

**NEW COALINGA MUNICIPAL AIRPORT  
MOMENTUM TACTICAL, LLC LEASE AGREEMENT**

This NEW COALINGA MUNICIPAL AIRPORT MOMENTUM TACTICAL, LLC LEASE AGREEMENT (“Agreement”) is effective as of \_\_\_the day of\_\_\_\_\_, 2025 (“Effective Date”), by and between *City of Coalinga*, a Municipal Corporation, with its principal place of business in Coalinga, California (“Owner”) and Momentum Tactical, LLC, a Utah limited liability company (“Lessee”). Owner and Lessee are sometimes referred to individually as a “Party” and collectively as the “Parties.”

**Recitals**

- A. Owner owns the Coalinga Municipal Airport and the real property on which it is located.
- B. Lessee is a Department of Defense-focused training company that specializes in tactical canopy flight instruction and military freefall courses.
- C. Owner desires to lease to Lessee, and Lessee desires to lease from Owner, the below-identified property pursuant to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Lease.

1.1 Property. Owner is the fee simple owner of certain real property located at 27500 Phelp Ave, Coalinga, CA 93210, identified by Assessor Parcel Number: [APN]. Owner hereby leases to Lessee, and Lessee hereby agrees to rent, the following “Sites” of the New Coalinga Municipal Airport, described herein and depicted on Exhibit 1 (the “Property” or the “Premises”).

**Site A.**

Owner will lease to Lessee approximately 13,000 square feet for a modular facility and a future hangar. Modular buildings are permitted as temporary structures during construction. The City will issue permits for modular buildings for an initial one (1)-year term upon application, with six (6)-month extensions available thereafter, not to exceed three (3) years total occupancy. Upon completion of the permanent structures, Lessee shall remove all modular buildings at Lessee's sole cost and expense within thirty (30) days. Overnight stays are permitted on Site A for up to 14 days within a one-month period. The city requires notification and must approve whenever this provision is utilized. Notifications must include the specific reason why the accommodations are necessary in lieu of using local hotels. The stays referenced are strictly in connection with the Lessee's operations. These stays do not establish tenancy or residency.

**Site B.**

Owner will lease to Lessee approximately 800,000 to 900,000 square feet of cleared land for parachute landings and powered paraglider training.

**Site C.**

Owner shall lease to Lessee approximately 14,000 square feet of land (“Site C”) for the purpose of constructing and operating the improvements described below and shown on the Site Plan attached hereto as Exhibit C:

- Modular Classroom Building: 2,500 sq. ft
- Office / Lounge: 1,200 sq. ft.
- ADA-Compliant Restroom: 400 sq. ft.
- Covered Parachute Packing Area: 800 sq. ft.
- Outdoor Shade / Staging Structure: 800 sq. ft.
- Concrete Pad (future hangar): 100' x 100' (10,000 sq. ft.)

1.2 Rights and Easements. Owner hereby grants to Lessee, and the Leasehold Estate shall include the following rights and easements: [ALL EASEMENTS, Utility Line Easement, Signage Easement, Access Easement]. Upon Lessee’s request, Owner shall execute and deliver to Lessee documents and instruments, satisfactory in form and substance to Owner and Lessee, evidencing the rights and easements granted pursuant to this Agreement, and Lessee may record such documents and instruments in the official records of the county where the Property is located.

2. Term.

2.1 Original Term. The term of this Lease shall be the shorter of three (3) years commencing on the Rent Commencement Date (defined below), or the effective date of a subsequent permanent lease following the construction of permanent structures on Site A.

3. Rent.

3.1 Initial Rent Payment. In consideration of the rights granted to Lessee under this Agreement, Lessee shall make an initial rent payment Owner, without deduction or offset except as otherwise expressly provided herein, in the amount of Twelve Thousand Dollars (\$12,000.00) per year (“Base Rent”), which shall be paid in rental payments of One Thousand Dollars (\$1,000.00) per month. Base Rent shall be payable in advance on the first day of each calendar month beginning on the Rent Commencement Date as defined in Section 3.2 below.

3.2 Rent Commencement Date shall mean [NEED DATE].

3.3 Method of Payment. All Rent and other sums payable by Lessee under this Lease shall be paid in lawful money of the United States, by check or electronic transfer payable to City of Coalinga, and delivered to the address designated by Owner in writing, or such other place as Owner may from time to time designate. Any payment made after the due date shall accrue interest at a rate not to exceed five percent (5%) per annum, but no late fee or interest shall apply during any period in which Rent is abated or credited under this Lease.

3.4 Taxes and Assessments. Lessee shall pay all personal property taxes and assessments levied upon its equipment, vehicles, aircraft, or business operations on the Premises. Owner shall pay all real property taxes and assessments relating to the underlying Airport property. If any possessory interest tax or similar charge is assessed on Lessee's leasehold interest, Base Rent shall be reduced dollar-for-dollar by the amount of such tax.

3.5 Late Payment and Grace Period. Rent shall be considered delinquent if not received within ten (10) days after the due date. Owner shall provide written notice of any delinquency, and Lessee shall have an additional ten (10) days after such notice to cure before any default may be declared. No late fee or penalty shall apply if Rent is withheld or reduced pursuant to an authorized abatement or credit under this Lease.

3.6 Holding Over. If Lessee remains in possession of the Premises after the expiration or earlier termination of this Agreement without the express written consent of Owner, such occupancy shall be deemed a tenancy at sufferance only, subject to all terms and conditions of this Agreement except as to the length of the term and the amount of rent. In such event, Lessee shall pay holdover rent at a rate equal to one hundred fifty percent (150%) of the monthly rent in effect immediately prior to such expiration or termination, prorated on a daily basis. Acceptance of any such rent by Owner shall not be deemed or construed as consent to continued occupancy.

4. Security Deposit. Concurrently with Lessee's execution of this Lease, Lessee shall deposit with Owner the sum of one thousand dollars (\$1,000) as a security deposit (the "Security Deposit") for the faithful performance by Lessee of all terms, covenants, and conditions of this Agreement during the Term. If Lessee defaults with respect to any provision of this Agreement, Owner may use, apply, or retain all or any portion of the Security Deposit to pay rent or any other monetary obligation in default, to cover any sum Owner may expend or become obligated to expend by reason of Lessee's default, or to compensate Owner for any loss or damage arising from such default. If any portion of the Security Deposit is so applied, Lessee shall, within ten (10) days after written demand therefor, deposit additional funds with Owner sufficient to restore the Security Deposit to its original amount; failure to do so shall constitute a material breach of this Lease. Provided Lessee fully and faithfully performs all provisions of this Lease, the Security Deposit, or any remaining balance, shall be returned to Lessee within 30 days after the expiration or earlier termination of the Term and Lessee's surrender of possession of the Premises.

5. Development, Operation, and Use of Premise.

5.1 Lessee Responsibility. For the duration of the Agreement, the Lessee has the following responsibilities:

- i. Pay all utilities and rent as provided under this Agreement.
- ii. Purchase their fuel directly from the City whenever it is available on-site.
- iii. At its sole expense, construct, operate, maintain, and repair all improvements on the Premises. All improvements, alterations, or construction shall be subject to Owner's prior written approval, including review of plans, specifications, materials, and contractors. Such approval shall not be unreasonably withheld but may be conditioned to ensure compliance with applicable airport

- design standards, FAA requirements, municipal codes, and Owner's policies.
- iv. Comply with all applicable Federal Aviation Administration (FAA), Department of Defense, and Coalinga Municipal Airport safety regulations.
- v. Comply with all applicable municipal, county, state, and federal laws, regulations, and ordinances.
- vi. Upon termination of this Agreement, restore Site B to a safe and neutral condition.

5.2 Ownership of Improvements. Lessee shall be the sole owner of all right, title, and interest in and to the Improvements, all other personal property installed, used, or maintained on the Premises, and any profits derived exclusively from events conducted on the Premises during the Term.

Upon expiration or earlier termination of this Agreement:

Owner's Election. Within thirty (30) days prior to expiration, or thirty (30) days after a notice of termination, Owner shall notify Lessee in writing whether it elects to purchase some or all Improvements at their then-current fair market value (the "Election Notice"). If Owner fails to deliver an Election Notice within this period, it shall be deemed an election not to purchase any Improvements.

Removal by Lessee. If Owner elects not to purchase, Lessee shall, within one hundred eighty (180) days after the Election Notice deadline, remove the Improvements at its sole expense and repair any damage caused by such removal, restoring the Premises to a safe condition.

Automatic Vesting. Except for Improvements that Owner has elected to purchase under the Election Notice, any Improvements not removed within the thirty (30) day period following the Election Notice deadline shall automatically vest in Owner without payment or further action required

5.3 Hazardous or Non-Compliant Improvements. If any improvement constructed, installed, or maintained by Lessee is determined by Owner, in its reasonable discretion, to be hazardous, unsafe, non-compliant with applicable laws, regulations, building codes, or airport standards, or to interfere with airport operations, Owner may require Lessee to modify or remove such improvement at Lessee's sole expense, within thirty (30) days after written notice. Owner's determination shall identify the specific code, standard, or FAA regulation at issue, and Lessee shall have an opportunity to cure or appeal such determination. If Lessee fails to timely comply, Owner may, without liability to Lessee, remove or remediate the improvement at Lessee's expense, and Lessee shall promptly reimburse Owner for all costs incurred.

5.4 FAA Jurisdiction and Compliance. Lessee acknowledges that certain activities may require FAA approval or compliance with FAA regulations, and Lessee shall be solely responsible for securing any such approvals at its own expense. Owner is not responsible for obtaining approvals

from the Federal Aviation Administration (FAA) for any development, construction, improvements, or operations undertaken by Lessee on the Premises, including but not limited to airspace determinations, obstruction evaluations, airport layout plan modifications, or operational authorizations. Owner's inability to permit or approve any improvement, operation, or activity due to FAA requirements, restrictions, or denials shall not constitute a material breach of this Agreement, and Lessee shall have no claim against Owner arising from any FAA determination or regulatory requirement that limits, delays, or prohibits Lessee's intended use of the Premises.

5.5 Insurance. Prior to occupying the Property, Lessee shall obtain the following insurance policies:

- i. General Liability Insurance. A general liability insurance policy insuring against bodily injury, personal injury, and property damage caused by Lessee's use of the Premises in an amount not less than two million dollars (\$2,000,000) per occurrence and five million dollars (\$5,000,000) aggregate of combined single limit liability coverage per occurrence, accident or incident. Owner shall be named as additional insured on all such policies of insurance. Lessee shall cause its insurers to issue endorsements identifying Owner as an additional insured.

5.6 Owner Responsibilities. For the duration of this Agreement, Owner shall have the following responsibilities:

- i. Maintain the airfield infrastructure. "Maintain" means to keep in safe, operational condition consistent with FAA regulations and industry standards, subject to reasonable notice of deficiencies. Temporary closures for maintenance, weather, emergencies, or circumstances beyond Owner's control are not breaches. Material breach occurs only upon indefinite runway closure due to Owner's failure to maintain after reasonable notice and opportunity to cure. The maintenance of the airfield infrastructure shall include:
  1. The Runway (5,000 ft, 30,000 lbs/axle); and
  2. Lighting for nighttime operations / Taxiways, lighting, and perimeter fencing for nighttime and secured operations.
- ii. Ensure that utilities, including water and electricity, are available at the facilities located on Site A and Site B.
- iii. Maintain the perimeter security fencing for Site A and Site B.
- iv. Jet-A fueling obligations, performance deadlines, and related rent credits are governed by 3.5 of this Agreement. Owner acknowledges that timely provision of Jet-A fuel is a critical operational requirement for Lessee.

- v. Provide and maintain adequate utility capacity (electrical power, water, and communications) to stub-out or connection points located at the boundaries of Sites A and B, sufficient to support Lessee's intended operations. Lessee shall be responsible for the design, permitting, and installation of all internal utility infrastructure within Sites A and B from those connection points, at its sole cost.
- vi. Coordinate and cooperate with Lessee on all required utility permits, inspections, and tie-ins to ensure timely completion and activation of such utilities.
- vii. Refrain from directly or indirectly interfering with Lessee's operations, undertakings, or activities, or from engaging in any activity that may disturb the Improvements or Lessee's activities on the Premises.
- viii. Mow and roll the Parachute Landing Section of Site B at least annually, or more frequently as reasonably necessary, to maintain safe conditions.

6. Taxes. Owner shall be responsible for, and shall timely pay before delinquency, all real property taxes, assessments, and other governmental charges imposed on or arising in connection with the Property itself. Lessee shall be responsible for, and shall timely pay before delinquency, all taxes, assessments, fees, or charges imposed as a result of Lessee's use or activities on the Premises, including but not limited to sales taxes, use taxes, excise taxes, personal property taxes, and business license fees. If any possessory-interest tax or similar charge is assessed on Lessee's leasehold interest, Base Rent shall be reduced dollar-for-dollar by the amount of such tax.

7. Utilities. Owner shall provide adequate water utility capacity to stub-out or connection points at the boundary of Sites A and B. Lessee shall be responsible for designing and installing all other utility infrastructure, including electrical, sewer, and communications services, at its sole cost. Lessee shall design and install all internal utility infrastructure from the water connection points at its sole cost. Owner shall coordinate tie-ins and permitting for the water connection to avoid unreasonable delay. Lessee shall pay for all water utilities supplied to the Premises. Owner shall not be liable, in damages or otherwise, for any failure or interruption of water service furnished to the Premises, and no such failure or interruption shall entitle Lessee to terminate this Lease; provided, however, that if such failure or interruption continues for more than sixty (60) consecutive days, Rent shall be abated pro rata for the duration of the outage, and if such failure continues for more than sixty (60) consecutive days without cure, Lessee may, at its option, terminate this Lease upon written notice to Owner.

8. Maintenance. Lessee shall, at its sole expense, maintain the Premises in good order, condition, and repair, including keeping common and parking areas neat, clean, and orderly, and repairing any damage to the facilities thereof. If Lessee fails to do so, Owner may give written notice specifying the required work. If Lessee fails to promptly commence such work and diligently prosecute it to completion, Owner may, but shall not be obligated to, perform such

work and expend funds reasonably required therefor. Any amounts so expended by Owner shall be reimbursed by Lessee upon demand, together with interest at 5 percent (5%) per annum from the date of such expenditure. Owner shall, at its sole cost, maintain all runway surfaces, taxiways, perimeter fencing, and lighting systems serving the Premises.

9. Indemnity. Owner shall defend, indemnify, and hold harmless Lessee, its officers, directors, members, managers, employees, and agents, from and against any and all claims, demands, losses, liabilities, damages, costs, and expenses, including reasonable attorneys' fees, arising directly out of (i) Owner's negligence, gross negligence, or willful misconduct at the Property, or (ii) activities performed or expressly authorized by Owner at the Property, to the extent such claims are not caused by the negligence or willful misconduct of Lessee.

If Owner fails to provide such defense or indemnification as required under this Section, Lessee may bring an independent action to enforce Owner's obligations hereunder. Any such action shall be subject to the applicable statutes of limitations under California law.

The Lessee agrees to defend and indemnify the Owner for any liability stemming from any adverse judgment or settlement against the Owner in connection with any activity performed or allowed by the Lessee at the Property. Specifically, the Lessee shall indemnify the Owner against all liability, claims, demands, losses, damages, costs, charges, and expenses, including reasonable attorneys' fees, that the Owner may in any way sustain, incur or become liable for in consequence of any activities performed or allowed by the Lessee at the Property.

If the Lessee fails to defend and indemnify as set forth in this Agreement, the Owner may bring a separate suit against the Lessee for failure to do so. Any such action shall be subject to the applicable statutes of limitations under California law.

Each Party's indemnity obligations shall apply only to the extent of its own negligence or willful misconduct. Both Parties waive consequential, incidental, and punitive damages arising from this Lease, except for third-party claims subject to indemnity.

10. Default; Termination.

10.1 Notice and Cure. If either Party alleges that the other has breached or defaulted on any representation, warranty, or obligation under this Agreement, the non-defaulting Party shall deliver to the defaulting Party a reasonably detailed written notice of such breach or default. The defaulting Party shall have sixty (60) days from receipt of such notice to cure the default; provided, however, that if the default cannot reasonably be cured within such sixty (60) day period, the defaulting Party shall have such additional time as is reasonably necessary to cure the default, so long as it commences cure within the initial sixty (60) day period and diligently prosecutes such cure to completion.

For purposes of this Agreement, a "material breach" means a breach of any representation, warranty, or obligation that: (a) substantially impairs the benefit of the bargain to the non-defaulting Party; (b) defeats the essential purpose of this Agreement; or (c) makes performance by the non-defaulting Party substantially more burdensome or impossible. Minor, technical, or non-substantive

violations that do not significantly affect the Parties' rights or obligations shall not constitute a material breach.

If the defaulting Party fails to timely cure a material breach, the non-defaulting Party may terminate this Agreement and/or exercise any other rights or remedies available at law or in equity; provided that the non-defaulting Party shall use commercially reasonable efforts to mitigate damages arising from such default.

10.2 **Termination.** This Lease may not be terminated at will by either Party. Termination is permitted only: (i) for an uncured material breach as defined in Section 10.1; (ii) in the event of condemnation, casualty, or an airport closure exceeding one hundred twenty (120) days; (iii) by mutual written agreement of the Parties; or (iv) expiration per Section 2.

11. Assignment and Sublease.

11.1 General Restriction. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, pledge, or otherwise encumber its interest in this Lease or in the Premises, nor sublet or license all or any portion of the Premises, without the prior written consent of Owner in each instance, which consent shall not be not be unreasonably withheld, conditioned, or delayed. Any attempted assignment, transfer, mortgage, encumbrance, sublease, or license without such consent shall be void and of no effect.

11.2 Related Party Assignment. Notwithstanding Section 11.1, Lessee may assign this Lease to any parent company, subsidiary, affiliate, or other entity under common ownership or control with Lessee and/or its owners (a "Related Party Assignment"), provided that Lessee delivers written notice and copies of the Related Party Assignment documents to Owner. Owner shall promptly acknowledge receipt of such documents in writing and return a copy to Lessee. In no event shall Owner unreasonably withhold or delay such acknowledgement, nor interfere with any Related Party Assignment.

11.3 Right to Sublease. Notwithstanding Section 11.1, Lessee shall have the right to sublease the Premises as follows:

- i. Lessee may sublease for aviation-related or Department of Defense-approved uses, subject to Owner's review, which shall not be unreasonably withheld, conditioned, or delayed.
- ii. Any sublease for non-core activities shall likewise require review not to exceed twenty (20) business days from receipt of a complete package, after which approval shall be deemed granted.
- iii. Legal or administrative fees charged by Owner in connection with its review of any sublease shall not exceed Two Thousand Five Hundred Dollars (\$2,500.00) per instance.

11.4 Continuing Liability. In all cases of assignment or sublease, whether or not consent is required or obtained, Lessee shall remain primarily liable for the performance of all obligations under this Lease unless expressly released in writing by Owner.

12. Miscellaneous.

12.1 Entire Agreement. This Agreement, together with its attached exhibits (which are incorporated herein by reference), constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations, and representations, whether oral or written, which shall be of no force or effect. No addition, modification, or waiver of any term of this Agreement shall be effective unless in writing and signed by both Parties. This Agreement shall not be construed more liberally in favor of, or more strictly against, either Party. As used herein, the neuter gender includes the masculine and feminine, and the singular includes the plural, and vice versa, whenever the context so requires. The terms “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.” Captions and headings are for convenience only and shall not affect the interpretation of this Agreement..

12.2 Governing Law. The terms and provisions of this Agreement shall be governed by, and construed in accordance with, the laws of the State of California, without regard to its conflict of laws principles.

12.3 Legal Counsel and Advice. Each party to this Agreement has had the opportunity to consult with legal counsel and other advisors of its own choosing prior to executing this Agreement.

12.4 Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, Owner and Lessee, any permitted Assignee, and their respective heirs, transferees, successors, and assigns. All references to “Lessee” in this Agreement shall be deemed to include any Assignee holding a direct ownership interest in this Agreement.

12.5 Notices. All notices or other communications required or permitted hereunder, including payments to Owner, shall be in writing, and shall be personally delivered, delivered by reputable overnight courier, or sent by registered or certified mail, return receipt requested and postage prepaid, to the addresses set forth on the signature page of this Agreement. Notices personally delivered shall be deemed given the day so delivered. Notices given by overnight couriers shall be deemed given on the first business day following the mailing date. Notices mailed as provided herein shall be deemed given on the third business day following the mailing date. Any party may change its address for purposes of this subsection by giving written notice of such change to the other party in the manner provided in this subsection.

12.6 Choice of Law. The Property is located in the County of Fresno, State of California. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Venue for any action or proceeding, whether at law or in equity, arising out of or relating to this Agreement shall lie exclusively in Fresno County, California. Both Parties hereby waive any rights under California Code of Civil Procedure Section 394 to seek transfer of venue to a neutral county or other venue.

12.7 Mediation. In the event of any dispute arising under or related to this Agreement, the Parties shall first submit the matter to non-binding mediation before commencing litigation or arbitration. Any Party may initiate mediation by delivering written notice to the other Party. Mediation shall be conducted in accordance with the California Mediation Rules and Procedures, or, by mutual agreement, through another mediation service or mediator. Mediation shall

be confidential in accordance with California Evidence Code §1119 et seq. (superseding the outdated reference to §1152.5), and the Parties shall share equally the mediator's fees and costs.

12.8 Arbitration. If the Parties fail to resolve their dispute through mediation, the Parties agree to arbitrate disputes through binding arbitration. Each Party agrees that:

- i. any arbitration will occur in Fresno County, in the State of California,
- ii. arbitration will be conducted confidentially by a single arbitrator in accordance with the Commercial Arbitration Rules and the Supplementary Procedures for Consumer Related Disputes (the "AAA Rules") then in effect, except as modified by this "Arbitration" section, and
- iii. that the state or federal courts of the State of California have exclusive jurisdiction over any appeals and the enforcement of an arbitration award.

12.9 Attorney's Fees. In any action, proceeding, or arbitration to enforce or interpret this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable attorneys' fees and cost, in addition to any other relief to which such party may be entitled.

12.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties execute this Agreement effective as of the Effective Date.  
OWNER: LESSEE:

\_\_\_\_\_  
[NAME],  
[BUSINESS]

\_\_\_\_\_  
[NAME],  
[BUSINESS]

Address for Payment and Notices:

Address for Payment and Notices:

[ADDRESS]  
[ADDRESS]  
[PHONE]

[ADDRESS]  
[ADDRESS]  
[PHONE]

**EXHIBIT 1**

**PROPERTY/PREMISES**

**APN: [APN]**

**PHOTO/MAP OF PROPERTY**