RFI. As such respondent is responsible for conducting its own independent investigation and analysis and making its own assessment, judgement and decision regarding this opportunity.

   Statements of Interest shall be non-binding on the City and the Respondent.

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2. **Submittal Schedule**
The Schedule for this RFI process (which is subject to change) follows:

Issue date of RFI: ~~Monday~~Friday, 11/07~~03~~/2025
Statement of Interest Form Submission Due Date: Friday 11/21~~14~~/2025

Statement of Interest must be delivered no later than 2:00 PM Eastern Daylight Time of ~~the due~~the due date.~~:~~ Submittals can be sent electronically to chunsucker@hickorync.gov by labeling Subject as: HKY West Executive Airport Corporate Hangar W4 Opportunity. Mail or hand-delivered submissions are also welcomed and delivered to the Hickory Regional Airport, FBO Building, 3103 9th Avenue Drive NW, Hickory, NC 28601 and marked ATTN: Chad Hunsucker, Airport Director, Hickory, NC. It is the responsibility of the submitter to ensure delivery confirmation.

Submittals received within the specified time period shall be considered. Any submittals received beyond the specified date and time will not be considered and shall be rejected without exception.

All Statement of Interest and other materials (if applicable) submitted by Respondent in regard to this RFI will become the property of the City and shall not be returned to the Respondent. The City shall have the right to copy, disclose, publicize and dispose of the Statements of Interest. The City shall be free to use any ideas, concepts, techniques or plans provided by the Respondent without obligation for compensation of any kind.

The City is subject to the North Carolina Public Records Law and all materials submitted by Respondent to the City are subject to disclosure. All information provided as part of any Statement of Interest will remain confidential only to the extent permitted by law and expressly agreed by the City in writing. Respondent specifically waives any claims against the City related to disclosure of the Statement of Interest and any material submitted if made under a public records request.

Questions: Submit all questions and request for site visits regarding this RFI in writing to the Contact Person cited above. There will be no pre-submittal conference.

3. **Non-Discrimination**
The City shall not discriminate on the grounds of race, color, national origin, religion, sex (including pregnancy and gender identity), genetic information, age (40 and over), disability or sexual orientation when evaluating the Statement of Interest.

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4. **Background**

Hickory Regional Airport (KHKY) has a significant economic impact on North Carolina, generating $66.1 million in economic output and supporting 335 jobs. KHKY is a vital asset for the Hickory/Catawba/Burke County region, acting as a key driver of economic vitality.

Serving the Foothills Region and beyond, the Airport continues to improve its aviation infrastructure to ensure safe and efficient airfield operations. Since 2020, Hickory Regional Airport has received over $21 million in grant funds to address our infrastructure and growth development needs, to include ~~–~~pavement rehabilitation, Engineered Material Arresting System (EMAS) Installation, runway lighting upgrades, Air Traffic Control Tower renovation, as well as new T-Hangar and Corporate Hangar development. .

The Airport accommodates both local and transient traffic, ~~averaging 36,000~~averaging 36,000 operations annually from one 6,401' x 150' runway (RWY 6/24). The Airport has an operational control tower staffed by FAA contractors, that is open 14 hours per day, 365 days per year. Approximately one hundred aircraft are based locally, and additional hangar more development is being planned in order to accommodate more aircraft. The airport has an on-stie fire station located north of the terminal that houses one aircraft rescue and firefighting (ARFF) vehicle. There are two fuel farms located on the airport. Both are operated by the City as Fixed Base ~~Operator (~~Operator (FBO. One is situated on the North Ramp and has two 10,000-gallon tanks of jet A fuel. The other fuel farm is located behind ARFF Station 4 near the terminal building. This farm has two 10,000 -gallon capacity tanks, one jet A and the other 100LL. The Airport has one FBO located across from the passenger terminal. The FBO provides facilities and services for based and transient aircraft. The FBO has two jet-A fuel trucks with a capacity of 3000-gallons each and one 100LL fuel truck with a capacity of 1000 gallons. The FBO hours are 7:00am –07:00pm, 365 days per year is staffed by ten qualified line technicians and two full time customer service staff. The FBO offers ~~the amenities~~the amenities and services such as: pilot lounge, pilot snooze room, coffee bar, vending machines, free wi-fi, courtesy vehicles and conference rooms. KHKY is a 139 airport and maintains all airport systems, pavement, markings, signage, lights and fueling infrastructure to FAA standards. KHKY has multiple commercial aeronautical businesses comprised ~~of flight~~of flight ~~schools, maintenance~~schools, maintenance and repair (one of which is a PART 145 Repair Station), avionics, aircraft brokerage and aircraft management, North Carolina Forestry Service, Atrium Med Center Air as well as several business-owned aircraft on the airfield. Fuel sales, aircraft storage, hangar, tie-down storage and airfield operations are exclusively provided by the City. Additionally, Hickory Aviation Museum is

nearing completion of a brand-new state-of-the-art facility to house its impressive collection of military aircraft and memorabilia.

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5. Supporting Documents

Based upon the information presented herein, provide any supporting documentation describing the approach you or your business will take to perform such service activities. Include any other information you feel to be relevant to the selection of you or your business. If the opportunity is for storage of aircraft that will be based at HKY for more than 180 days per year, please provide details as to the type aircraft, taxable value and fuel volume expectations.

Please submit with your Statement of Interest all information to be evaluated about your opportunity. The City of Hickory will only evaluate submissions based on the requested information enclosed.

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STATEMENT OF INTEREST FORM

A. Legal Name: _____

B. Business or trade name (if applicable): _____

C. Type of Entity (check one):

☐ Individual
☐ Corporation
☐ Sole Proprietor
☐ Partnership
☐ Limited Liability Company
☐ Other

D. Respondent's primary office and contact information:
Name: _____
Title: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: (___) __ - _____
Email Address: _____

E. Respondent's authorized representative and contact information
Name: _____
Title: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: (_____) _____ - _____
Email Address: _____

F. Type of Activity to be conducted (check all that apply):
☐ Non-commercial Aircraft Storage
☐ Corporate Flight Department
☐ Aircraft Maintenance
☐ Avionics/Instrument Maintenance
☐ Aircraft Rental
☐ Flight Training
☐ Aircraft Charter
☐ Aircraft Management
☐ Aircraft Sales
☐ Other Commercial or Non-Commercial Aeronautical Activities (Please describe:)

_____

_____

G. Proposed term and capital investment (if applicable): Real Property & Personal Property:

_____

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H. Projected property tax value of aircraft that will be based out of HKY:
_____
_____

I. Projected annual fuel purchases (in gallons) from the City:
_____

J. Additional comments regarding your proposed opportunity and how your location to KHKY can benefit both your operation and the City if Hickory/KHKY.
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HICKORY REGIONAL AIRPORT ¶

FIRST AMENDED COMMERCIAL USE PERMIT AND LEASE AGREEMENT

THIS COMMERCIAL USE PERMIT AND LEASE AGREEMENT (the "Agreement") is made and entered by and between the City of Hickory, a North Carolina municipal corporation, having a mailing address of P.O. Box 398, Hickory, NC 28603 ("City"), and_____, a North Carolina limited liability company, having a mailing address of _____(the "Tenant"), and is effective as of the last date herein below signed. The identified parties are at times referred to herein collectively as "Parties" and individually as a "Party."

RECITALS

WHEREAS, Section 3-41 of City of Hickory Code of Ordinances provides that no person shall operate a fixed based operation at the Hickory Regional Airport (the "Airport") or offer or provide aeronautical services to aeronautical operators at the Airport, including the sale or delivery of aviation fuel, except the Airport Director, except such operations and activities that shall have been approved by the City and described in a lease, concession agreement or commercial use permit approved by the City; and

WHEREAS, the Tenant is seeking issuance of a Commercial Use Permit ("CUP") and lease of hangar and office space at the Airport to operate a fixed based operation or to offer or provide aeronautical services to aeronautical operators at the Airport.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth in this Agreement and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties to this Agreement hereby agree as follows:

1. **Recitals.** The foregoing recitals are incorporated herein by reference.

2. **Approval of CUP.** In consideration for the mutual promises and undertakings set forth herein and for such other good and valuable consideration, the receipt of sufficiency of which are hereby acknowledged, the City hereby grants the Tenant a CUP authorizing the Tenant to engage in the Permitted Activities (defined in Section 9 below) at the Airport from the Leased Premises (defined in Section 3 below) during the Term of this Agreement, subject to the following terms, conditions and provisions of this Agreement.

3. **Leased Premises.** During the Term (defined below) of this Agreement, the City shall lease to the Tenant, and the Tenant shall lease from the City the hangar and office space commonly known as Hangar W-4, located on the West Ramp of the Airport, having an address of

340B Hickory Airport Road, Hickory, Burke and Catawba Counties, North Carolina, said hangar and office space consisting of approximately 15,000 square feet (the "Leased Premises").

4. **Condition of Leased Premises.** The Tenant accepts the Leased Premises "as is," "where is," "with all faults" and shall return the Leased Premises to the City at the expiration of the Term in the same condition as of the date hereof, reasonable wear and tear excluded. The Tenant shall be responsible for cleaning, janitorial services, and trash removal services at the Leased Premises. The Tenant shall dispose of any and all trash, garbage, used industrial fluids and aircraft parts and supplies in accordance with applicable environmental regulations and the rules and regulations of the City.

5. **Commencement Date.** This Agreement shall become effective on the first day of the month following (i) execution of this Agreement by both the City and the Tenant; (ii) the City's receipt of a certificate of insurance naming the City as an additional insured as required under Section 16 of this Agreement (the "Commencement Date").

6. **Term.** Following the Commencement Date, the initial term of this Agreement shall be for a period of five (5) years (the "Initial Term"). The Tenant shall have the right to extend the Initial Term for one additional five (5) year period (the "Renewal Term," and together with the Initial Term, the "Term") under the same terms and conditions by giving the City notice at least ninety (90) days prior to the expiration of the Initial Term. For purposes of this Agreement, the term "Lease Year" shall mean each consecutive twelve (12) month period during the Term of this Agreement, with the first Lease Year commencing on the Commencement Date.

7. **Rent.** The Tenant shall pay the City annual rent for its use of the Leased Premises in the sum of _____ Dollars, which rent shall be payable in twelve (12) equal monthly installments of _____ Dollars each, in advance, without demand, on the 15th day of each month during the Term of this Agreement. Rent payable under this Agreement shall be subject to an automatic annual increase of <insert percent> on each anniversary of the Commencement Date (each an "Adjustment Date") during the Term of this Agreement.. The adjusted base rent shall be determined by multiplying the rent in effect immediately prior to the applicable Adjustment Date by <insert factor>. The resulting amount shall constitute the new base rent payable for the Lease Year following the Adjustment Date, until the next Adjustment Date.

Year	Monthly Rate	Annual Rate
1		
2		
3		
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8. **Interest on Late Payments.** In the event the Tenant fails to pay when due any installment of Rent, or any other sum payable to the City under the terms of this Agreement, the City may charge interest at the rate of one and one-half (1.5%) per month on any such amounts; provided, however, the Tenant shall not be entitled to such notice and cure period more than twice in any Lease Year.

9. **Permitted Activities.** The Tenant is hereby granted the right to engage in and conduct the following commercial activities at the Airport from the Leased Premises: operate a fixed based operation and offer or provide aeronautical services to aeronautical operators ("Permitted Activities"). The Tenant shall always conduct its operations in a lawful manner and in compliance will all municipal laws, orders, codes, ordinances, and regulations, applicable to the business of the Tenant and shall maintain during the Term of this Agreement all licenses and permits required by law with respect to the Tenant's operations. Except for the Permitted Activities, the Tenant shall not engage in any other business or commercial activities at the Airport.

10. Utilities. The Tenant shall promptly pay for all public utilities rendered or furnished to the Leased Premises from and after the Commencement Date, including but not limited to stormwater, water, sewer, natural gas and electricity charges, and all taxes thereon.

11. **Repairs by the City.** The City shall make and pay for all repairs to (i) the exterior supporting walls of the building to include the hangar door which are part of the Leased Premises; (ii) the foundation, roof (including drains, downspouts, flashing, and parapets); and (iii) parking areas, and curbs. Should the Tenant submit a written notice of any damage; and should the City agree that such repairs are necessary for safety, or preventing avoidable loss or damage, then such repairs will be made. However, such damage thereto shall not have been caused by the willful misconduct or gross negligence of the Tenant, its officers, agents, or employees, in which event the Tenant shall be responsible. Under no circumstances shall the Tenant place any equipment on the roof or make any repairs to same. The City shall have no obligation to repair, maintain, alter, or perform any other acts with reference to the Leased Premises or any part thereof, or any plumbing, heating, ventilating, electrical, air conditioning, or other mechanical installations therein and/or servicing the Leased Premises. The City will cover up to Two-Thousand and 00/100 ($2,000.00) dollars per fiscal year (July 1 – June 30) for major repairs or replacement to exterior HVAC systems.

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12. **Repairs and Maintenance by the Tenant.** The Tenant agrees to and shall, at its sole cost and expense, to maintain, replace and keep the Leased Premises in good order, and condition. Maintenance includes the Tenant's responsibility to repair (unless otherwise excluded in this Agreement): the interior of the Leased Premises, all fixtures, furnishings, lighting, doors, signs, air conditioning, ventilating, plumbing, heating, and electrical installations in and servicing the Leased Premises. During the term of this Agreement, the Tenant shall contract for, in its own name, and shall pay for a (i) an insured trash removal firm to remove trash from the Leased Premises in a timely and sanitary manner and (ii) licensed HVAC service contractor to inspect, adjust, clean, and repair Tenant's HVAC systems, including changing filters on a regular basis, but no less than semiannually. The Tenant shall provide a copy of each service report to the City upon request. If a request is made and the Tenant has not engaged a maintenance firm, the Tenant will be charged $50 per day until an inspection is made and the City is in receipt of the inspection report.

If the Tenant refuses or neglects to repair property as required hereunder as soon as reasonably possible after written demand, the City, at its sole discretion, may make such repairs without liability to the Tenant for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason thereof. Upon completion thereof, the Tenant shall pay the City's actual costs for making such repairs.

13. Workmanship. Notwithstanding anything to the contrary set forth in this Agreement, all work of any kind or nature whatsoever performed under or pursuant to this Agreement by, for, at the direction of, on behalf of, or under the supervision of the Tenant or its employees, agents, contractors, engineers and/or consultants, shall, in each and every instance, (A) be performed in a good and workmanlike manner; (B) be performed in a lien-free manner; (C) be performed in accordance with all applicable laws; (D) not violate any terms or provisions of this Agreement or of any other agreement or restriction affecting the Leased Premises; (E) be performed by quality, appropriately licensed and insured contractors; and (F) be performed in such a manner so as not to interfere with, interrupt, disturb, obstruct, delay, or impose any additional expense, burden, or obligation upon the City or the ownership, use, enjoyment, operation, or maintenance of the Airport or Lease Premises.

14. **Signage**. The Tenant shall be permitted to design and install exterior door signage as well as interior signage for the Leased Premises. All exterior signage must be approved by the City in advance.

15. **Right of Self-Help.** If the Tenant refuses or neglects to maintain the Leased Premises in accordance with the terms of this Agreement, and such failure continues for more than thirty (30) days after receipt of written notice, the City shall have the right, but not the obligation, to perform any such duty on behalf and at the expense of the Tenant, and all sums expended or expenses incurred in performing such duty shall be due and payable by the Tenant within thirty (30) days upon receipt of demand.

16. **Parking.** During the Term of this Agreement, the Tenant is also granted the exclusive use of <insert # of parking spaces> parking spaces adjacent to the Leased Premises. The Tenant may, at its own costs and expense, install parking signage designating these parking spaces. All signage must be approved by the Airport Director prior to installation. The Airport Director shall have the right to re-locate the parking spaces described herein, as needed, and in his sold and absolute discretion.

17. **Fuel.** During the first Lease Year of the Term of this Agreement, Tenant may purchase jet fuel from the City at a rate equal to the City's cost per gallon ("Base Fuel Rate"), plus an additional premium of <insert amount> (the "Rate Premium"). For purposes of this Agreement, "jet fuel" shall not include AVGAS, 100LL. Pricing for jet fuel for subsequent Lease Years will be determined on each Adjustment Date based on the volume of Jet Fuel Tenant purchased during the prior Lease Year. Within thirty (30) days following the end of each Lease Year, the City will calculate the total number of gallons of Jet Fuel purchased by the Tenant during the preceding Lease Year. If the Tenant purchased less than fifty thousand (50,000) gallons of Jet Fuel during the preceding Lease Year, the Rate Premium for the subsequent Lease Year shall increase by <insert amount of increase> per gallon. If the Teant meets or exceeds the Fuel Purchase Threshold during the preceding Lease Year, the per gallon fuel rate for the subsequent Lease Year shall remain the same as the preceding Lease Year.

Jet Fuel prices fluctuate weekly, and the rate charged to the Tenant for Jet Fuel will be adjusted accordingly. Jet Fuel prices include all applicable taxes, freight and handling. All Jet Fuel purchases must be paid via cash or check.

The City currently contracts with Titan Aviation Fuels to provide AVGAS, 100LL fuel to FBOs located at the Airport. During the term of this Agreement, the City will sell AVGAS, 100LL to the Tenant at the then current published market rate less $0.15 per gallon so long as: (1) Tenant remains an FBO at the Airport; (2) Tenant uses a Titan Aviation Fuels "Fuel Card" to pay for the AVGAS, 100LL fuel purchased at the Airport; (3) the Airport continues to contract with Titan Aviation Fuels to provide AVGAS, 100LL fuel to FBOs located at the Airport; (4) the Airport continues to accept payment for AVGAS, 100LL through Titan Aviation Fuels; and (5) the terms of use offered by Titan Aviation Fuels to the City remain the same.

18. **Indemnification.** The Tenant shall indemnify, save and keep the City, its officers and employees, free and harmless from and against any and all actions, suits, proceedings, claims and demands for injury, damage, loss, liability, cost and expense, of any kind or nature whatsoever, which may be brought, made or filed against the City, its officers and employees arising out of, or in any manner attributable to, any and all negligent operations of the Tenant in use of the Leased Premises and by reason of the use of the Airport and not arising out of or resulting from the negligence of the City, its officers and employees.

19. **Insurance.** Prior to taking possession of the Leased Premises or conducting any business at the Airport, the Tenant shall deliver to the City a certificate of insurance acceptable to

the Airport Director showing liability insurance coverage for the benefit of the City with a combined single limit of liability for bodily injury, property damage, personal injury, airport premises liability, and contractual liability coverage with a limit of at least one-million dollars ($1,000,000.00) per occurrence, and one-million dollars ($1,000,000.00) general aggregate coverage. The Tenant's fire and extended coverage insurance shall, in addition, insure the full replacement value of all of the Tenant's improvements and the Tenant's property, including, but not limited to, inventory, trade fixtures, furnishings and other personal property. The Tenant's coverage shall be primary for any and all losses arising under this Agreement. The Tenant will cause such insurance policies to name the City as an additional insured and to be written to provide that the insurer waives all right of recovery by way of subrogation against the City in connection with any loss or damage covered by the policy unless such loss or damage is caused because of City's negligence and the Tenant's insurer does not cover the full cost of damage. In addition, the Tenant shall keep in force Worker's Compensation or similar insurance to the extent required by law. The Tenant shall deliver said policies or, certificates thereof to City at least (10) days prior to the Commencement Date. At least ten (10) days prior to expiration of any insurance required hereunder, the Tenant will provide the City with an updated certificate of insurance. Each insurer under the policies required hereunder shall agree by endorsement on the policy issued by it or by independent instrument furnished to the City that it will give the City thirty (30) days' prior written notice before the policy or policies in question shall be altered or canceled. with the exception of Non-Payment, in which case ten (10) days' notice will be given

20. **Taxes.** The Tenant shall be responsible for and shall pay before delinquency all municipal, county or state taxes, levies and fees of every kind and nature, including, but not limited to, general or special assessments assessed during the Term against any personal property of any kind, owned by or placed in, upon or about the Leased Premises by the Tenant and taxes assessed on the basis of the Tenant's occupancy thereof.

21. **Rules and Regulations.** The Tenant's use of the Lease Premises shall be subject to any Rules and Regulations adopted by the City or Airport Director. At the City's sole option, the City shall have the right to modify and/or rescind the rules and ~~regulations;~~regulations, provided that the Tenant shall be notified in writing of any such modification or rescission.

22. **Noise and Nuisances.** The Tenant covenants that it will not create or maintain any nuisances, including without limiting the foregoing, unreasonably loud noises, sound effects, or offensive odors in or about the Leased Premises.

23. **Mechanic's Lien.** Neither the Tenant, nor any person performing work for the Tenant shall have the right to lien the interest of the City in the Property. Any mechanic's lien or other lien attributable to work performed for the Tenant shall attach solely to the Tenant's leasehold interest. If by reason of any alteration, repair, labor performed or materials furnished to the Leased Premises for or on behalf of the Tenant any mechanic's or other lien shall be filed, claimed, perfected or otherwise established as provided by law against the Leased Premises, the

Tenant shall discharge or remove the lien by bonding or otherwise, within ten (10) days after notice from the City to the Tenant of the filing of same.

24. **Trade Fixtures.** All trade fixtures and equipment installed by the Tenant in Leased Premises shall be functioning and shall remain the property of the Tenant. The Tenant shall obtain the written consent of the City before installing any fixtures or equipment that could possibly weaken or impair the structural portions of the Leased Premises.

Provided the Tenant is not in default hereunder, the Tenant shall have the right, at the termination of this Agreement, to remove any and all trade fixtures, equipment and other items of personal property not constituting a part of the freehold which it may have stored or installed in the Leased Premises which are susceptible to being moved without damage to the building, provided this right is exercised before this Agreement has expired or during the ten (10) day period prior to any such termination provided herein, and provided that the Tenant shall repair any damage to the Leased Premises caused thereby. The right granted hereunder shall not include the right to remove any plumbing or electrical fixtures or equipment, heating or air-conditioning equipment, floor coverings glued or fastened to the floors or any paneling, tile or the materials fastened or attached to the walls or ceilings, all of which shall be deemed to constitute a part of the freehold, and, as a matter of course, shall not include the right to remove any fixtures or machinery that were furnished by the City. If the Tenant shall fail to remove its trade fixtures or other property at the termination of this Agreement, such fixtures and other property not removed by the Tenant shall be deemed abandoned by the Tenant, and, at the option of the City, such property will either become (i) the City's ownership, or (ii) the City will dispose of such property and bill back the Tenant.

25. **Damage by Fire or Other Casualty.** The Tenant shall give the City prompt written notice of any damage to any portion of the Leased Premises resulting from fire or other casualty. No damage to the Leased Premises shall allow the Tenant to surrender possession of the Leased Premises or affect the Tenant's liability for the payment of rent or any other covenant contained herein, except as may be specifically provided in this Agreement.

If the Leased Premises is damaged by fire, flood, tornado, hurricane, or through any other casualty, this Agreement shall continue in full force and effect, unless the City determines, in its sole discretion, not to restore. If the City elects to restore the Leased Premises to the condition at the Commencement Date, it will do so within one hundred twenty (120) days after such damage, subject to force majeure delays. In the event that a portion of the Leased Premises is untenantable or incapable of use for the normal conduct of Tenant's business therein due to such damage, a just and proportionate part of the rent shall be abated from the date of such damage until the earlier of when the City has restored the Leased Premises in the manner and in the condition provided in this Section and notified the Tenant of such fact.

In the event the City, for any reason, notifies the Tenant in writing that it will not restore the Leased Premises as aforesaid, the Tenant's sole remedy against City shall be to terminate this Agreement as of the date of such decision. If the Leased Premises shall be damaged in whole or

in substantial part within the last year of the Term, the Parties shall have the option, exercisable within thirty (30) days following such damage, of terminating this Agreement, effective as of the date of mailing notice thereof.

Notwithstanding any of the provisions herein to the contrary, the City shall have no obligation to restore the Leased Premises. The City shall have thirty (30) days to notify the Tenant in writing if repairs are not to be made and terminate this Agreement, effective as of the date of such damage.

26. **Hazardous Materials.**

a. The Tenant covenants that with respect to any Hazardous Materials (as defined below) it will comply with any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act, any other legal requirement concerning hazardous or toxic substances, and any amendments to the foregoing (collectively, all such matters being "Hazardous Materials Requirements"). The Tenant shall remove all Hazardous Materials from the Leased Premises, either after their use by the Tenant or upon the expiration or earlier termination of this Lease, in compliance with all Hazardous Materials Requirements.

b. The Tenant shall be responsible for obtaining all necessary permits in connection with its use, storage and disposal of Hazardous Materials, and shall develop and maintain, and where necessary file with the appropriate authorities, all reports, receipts, manifest, filings, lists and invoices covering those Hazardous Materials and the Tenant shall provide the City with copies of all such items upon request. The Tenant shall provide within five (5) days after receipt thereof, copies of all notices, orders, claims or other correspondence from any federal, state or local government or agency alleging any violation of any Hazardous Materials Requirements by the Tenant, or related in any manner to Hazardous Materials. In addition, the Tenant shall provide the City with copies of all responses to such correspondence at the time of the response.

c. The Tenant hereby indemnifies and holds harmless the City, its successors and assigns from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever (including attorney's fees and costs) paid, incurred or suffered by, or asserted against the City as a result of any claim, demand or judicial or administrative action by any person or entity (including governmental or private entities) for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission or release from the Leased Premises of any Hazardous Materials caused by the Tenant or the Tenant's employees, agents, invitees or contractors. This indemnity shall also apply to any release of Hazardous Materials caused by a

fire or other casualty to the premises if such Hazardous Materials were stored on the Leased Premises by the Tenant, its agents, employees, invitees or successors in interest.

d. For purposes of this Lease, "Hazardous Materials" means any chemical, compound, material, substance or other matter that: (i) is defined as a hazardous substance, hazardous material or waste, or toxic substance pursuant to any Hazardous Materials Requirements, (ii) is regulated, controlled or governed by any Hazardous Materials Requirements, (iii) is petroleum or a petroleum product, or (iv) is asbestos, formaldehyde, a radioactive material, drug, bacteria, virus, or other injurious or potentially injurious material (by itself or in combination with other materials).

e. The warranties and indemnities contained in this Section shall survive the termination of this Lease.

27. **Loss or Damage to the Tenant's Property.** The City shall not be liable for any damage to property of the Tenant or of others located on the Leased Premises, nor for the loss of or damage to any property of the Tenant or of others by theft or otherwise unless caused because of City's gross negligence. The City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or snow or leaks from any part of the Leased Premises of from the pipes, appliances, or plumbing works of from any other place or by dampness or by any other cause of whatsoever nature, unless caused because of the City's gross negligence. The City shall not be liable for any such damage caused by other tenants or persons in the Leased Premises, occupants of property adjacent to the Leased Premises, or the public, or for damage caused by operations in construction of any private, public, or quasi-public work. All property of the Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of the Tenant only, and Tenant shall hold the City harmless from any claim arising out of damage to the same, including subrogation claims by the Tenant's insurance carriers, unless such damage shall be caused by the willful act or negligence of the City.

28. **Termination for Cause by City.** The City may immediately terminate this Agreement for cause if the Tenant (i) fails to pay when due all or any portion of any sum due from the Tenant under this Agreement and such failure continues for more than five (5) days after receipt of notice from the City; or (ii) is in breach of the Tenant's non-monetary obligations under this Agreement and fails to commence to cure the same within twenty (20) days following written notice from the City.

29. **Condition on Surrender.** At the expiration of the tenancy hereby created, the Tenant shall surrender the Leased Premises in the same condition as the Leased Premises was in as of the Commencement Date, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, to the extent that the same can be covered by fire insurance with extended coverage endorsement and the Tenant shall surrender all keys for the Leased Premises to the City. The Tenant shall (i) remove all its trade fixtures and repair any damage; (ii) deliver the

Leased Premises in a broom clean condition, with all the Tenant's personal property removed; and (ii) meet with the City's representative for a lease maturity inspection to confirm the Leased Premises are in surrender condition. If any work remains to be completed post inspection, such work will be completed within five (5) days of inspection, or the City will complete and bill back to the Tenant. The Tenant's obligations to observe or perform this covenant shall survive the expiration or other termination of the Term.

30. **Holding Over.** If the Tenant retains possession of the Leased Premises or any part thereof after the termination of this Agreement, the Tenant shall, from that day forward, be a tenant from month to month and the Tenant shall pay the City rent at one hundred and fifty percent (150%) of the monthly rate in effect immediately prior to the termination of this Agreement for the time the Tenant remains in possession. No acceptance of rent by, or other act or statement whatsoever on the part of the City, or its agent, or employee, in the absence of a writing signed by the City, shall be construed as an extension or as a consent for further occupancy. The Tenant shall indemnify and pay the City for all documented damages consequential as well as direct, sustained by reason of the Tenant's retention of possession, including without limitation the value loss of any approved subsequent tenant for any portion of the Leased Premises. The provisions of this Section do not exclude pursuit of the City's right of re-entry or any other right under this Agreement. Should the City send a notice to vacate to the Tenant during any such holdover, the Tenant shall vacate the Leased Premises within ten (10) days of receipt of the notice.

31. **Access to Leased Premises.** The City shall have the right upon reasonable notice to Tenant to enter the Leased Premises to inspect the Leased Premises, or after business hours to exhibit the same to prospective purchasers or lenders. If, in an emergency, Tenant shall not be personally present to permit an entry into said premises, the City may enter the same using force without rendering the City liable therefore and without in any manner affecting the obligations of this Agreement. The provisions of this paragraph shall not be construed to impose upon the City any obligation whatsoever for the maintenance or repair of the building or any part thereof except as otherwise herein specifically provided.

32. **Notice.** Whenever any notice or payment is required under this Agreement to be made, given or transmitted to the Parties hereto, such notice or payment shall be deemed to have been given if enclosed in an envelope with sufficient postage attached, and sent by certified mail, to ensure delivery, and deposited in the United States mail addressed to:

City: Hickory Regional Airport
3103 9th Avenue Drive, NW
Hickory, NC 28601
Attn: Airport Director

Tenant:<Tenant Name>
<Tenant Address>

HICKORY
North Carolina
Aviation. Well Crafted.

33. **Non-Discrimination.** The Tenant, for itself, its personal representatives, successors in interest and assign, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or to otherwise be 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 subjected to discrimination, (3) that the Permittee 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.

That in the event of breach of any of the above nondiscrimination covenants, the City shall have the right to terminate this Agreement and reenter and repossess the Leased Premises and hold the same as if this Agreement had never been made. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed including exercise of expiration of appeal rights.

34. **Iran Divestment Act Compliance.** The Tenant certifies that, as of the date listed below, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.55 et seq. (the "Iran Divestment Act"). In compliance with the requirements of the Iran Divestment Act, the Tenant shall not utilize in the performance of the Permitted Activities any subcontractor that is identified on the Final Divestment List.

35. **Companies Boycotting Israel Divestment Act Certification.** The Tenant certifies that that it has not been designated by the North Carolina State Treasurer as a company engaged in the boycott of Israel pursuant to N.C.G.S. 147-86.80 et seq.

36. **Governmental Immunity.** Notwithstanding any other term or provision to the contrary, nothing in this Agreement shall be interpreted as waiving any claim or defense based on the principle of sovereign or governmental immunity or other State or federal constitutional or statutory provision or principle that otherwise would be available to the City under applicable law.

37. **E-Verify.** Employers and their subcontractors with 25 or more employees as defined in Article 2 of Chapter 64 of the North Carolina General Statutes must comply with North Carolina Session Law 2013-418's E- Verify requirements to contract with local governments. E-Verify is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. The Tenant shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

If the Tenant utilizes a subcontractor it shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes.

38. **Governing Law; Enforcement.** This Agreement shall be deemed to have been made and performed in North Carolina. All rights arising under this Agreement, and all disputes and controversies arising from or in connection with this Agreement, including but not limited to, enforcement of any term of condition of this Agreement, shall be governed by and determined in accordance with the laws of North Carolina only, and without regard for any choice of laws rules.

39. **Jurisdiction.** Any actions to enforce this Agreement and all disputes between the Parties arising out of, connected with, related to, or incidental to the relationship established between the Parties in connection with this Agreement, whether arising in contract, statute, tort, equity, common law or otherwise, shall be resolved only by a state or federal court located in Catawba County, North Carolina, and the Parties hereby consent and submit to the jurisdiction of such court.

40. **Binding Agreement.** The Parties, respectively, bind themselves, their agents, successors, assigns, and legal representatives to this Agreement. The Tenant may not assign its interest or obligations under this Agreement without the written consent of the City, which consent may be withheld by the City its sole and absolute discretion, with or without reason.

41. **No Third Party Beneficiary.** This Agreement is not intended to and does not confer any right, power, or benefit on any person other than the Parties and only the Parties may enforce, modify or terminate this Agreement as provided herein. There are no third-party beneficiaries to this Agreement.

42. **Force Majeure.** No Party shall be responsible for any default, delay, or failure to perform if such default, delay, or failure to perform is due to causes beyond the Party's reasonable control, including, but not limited to, actions or inactions of governmental authorities, epidemics, wars, actions of malicious actors, embargoes, fires, hurricanes, unusual adverse weather, acts of God, or the default of a common carrier. In the event of a default, delay, or failure to perform due to causes beyond a Party's reasonable control, the Party shall diligently and in good faith act to the extent within its power to remedy the circumstances affecting its performance and to complete its performance in as timely a manner as is reasonably possible.

43. **Waiver.** The failure of either Party to insist upon a strict performance of any of the terms or provisions of this Agreement, or to exercise any option, right, or remedy under this Agreement, shall not be construed as a waiver or relinquishment for the failure of such term, provision, option, right, or remedy, but the same shall continue and remain in full force and effect. No waiver of either Party of any term or provision of this Agreement shall be deemed to

have been made unless expressed in writing and signed by the Party against whom the waiver is asserted.

44. **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

45. **Consent; Approval.** Except as provided otherwise herein, any consent or approval to be given hereunder shall not be effective unless the same shall be given in advance of the taking of the action for which consent or approval is requested and shall be in writing. Except as provided otherwise herein, any consent or approval requested of a Party may be withheld by that Party in its sole and absolute discretion.

46. **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Either Party may provide a facsimile or electronic signature of its execution of this Agreement and the other Party shall accept the same as an original.

47. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof. The Agreement may not be altered, amended, modified, or otherwise changed in any respect whatsoever except by a writing signed by the Parties hereto. The Agreement shall be construed without regard to the identity of the drafter and therefore shall not be construed against the drafting Party. The paragraph headings in the Agreement shall not bear independent meaning and shall be disregarded in the construction of any provision, term, or condition of the Agreement.

THIS AREA INTENTIALLY LEFT BLANK

IN WITNESS WHEREOF, this Agreement is executed and delivered this the _____ day of _____, 2025.

CITY OF HICKORY

_____ (Seal)

By: Warren Wood
Its: City Manager

Attest: _____
Debbie Miller, City Clerk

This Agreement has been pre-audited pursuant to North Carolina General Statute§ 159-28 in the manner required by the Local Governmental Budget and Fiscal Control Act.

_____
Rodney Miller, Chief Financial Officer

Approved as to form on behalf of the City of Hickory this ____ day of _____, 2025.

_____
Timothy D. Swanson, City Attorney

STATE OF NORTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public of _____ County, State of North Carolina, do hereby certify that Debbie Miller personally came before me this day and acknowledged that she is the City Clerk for the City of Hickory, a North Carolina municipal corporation, and that by authority duly given and as the act of the City Council of the City of Hickory, the foregoing instrument was signed in its name and by its City Manager, Warren Wood, sealed with its corporate seal, and attested by her as its City Clerk.

Witness my hand and notarial stamp or seal, this _____ day of _____, 2025.

_____
Notary Public

[AFFIX NOTARIAL SEAL]
My Commission Expires: _____

IN WITNESS WHEREOF, this Agreement is executed and delivered this the 1st day of October, 2025.

<Tenant Name>
a North Carolina limited liability company

_____ (Seal)

By:

Its: