

Dane County Contract Cover Sheet

*Res 60
signature*

Dept./Division	Airport/Admin
Vendor Name	Federal Express Corporation (FedEx)
Vendor MUNIS #	2639 (Remit #3)
Brief Contract Title/Description	FedEx will continue to lease land and buildings on the southeast ramp area of DCRA.
Contract Term	1/1/2019 - 12/31/2023
Total Contract Amount	\$ 71,844.52 1 st year subject to annual CPI adjustments thereafter

Contract # <small>Admin will assign</small>	13732
Addendum	<input type="checkbox"/> Yes <input type="checkbox"/> No
Type of Contract	
<input type="checkbox"/>	Dane County Contract
<input type="checkbox"/>	Grant
<input type="checkbox"/>	County Lessee
<input checked="" type="checkbox"/>	County Lessor
<input type="checkbox"/>	Intergovernmental
<input type="checkbox"/>	Purchase of Property
<input type="checkbox"/>	Property Sale
<input type="checkbox"/>	Other

Purchasing Authority	<input type="checkbox"/> \$10,000 or under – Best Judgment (1 quote required)	
	<input type="checkbox"/> Between \$10,000 – \$36,000 (\$0 – \$25,000 Public Works) (3 quotes required)	
	<input type="checkbox"/> Over \$36,000 (\$25,000 Public Works) (Formal RFB/RFP required)	RFB/RFP #
	<input type="checkbox"/> Bid Waiver – \$36,000 or under (\$25,000 or under Public Works)	
	<input type="checkbox"/> Bid Waiver – Over \$36,000 (N/A to Public Works)	
	<input checked="" type="checkbox"/> N/A – Grants, Leases, Intergovernmental, Property Purchase/Sale, Other	

MUNIS Req.	Org Code	Obj Code	Amount	\$
Req #	Org Code	Obj Code	Amount	\$
Year	Org Code	Obj Code	Amount	\$

Resolution	A resolution is required if the contract exceeds \$100,000 (\$40,000 Public Works). A copy of the Resolution must be attached to the contract cover sheet.			
	<input type="checkbox"/> Contract does not exceed \$100,000 (\$40,000 Public Works) – a resolution is not required.			
	<input type="checkbox"/> Contract exceeds \$100,000 (\$40,000 Public Works) – resolution required.			Res #
	<input type="checkbox"/> A copy of the Resolution is attached to the contract cover sheet.			060 Year 2019

Contract Review/Approvals				
Initials	Dept.	Date In	Date Out	Comments
MG	Received by DOA	6/10/19		
at	Controller		6/11/19	
Cap	Purchasing	6/12/19	6/12/19	
	Corporation Counsel	6/12/19	6/12/19	
✓	Risk Management	6/11/19	2/11/19	
	County Executive			

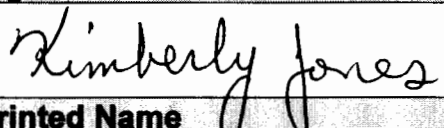
Dane County Dept. Contact Info		Vendor Contact Info	
Name	Rodney Knight, Airport Legal Counsel	Name	Alexander Bell
Phone #	(608) 246-3388	Phone #	(901) 434-8690 office
Email	knight@msnaripport.com	Email	agbell@fedex.com
Address	4000 International Lane Madison, WI 53704	Address	3680 Hacks Cross Road Bldg (H) 3 rd floor Dept. #7743 Memphis, TN 38125

Certification:

The attached contract is a:

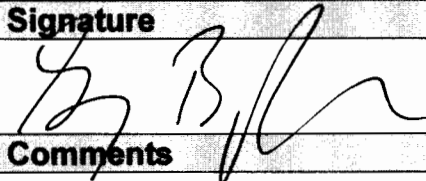
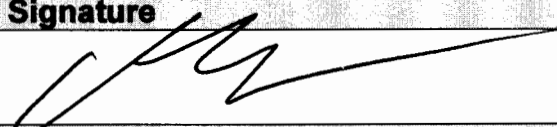
- Dane County Contract without any modifications.
- Dane County Contract with modifications.
The modifications have been reviewed by: Rodney Knight, Airport Counsel
- Non-standard contract.

Contract Cover Sheet Signature**Department Approval of Contract**

Dept. Head / Authorized Designee	Signature	Date
		6/5/19
	Printed Name	
	Kimberly Jones	

Contracts Exceeding \$100,000

Major Contracts Review – DCO Sect. 25.11(3)

Director of Administration	Signature	Date
		6/27/19
	Comments	
Corporation Counsel	Signature	Date
		6/12/19
	Comments	

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2019 RES-060

**AUTHORIZING EXECUTION OF LEASE
WITH FEDERAL EXPRESS CORPORATION FOR PREMISES AT THE DANE
COUNTY REGIONAL AIRPORT**

Dane County and Federal Express Corporation (FedEx) have negotiated a lease under which FedEx will continue to lease land and buildings on the southeast ramp area of the Dane County Regional Airport. The leased premises will be used for FedEx's air cargo operations. The lease is for a five-year term with an initial total annual rent of \$71,834.52, which is subject to CPI adjustments in subsequent years.

NOW, THEREFORE, BE IT RESOLVED that the Dane County Executive and the Dane County Clerk are hereby authorized to execute, on behalf of the County of Dane, a lease with Federal Express Corporation for land and buildings at the Dane County Regional Airport, as set forth above.

13732

LEASE NO. DCRA 2018-05
FedEx Lease MSNR No: 90-0063-007

DANE COUNTY, WISCONSIN
LESSOR

AND

FEDERAL EXPRESS CORPORATION
LESSEE

AIR CARGO LEASE

Dane County Regional Airport
Madison, Wisconsin

Lease No. DCRA 2018-05
FedEx No. MSNR 90-0063-007

This Lease is made and entered into by and between Dane County, a Wisconsin quasi-municipal corporation (“Lessor”), and Federal Express Corporation (“Lessee”), a corporation organized under the laws of the State of Delaware, and shall be effective as of the date it is fully executed by the authorized agents of both parties.

WITNESSETH:

WHEREAS, Lessor is the owner of certain lands in the City of Madison, Dane County, Wisconsin, known as the Dane County Regional Airport (the “Airport”), which includes facilities and buildings necessary and useful to the operation of the Airport; and

WHEREAS, Lessee is engaged in the business of providing air cargo service; and

WHEREAS, Lessee desires to lease for use related to its air cargo business certain premises and facilities at the Airport and to obtain certain rights in connection thereto, as more fully described hereinafter; and

WHEREAS, Lessor deems it advantageous to itself and the Airport to grant and lease unto Lessee the below described premises and facilities and to grant certain rights upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above premises and the terms and conditions hereinafter set forth, the sufficiency of which is acknowledged by each party, Lessor and Lessee do agree as follows:

1. **Leased Premises.** Lessor hereby leases the following described premises (the "Leased Premises") located at the Airport:

- (1) **Exclusive Use Land.** Lessee shall have the right to the exclusive use of 23,200 square feet of land located adjacent to the Airport South Ramp, identified on the attached Exhibit 1 as Exclusive Use Land. Lessee's use of the Exclusive Use Land shall be limited to operations related to aircraft preparation, loading, unloading and parking.
- (2) **Buildings A and B.** Lessee shall have the right to the exclusive use of the two buildings identified on Exhibit 1 as Building A and Building B. Building A is approximately 2400 square feet in area, and Building B is approximately 5000 square feet in area. Lessee's use of the aforesaid Buildings A and B shall be limited to operations related to aircraft preparation, loading, unloading and parking.
- (3) **Non-Exclusive Use Ramp Area.** Lessee shall have the right to the non-exclusive use of 121,168 square feet of space on the Airport South Ramp, identified on Exhibit 1 as the Non-Exclusive Use Ramp Area. Lessee's use of the Non-Exclusive Use Ramp Area shall be limited to operations conducted by Lessee related to aircraft preparation, loading, unloading and parking.
- (4) **Assigned Ramp Area.** Lessee shall have the right to the use of 71,347 square feet of space on the Airport South Ramp, identified on Exhibit 1 as the Assigned Ramp Area. Lessee's use of the Assigned Ramp Area shall be limited to Lessee's operations related to aircraft preparation, loading, unloading and parking. Lessee's right to use the Assigned Ramp Area shall be subject to notice from Lessor that Lessee is required to remove its aircraft and equipment and vacate the Assigned Ramp Area, or any portion thereof, by a specified deadline not less than 24 hours from the time said notice is provided.

Notwithstanding the foregoing, in the event of exigent circumstances involving federal or state branches of the armed services, the United States Secret Service or charter operations, Lessee may be required to vacate the Assigned Ramp Area upon less than 24 hours' advance notice. The notice required under this subsection shall specify the period during which Lessee's right to use the Assigned Ramp Area is suspended, and shall be sufficient if it is provided by email sent to Lessee in care of Roger Smith, Senior Airport Operations Representative at rsmith@fedex.com.

2. **Term.** This Lease shall have an initial term of five years, commencing on January 1, 2019 and ending on December 31, 2023 (the "Initial Term"). Lessee shall have the option to renew this Lease for one additional five year term, commencing on January 1, 2024 and terminating on December 31, 2028 (the "Option Term"). Lessee may exercise its option to renew by providing to Lessor written notice of intent to renew no later than 120 days prior to expiration of the Initial Term. If, during the Initial Term or Option Term, Lessor and Lessee agree to enter into a new lease providing for expanded or reconfigured operations by Lessee on or in premises and facilities at the Airport that are different or in addition to those leased hereunder, Lessee may elect to terminate this Lease upon the effective date of such new lease. This lease is subject to termination, extension or renewal only as provided herein or as otherwise approved in writing executed by both parties hereto.

3. **Rent.** Lessee shall pay rent for the Leased Premises as follows:

(1) **Remission of Rent.** All rent due hereunder shall be paid in advance and is due on or before the first day of each month during the Lease term. Payment of rent shall be by check made payable to County of Dane, Wisconsin, and shall be paid at the Office of the Airport Director, 4000 International Lane, Madison, Wisconsin, 53704, such that it is received by the close of business on the date due. Overdue rent

payments shall incur interest at a rate of one and one half percent per month from the due date until paid in full.

- (2) Exclusive Use Land Rent. In consideration for the right to use the Exclusive Use Land, as set forth herein, Lessee shall pay to Lessor initial rent of \$27,074.40 (\$1.167 per square foot) per annum, payable during the first year of the term hereof in twelve (12) equal monthly installments of \$2,256.20 each, and thereafter payable each month of the Lease term in the amount as adjusted under the terms of this Lease.
 - (3) Building A and B Rent. In consideration for the right to use Buildings A and B, as set forth herein, Lessee shall pay to Lessor initial rent of \$33,855.00 per annum, payable during the first year of the term hereof in twelve (12) equal monthly installments of \$2,821.25 each, and thereafter payable each month of the Lease term in the amount as adjusted under the terms of this Lease.
 - (4) Non-Exclusive Use Ramp Area Rent. In consideration for the right to use the Non-Exclusive Use Ramp Area, as set forth herein, Lessee shall pay to Lessor initial rent of \$10,905.12 (\$.090 per square foot) per annum, payable during the first year of the term hereof in twelve (12) equal monthly installments of \$908.76 each, and thereafter payable each month of the Lease term in the amount as adjusted under the terms of this Lease.
 - (5) Assigned Ramp Area Rent. Lessee shall not be required to pay any separate or additional rent for Lessee's use of the Assigned Ramp Area.
4. Rent Adjustment. Exclusive Use Land Rent, Building A and B Rent, and Non-Exclusive Use Ramp Area Rent due hereunder shall be initially adjusted as of and effective January 1, 2020, and, thereafter, each January 1 during

the term of this Lease based on changes in the Consumer Price Index, U.S. City Average, All Items, all Urban Consumers (the "CPI"), provided that the adjusted annual rent for a Lease year shall not be lower than the previous year, or more than three percent greater than the rate for the previous year. Each new annual rent rate shall be calculated using the following formula:

New Annual Rate:

$$\text{Current Annual Rate} \times \frac{\text{CPI Index for December of most recent year}}{\text{CPI Index for December of next most recent year}}$$

For example:

Rate for 2022:

$$\text{Rate for 2021} \times \frac{\text{CPI Index for December of 2021}}{\text{CPI Index for December of 2020}}$$

As adjusted, rent at the annual rate shall be paid in twelve (12) equal monthly installments due as set forth above. In the event a rent adjustment cannot be calculated prior to the due date of the first monthly installment of adjusted rent in a calendar year, rent for such month(s) shall be paid at the rate applicable to the last month of the immediately preceding calendar year until such time as the adjusted rent amount is determined and any additional amounts due from Lessee upon determination of the adjusted rent amount shall thereafter be paid by Lessee together with the next monthly rent installment payment which becomes due not less than fifteen (15) days nor more than forty-five (45) days after the adjusted rent amount is determined. If publication of the CPI is terminated, or its method of calculation is significantly altered, then the annual rent adjustment shall be made by application of the index that, in Lessor's reasonable discretion, is the index most commonly used in the aviation industry or, if there is no such standard, in the rental industry generally. If the termination of this Lease falls on a date other than the last day of a calendar month, rent for that month shall be paid pro-rata according to the number of days in such month during which this Lease is effective.

5. **Landing Fees.** Lessee shall pay landing fees as follows:

- (1) **Remission of Landing Fees.** Landing fees shall be calculated as set forth below and paid by Lessee by check made payable to County of Dane, Wisconsin. Landing fees shall be paid at the Office of the Airport Director, 4000 International Lane, Madison, Wisconsin, 53704, such that payment is received by the close of business on the date due. Overdue landing fee payments shall incur interest at a rate equivalent to one and one half percent per month from the due date until paid in full.
- (2) **Landing Fees and Monthly Landed Weight Report.** Lessee shall pay to Lessor landing fees based upon the Federal Aviation Administration (the "FAA") maximum certificated gross landing weight of each of Lessee's aircraft landing at the Airport. Lessee shall furnish to the Airport Director, on or before the tenth day of each month, a Monthly Landed Weight Report certified by Lessee as true and correct and setting forth the number of Lessee's aircraft that landed at the Airport during the preceding calendar month, together with the manufacturer, type, landing weight of each such aircraft, and the total landed weight of all of Lessee's aircraft landing at the Airport during said calendar month.
- (3) **Landing Fee Calculation and Initial Rate.** Landing fees applicable during the first year of the term of this Lease shall be \$2.86 per thousand pounds of maximum certificated gross landing weight of Lessee's aircraft landing at the Airport, calculated on a monthly basis.
- (4) **Landing Fee Payment Due Date.** Each Monthly Landed Weight Report furnished to the Airport Director as required herein shall be accompanied by Lessee's remittance of landing fees for the period covered by the report.

6. **Landing Fee Adjustment.** Commencing effective January 1, 2020, and adjusted effective each January 1 thereafter, the landing fee applicable to Lessee shall be the same as charged to signatory airlines operating at the Airport.

7. **Right to Operate Air Cargo Service.** Lessee shall have the non-exclusive right and privilege of engaging in and conducting an air transportation service for the carriage of cargo which shall include the landing, taking-off, flying, taxiing, towing, parking, loading and unloading of aircraft used in the operation of such service at the Airport under the terms and conditions set forth herein. This Lease does not grant Lessee the right to provide passenger air service at the Airport.

8. **Equipment Operation.** Lessee shall have the right to install, operate, maintain, repair and store, subject to approval by Lessor and in accordance with Chapter 68, Dane County Code of Ordinances, all equipment necessary for the conduct of Lessee's air cargo business and necessary ground support activities on the Leased Premises. Notwithstanding the foregoing, Lessee shall not have the right to install fuel dispensing or storage equipment.

9. **Right of Ingress and Egress.** Lessee's employees, agents, contractors, invitees, and suppliers shall have the right to enter and depart from the Leased Premises in accordance with applicable laws, regulations, and rules, including but not limited to, Title 49 Code of Federal Regulations Part 1542, Airport security plans, programs and regulations, and directives of the Airport Director

10. **No Unauthorized Use.** The Leased Premises are not to be used in any manner other than that expressly authorized herein without the written consent of Lessor.

11. **Quiet Enjoyment.** Upon timely payment of the rent, fees and charges due hereunder and compliance with the terms and conditions set forth in this

Lease, Lessee shall peaceably have and enjoy the Leased Premises and all rights and privileges related to the Airport and its facilities as granted herein.

12. **Lease Modification and Administration.** This Lease may be modified or amended only in writing executed by duly authorized representatives of the parties hereto, such representative on the part of the County being the Airport Director. Lessor's Airport Director shall have authority to interpret and administer the provisions in this Lease, and to represent Lessor's interests in connection therewith.
13. **Access to Premises.** Lessor reserves the right to enter upon the Leased Premises at any reasonable time during normal business hours for the purpose of making any inspection it may deem expedient to the enforcement of the covenants or conditions of this Lease and the regulations and standards of the airport.
14. **Airport Improvement.** Lessor reserves the right, in its sole discretion, to develop and improve Airport land and facilities, including all ramp, landing and public areas.
15. **Military Provision.** During time of war or national emergency Lessor shall have the right to lease any part of the Airport to the State of Wisconsin or the United States, or both, for military or governmental use and, if such right is exercised, the provisions of this Lease insofar as they are inconsistent with the provisions of the lease(s) to the state or federal government shall be suspended during the period of military or governmental use authorized therein.
16. **Subordination.** This Lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States Government relative to the operation or maintenance of the airport, the execution of which has been, or may be, required as a condition precedent to the expenditure of federal funds for the development or improvement of

the Airport. Should the effect of such agreement with the United States Government be to take any of the property interests granted Lessee under this Lease or substantially destroy the value of such interests, Lessee shall have the right to terminate this Lease, but shall have no other recourse against Lessor.

17. **Airport Protection Clause.** Lessor hereby reserves for the use and benefit of the public the right to pursue all operations of the Airport, including the right of aircraft to fly in the airspace overlying the Leased Premises, together with the right of said aircraft to cause such noise and vibration as may be inherent in the operation of aircraft on or in the vicinity of the Airport. Lessee shall not use or permit the use of the Leased Premises in a manner that creates interference with radio communication between the Airport and aircraft, makes it difficult for flyers to distinguish between the Airport's lights and others, impairs visibility in the vicinity of the Airport, attracts wildlife that may be hazardous to aviation, or that otherwise may endanger the operation of aircraft at or near the Airport.

18. **Building and Use Restrictions.** Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport from interference or obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the airport which, in the opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft. Lessor may at any time remove Lessor owned improvements from the Leased Premises if required for the orderly development of the Airport or to comply with FAA directives. Such removal shall be at no cost to Lessee, and rent for any such removed property shall cease at the time of removal from Lessee's use.

19. **Report Forms.** Lessor shall have the right to prescribe and furnish forms for the making of all reports required of Lessee under this Lease and Lessee shall use only such forms as may be prescribed.

20. **Markings and Other Improvements in the Non-Exclusive Use Ramp Area.**

- (1) **Installation of Improvements.** Lessee may apply, install, place, construct or remove ramp markings, aircraft support systems and other improvements on or in the Non-Exclusive Use Ramp Area only upon submittal to Lessor of detailed plans therefor and Lessee's receipt of Lessor's advanced written approval of the plans and a schedule for completion of the work specified in the plans. Lessor has approved the aircraft support system installed by Lessee in the Non-Exclusive Use Ramp Area at the location designated as "2" on the attached Exhibit 1. Lessor has approved plans submitted by Lessor for construction of an aircraft support system in the Non-Exclusive Use Ramp Area at the location designated as "1" on the attached Exhibit 1.

- (2) **Removal of Improvements Upon Lease Termination.** Unless otherwise agreed in writing signed by both parties hereto, Lessee shall within thirty (30) days of expiration or earlier termination of this Lease remove all ramp markings, aircraft support systems and other improvements, including all associated equipment and structures, applied, installed, placed or constructed on or in the Non-Exclusive Use Ramp Area by or for Lessee, and shall return all areas of the Non-Exclusive Use Ramp Area affected by removal of said improvements to the condition such areas were in on January 1, 2014, normal wear and tear excepted. Lessor grants Lessee reasonable access to and from the Non-Exclusive Use Ramp Area during said thirty (30) day period, free from any payment of rent or other charges, for the sole purpose of performing, without interference with other ramp users, removal and restoration work required hereunder. Notwithstanding the foregoing, Lessor, at its sole discretion, may, by written notice provided to Lessee, waive, fully or in part, its right to require Lessee to perform removal and restoration work as set forth in this subsection

and, in the event of such waiver, Lessee shall upon expiration or earlier termination of this Lease convey to Lessor unencumbered ownership of any ramp markings, aircraft support systems and other improvements, including all associated equipment and structures, that are the subject of said notice of waiver.

21. Improvement or Alterations in the Assigned Ramp Area.

- (1) Installation of Improvements. Lessee may apply, install, place, construct or remove ramp markings, aircraft support systems or other improvements on or in the Assigned Ramp Area only upon submittal to Lessor of detailed plans therefor and Lessee's receipt of Lessor's advanced written approval of the plans and a schedule for completion of the work specified in the plans. Lessor has approved the aircraft support system installed by Lessee in the Assigned Ramp Area at the location designated as "3" on the attached Exhibit 1.

- (2) Removal of Improvements Upon Notice. Unless otherwise agreed in writing signed by both parties hereto, Lessee shall within sixty (60) days after receipt of Lessor's written notice requesting removal of any ramp markings, aircraft support system or other improvement applied, placed, installed or constructed in the Assigned Ramp Area by or for Lessee remove all improvements and associated equipment and structures identified in such written notice, and shall return all areas of the Assigned Ramp Area affected by removal of said improvements to the condition such areas were in on January 1, 2014, normal wear and tear excepted. Lessor grants Lessee reasonable access to and from the Assigned Ramp Area for sixty (60) days following Lessee's receipt of the written notice referenced in the preceding sentence, free from any payment of rent or other charges, for the sole purpose of performing, without interference with other ramp users, the removal and restoration work required hereunder.

- (3) Removal of Improvements Upon Lease Termination. Unless otherwise agreed in writing signed by both parties hereto, Lessee shall within thirty (30) days of expiration or earlier termination of this Lease remove all ramp markings, aircraft support systems and other improvements, including all associated equipment and structures, applied, installed, placed or constructed on or in the Assigned Ramp Area by or for Lessee, and shall return all areas of the Assigned Ramp Area affected by removal of said improvements to the condition such areas were in on January 1, 2014, normal wear and tear excepted. Lessor grants Lessee reasonable access to and from the Assigned Ramp Area during said thirty (30) day period, free from any payment of rent or other charges, for the sole purpose of performing, without interference with other ramp users, removal and restoration work required hereunder. Notwithstanding the foregoing, Lessor, at its sole discretion, may, by written notice provided to Lessee, waive, fully or in part, its right to require Lessee to perform removal and restoration work as set forth in this subsection and, in the event of such waiver, Lessee shall upon expiration or earlier termination of this Lease convey to Lessor unencumbered ownership of any ramp markings, aircraft support systems and other improvements, including all associated equipment and structures, that are the subject of said notice of waiver

22. Improvement or Alteration of Exclusive Use Land and Buildings.

- (1) Alterations and Improvements. Lessee may make alterations, attach fixtures, or place or erect structures or other improvements in or on the Exclusive Use Land and buildings leased hereunder only upon submittal to Lessor of detailed plans therefor and Lessee's receipt of Lessor's advanced written approval of the plans and a schedule for completion of the work specified in the plans.

(2) Lessee's Obligations Upon Lease Termination. Unless otherwise agreed in writing signed by both parties hereto, upon expiration or earlier termination of this Lease, Lessee's rights under the Lease shall cease, and Lessee shall immediately surrender the Exclusive Use Land and buildings leased hereunder to Lessor in the condition such land and buildings were in on January 1, 2014, normal wear and tear excepted. Notwithstanding the foregoing, Lessor, at its sole discretion, may by written notice require Lessee to convey to Lessor unencumbered ownership of any fixtures, structures or other improvements placed, installed or constructed by Lessee in or on the Exclusive Use Land or demised buildings that are identified in said written notice.

23. Condition of Leased Premises. Lessee accepts the Leased Premises in its condition on the effective date hereof. Lessor warrants and represents that it has no notice or knowledge of any conditions regarding the Leased Premises that would preclude use of the Leased Premises as intended by Lessee or require testing, monitoring or remediation under any applicable "Environmental Laws," as defined in Section 36 below.

24. Maintenance. Lessee shall keep the Leased Premises in clean and orderly appearance and condition and in as good repair as the Leased Premises were on January 1, 2014, or as subsequently improved. Should Lessee fail to keep the Leased Premises in the condition required herein and remedial maintenance or repair is not undertaken by Lessee within ten days after receipt of Lessor's written notice of such failure, Lessor shall have the right to enter on the Leased Premises and perform the necessary maintenance or repair and charge to Lessee the cost thereof, plus a fifteen percent (15%) administrative fee. Unless made necessary by the negligent or improper use of the buildings leased hereunder by Lessee, its employees, agents, servants, or invitees, Lessor shall perform and pay for all necessary repairs, replacements and maintenance of structural components of the structures identified as Building A and Building B in attached Exhibit 1. In addition, Lessor

shall perform and pay for all necessary repairs and maintenance of the surface of the Non-Exclusive Use Ramp Area and the Assigned Ramp Area leased hereunder unless the need for repairs or maintenance are the result of Lessee's construction activities or necessitated by negligent or improper use of such areas by Lessee, its employees, agents, servants, employees, or invitees.

25. **Signs and Illumination.** Lessee shall secure Lessor's advance written approval before placing exterior lighting or exterior signs on the Leased Premises, unless the lighting or signage is present on the effective date of this Lease.

26. **Utilities.** Lessee shall pay for all utility service and utility connections associated with its use or occupancy of the Leased Premises. If required by a utility provider as a condition of continuing utility service, Lessee shall install and pay for standard metering devices associated with utilities provided to the Leased Premises. In the event it shall become necessary to make changes in or on the Leased Premises, such as modification of wiring, plumbing or similar installations, as a condition of the continuance of utility services, and Lessee desires to continue such services, the necessary changes and installations shall be made at Lessee's expense, as directed and required by the utility provider or authorized governmental agency and approved in advance by Lessor. Lessor shall have the right, without cost to Lessee and without reimbursement to Lessee for any inconvenience, to install and maintain in or upon the Leased Premises, sewer, water, fiber optic, gas, electric, steam, telecommunication or data lines, and other equipment and installations necessary to the efficient operation of the Airport or to service other tenants of Lessor. Lessor shall carry out such work and locate any above-ground structures or installations in a manner so as not to unreasonably interfere with Lessee's use of the Leased Premises.

27. **Nondiscrimination.** Lessee, for itself, its representatives, successors and assigns, does hereby covenant and agree that (i) no person on the basis of age, race, ethnicity, religion, color, gender, disability, marital status, sexual

orientation, national origin, cultural differences, ancestry, physical appearance, arrest record, conviction record, political beliefs, military participation, or membership in the national guard, state defense force or any other reserve component of the military forces of the United States or state government shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises or any improvement thereon, including employment matters related thereto; that (ii) in the construction of any improvements on, over, or under the Leased Premises and the furnishing of services thereon, no person shall be subjected to discrimination on the basis of age, race, ethnicity, religion, color, gender, disability, marital status, sexual orientation, national origin, cultural differences, ancestry, physical appearance, arrest record, conviction record, political beliefs, military participation, or membership in the national guard, state defense force or any other reserve component of the military forces of the United States or state government; that (iii) Lessee shall use the Leased Premises in compliance with all requirements imposed by Title 49, Code of Federal Regulations, Part 21, as said regulations may be amended from time to time; and that (iv) Lessee's activities on the Leased Premises shall at all times be in compliance with applicable federal, state and local laws and regulations addressing access for the physically disabled. Notwithstanding the foregoing, employment and hiring actions taken by Lessee based on an arrest or on conviction records shall not be deemed discrimination so long as such actions are taken in accordance with Section 111.335 of the Wisconsin Statutes and Chapter 19 of the Dane County Ordinances, as such provisions may be amended from time to time.

- 28. Compliance with Security Regulations and Plan** Lessee shall at all times comply with (i) Federal Transportation Security Regulation Part 1542, and (ii) Lessor's policies as outlined in Lessor's Airport Security Plan, which plan may be augmented from time to time by directives issued by the Airport Director provided such augmentations have been communicated to Lessee in writing. Any forfeitures or fines levied upon Lessor or the Airport through enforcement of any federal, state or local regulation, including Title 49, Code of Federal

Regulations, Part 1542, due to the acts or omissions of Lessee, Lessee's employees, agents, suppliers, invitees or guests shall be borne and timely paid by Lessee. Lessee shall, pursuant to applicable federal regulations, conduct an annual self-audit of Airport access badges used by Lessee, Lessee's employees, agents, suppliers, invitees, sublessees or guests. Lessee shall annually provide Lessor with a written report of said audits and provide to Lessor any other requested security related information. Lessee shall bear the cost of replacing or resetting, as appropriate, all affected Airport area access locks or devices whenever missing, lost or stolen access media exceed five percent of the total access media issued for the affected lock or device.

29. **Indemnification and Hold Harmless.** Lessee is and shall be deemed to be an independent contractor exclusively responsible for its own acts or omissions. Lessee shall indemnify, hold harmless and defend Lessor and its Airport from and against all claims for losses, costs, attorney fees, expenses and damages arising out of, resulting from or relating to any loss of or damage to any property or business or any injury to or death of any person, where such loss, damage, injury, or death actually or allegedly arises, whether directly or indirectly, wholly or in part, from: (i) any action or omission of Lessee, Lessee's employees, agents, contractors, subcontractors, suppliers, invitees, sublessees or guests while on Lessor's property; or (ii) the exercise by Lessee, Lessee's employees, agents, contractors, subcontractors, suppliers, invitees, sublessees or guests of the rights granted herein. Lessee's obligation of indemnification, as set forth herein, shall not apply to damages or liability caused by the acts or omissions of Lessor.
30. **Insurance Requirements.** Lessee shall, upon execution of this Lease, obtain Comprehensive General Liability Insurance for bodily injuries or death in a minimum sum of \$100,000,000 per occurrence and Comprehensive Property Damage Liability Insurance in a minimum sum of \$100,000,000 per occurrence. Insurance required hereunder shall be deemed primary and shall include coverage for Lessee's obligations of indemnity as set forth in

Section 29 herein. Lessee shall maintain said insurance with insurance underwriters approved by Lessor and authorized to do business in the State of Wisconsin. Lessee shall by contract require its sublessees to obtain and maintain liability insurance as is required of Lessee hereunder. All policies required herein, including those of any sublessees, shall name Lessor as an additional insured. Lessee shall furnish Lessor with certificates of insurance showing that the insurance required under this Lease is maintained as required. Each policy obtained hereunder shall contain a provision that the insurer shall send to Lessor written notice of cancellation or any material change in the policy at least thirty (30) days in advance of the effective date of the cancellation or change. Lessee shall maintain all insurance coverage required hereunder for the duration of this Lease and for six months following the termination or expiration hereof.

31. **Assignment and Subleasing.** Lessee shall not at any time assign any privileges or rights granted by this Lease without prior written approval of Lessor. This Lease shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

32. **Taxes, Fees, and Charges.** Lessee agrees to pay as they become due any and all taxes, fees, assessments or charges of any type that are levied, by an entity with authority to do so, against the portions of the Leased Premises that are designated in this Lease for Lessee's exclusive use or that are based on Lessee's use or occupancy of the Leased Premises.

33. **Compliance with Laws and Directives.** Lessee shall comply with all applicable federal, state and local laws, orders, regulations, rules and advisories, and all directives issued by the Airport Director. Lessee shall give prompt notice to Lessor of any notice it receives concerning the violation of any federal, state and local law, order, regulation, rule and advisory.

34. Termination by Lessee. Lessee may terminate this Lease by giving to Lessor thirty (30) days written notice thereof if either of the following events occur:

- (1) Lessee is prevented from operating its air cargo activities on the Leased Premises by reason of its inability to use any portion of the ramp areas included within the Leased Premises or its inability to use runways or taxiways at the Airport for at least sixty (60) consecutive days, as the result of any condition not arising from Lessee's own act or omission or permitted under the terms of this Lease; or
- (2) Lessor shall fail to perform any of its obligations under this Lease within sixty (60) days after receipt of notice from Lessee of such failure, unless remediation of the failure requires remedial activity over a longer period of time and Lessor commences such activity within sixty (60) days after the receipt of notice hereunder and continues such activity without interruption, except for causes beyond its control.

The payment of rent by Lessee for any period after Lessee has the right to terminate this Lease, but before any default of Lessor has been cured, shall not be deemed to be or construed as a waiver by Lessee of such right of termination.

35. Termination by Lessor. Lessor may terminate this Lease by giving to Lessee thirty (30) days written notice thereof if any of the following events occur:

- (1) Lessee becomes insolvent, seeks protection under any insolvency statute, or makes a general assignment for the benefit of creditors;
- (2) Lessee or a creditor of Lessee files a petition seeking the liquidation of Lessee's assets or a reorganization or the readjustment of its

indebtedness under the federal bankruptcy laws or under any law or statute of the United States or of any state thereof;

- (3) There becomes effective an assignment or other transfer of ownership interest in this Lease or any portion thereof, by operation of law, order of court or otherwise, except as expressly permitted under this Lease;
- (4) A receiver, trustee, or liquidator takes possession or control of all or substantially all the property of Lessee, or an execution or attachment is issued against Lessee or any of its property, whereupon possession of the Leased Premises is to be taken by someone other than Lessee, and any such possession or control shall continue in effect for a period of fifteen (15) days;
- (5) There is filed a lien against the Leased Premises or any improvements thereon because of any act or omission of Lessee or other user of the Leased Premises and such lien is not removed or bonded within thirty (30) days;
- (6) Lessee voluntarily abandons or otherwise exhibits an intent to permanently discontinue its use of the Leased Premises;
- (7) Lessee fails to pay the rent due under this Lease or to timely make any other payment to Lessor as required hereunder and such failure shall continue for thirty (30) days after written notice thereof is given to Lessee by Lessor; or
- (8) With respect to any obligation hereunder, other than Lessee's obligation to pay rent, Lessee breaches such obligation and fails to cure the breach within thirty (30) days after receipt of written notice of such breach from Lessor, unless cure of the failure requires remedial activity over a longer period of time and Lessee commences such activity within thirty (30) days after receipt of notice hereunder and

continues such activity without interruption, except for causes beyond its control.

No acceptance by Lessor of rents, fees, charges or other payments or waiver by Lessor of any default on the part of Lessee in performance hereunder shall act as a waiver by Lessor of any subsequent default or of any right granted Lessor herein.

36. Environmental Protection and Indemnification.

- (1) Lessee covenants and agrees that it will not use, store, maintain, generate, discharge, or operate any "Hazardous Materials" (hereinafter defined), whether intentionally or unintentionally, on the Airport in violation of any applicable federal, state, county, or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses, or permits of any governmental authorities relating to environmental matters (being hereafter collectively referred to as "Environmental Laws") including, by way of illustration and not by way of limitation, the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and the Toxic Materials Control Act (including any amendments or extensions thereof and any government promulgated rules, regulations, standards, or guidelines issued pursuant to any Environmental Laws). Except in compliance with all Environmental Laws, Lessee, its subsidiaries, subcontractors, and suppliers, and anyone on the Airport property with the consent of Lessee, shall not discharge "Hazardous Materials" (hereinafter defined) into the sewer and/or stormwater drainage system serving the Airport or cause any such "Hazardous Materials" to be placed, held, stored, processed, treated, released, or disposed of on or at the Airport. For purposes of this Section 36, "Hazardous Materials" shall mean any material that, because of its quantity, concentration, or physical or chemical

characteristics, is deemed by any federal, state, or local government authority or authorities having jurisdiction over Lessee's operations hereunder to pose a present or potential hazard to human health and/or safety or to the environment. Hazardous Materials include, by way of illustration and not by way of limitation, any substance defined as a "Hazardous Substance" or "Pollutant" or "Contaminant" pursuant to any Environmental Law; any asbestos and asbestos-containing materials; petroleum, including crude oil or any fraction thereof, natural gas, or natural gas liquids; glycol and formulations of glycol and other deicing or anti-icing chemicals addressed under any Wisconsin Pollutant Discharge Elimination System Permit applicable to the Airport during the term of this Lease; and any other toxic, dangerous, or hazardous chemicals, materials, or substances or waste(s).

- (2) Neither Lessee nor its officers, agents, employees, contractors, subcontractors, or invitees shall cause any Hazardous Materials to be brought upon, kept, used, stored, generated, or disposed of in, on, or about the Leased Premises or the Airport or transported to or from the Leased Premises or the Airport unless such action is done in compliance with all applicable Environmental Laws. Lessee shall indemnify, defend, and hold Lessor harmless from and against any and all losses arising during or after the term of this Lease and resulting or arising from: (i) a breach by Lessee of the covenants or obligations contained in the preceding Section 36(1) and this Section 36(2); or (ii) any "Release" (hereinafter defined) of Hazardous Materials from, in, on, or about the Leased Premises or the Airport caused by any act or omission of Lessee, its officers, agents, employees, contractors, subcontractors, or invitees. For purposes of this Section 36, "Release" shall mean any release, emission, spill, discharge, disposal, leak, leaching, migration, or dispersal of Hazardous Materials triggering a response action under, or not permitted, authorized, or allowed under, Environmental Laws. Notwithstanding the foregoing, Lessee does not undertake any

obligation to remediate, or any liability for the cost of remediating, any part of the Leased Premises or Airport to a level of contamination that is lower than the level required as a condition for discontinuing enforcement of remedial actions by the governmental authorities having jurisdiction over the remediation. The foregoing obligates Lessee only to take actions that are consistent with the planned use of any contaminated portion of Lease Premises or the Airport such that remediation to industrial/industrial commercial standards, or to such other standards as may be required by the governmental authorities having jurisdiction over the required remediation, shall be sufficient to satisfy Lessee's obligations hereunder and Lessee shall not be required to remediate to more stringent standards that would otherwise be applicable if the planned use of the contaminated portion of the Leased Premises or the Airport was more environmentally sensitive, such as residential use. Moreover, if the governmental authorities having jurisdiction over the required remediation will reduce the scope of the removal, containment, and remedial actions that Lessee must take in order for those authorities to discontinue enforcement of such remedial actions provided only that deed restrictions that will not impair operation of the Airport as a commercial airport are recorded, Lessor shall permit the recordation of those deed restrictions and, to the extent required by the governmental authorities conducting the enforcement of remedial actions, shall join in the execution of such deed restrictions.

- (3) Lessor anticipates that it will engage in discussions with the Wisconsin Department of Natural Resources ("DNR") regarding renewal of one or more National Pollution Discharge Elimination System permits (the "Permits") issued with respect to Airport operations. Lessor shall provide Lessee notice of its discussions with DNR regarding the Permits and shall consent to reasonable participation by Lessee in discussions to the extent permitted by DNR. Prior to agreeing to any requirements under the Permits that may be applicable to Lessee and

its operations at the Airport, Lessor shall provide Lessee with a reasonable opportunity to review such requirements and provide comments to Lessor and DNR.

37. **Misrepresentation and Invalid Provisions.** All terms and conditions with respect to the subject matter of this Lease are contained herein, and each party hereto agrees that it has not relied upon any representation or promise with respect to this Lease that is not expressly contained herein. In the event any covenant, condition, or provision in this lease is held to be invalid by a court of competent jurisdiction, such invalidity shall in no way affect any other covenant, condition or provision of this Lease.
38. **Access Control Responsibility.** Lessee, Lessee's employees, agents, contractors, subcontractors, suppliers and invitees shall have the right to enter and depart from the Leased Premises only in accordance with the terms and provisions set forth in Section 9 of this Lease. Lessee shall be responsible for the conduct of its employees, agents, contractors, suppliers and invitees while they are on the Leased Premises under the authority of this Lease. Lessee shall maintain security awareness among its employees, agents, contractors, suppliers and invitees, and shall immediately report to Lessor or Airport Law Enforcement any unauthorized or suspicious individuals, activities, or items in or on the Leased Premises. Lessee shall maintain a written policy outlining its access control program.
39. **Time is of the Essence.** With respect to performance of all the terms and conditions of this Lease, time is of the essence. The covenants and conditions set forth in this Lease are meant to be binding upon the parties and are not to be construed as mere recitals.
40. **Notices.** All notices, approvals, requests, consents and other communications given, required or permitted in accordance with the terms of this Lease must be in writing and must be hand-delivered or sent by facsimile

transmission, FedEx Express overnight service or United States certified or registered mail, return receipt requested. If a party delivers a notice by means of facsimile transmission, it must also send a copy of that notice by one of the other means specified above. The parties will consider notices given or delivered when received or when the recipient refuses proper delivery. The parties will address notices as follows:

LESSOR: Airport Director
Dane County Regional Airport
4000 International Lane
Madison, WI 53704
Facsimile No.: (608) 246-3385

LESSEE: Federal Express Corporation
3680 Hacks Cross Road
Building H, 3rd Floor
Memphis, TN 38125
Attn: Manager, Airport Relations & Development
Facsimile No.: (901) 434-9679

With a copy to:

Federal Express Corporation
3620 Hacks Cross Road
Building B, 3rd Floor
Memphis, TN 38125
Attn: Managing Director, Business Transactions Group
Facsimile No.: (901) 434-7831

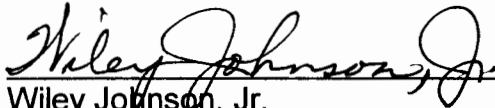
A party may change the address to which it wishes Notices to be sent by delivering notice of the change of address to the other party in accordance with the terms of this Section 40.

41. **Headings.** The headings of the sections contained in this agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this agreement.
42. **Counterparts and Copies.** The parties may evidence their agreement to be bound by the terms of this Lease upon one or several counterparts of this document, which together shall constitute a single instrument. A photocopy,

facsimile, or electronic copy of this Lease shall have the same effect for all purposes as an original.

IN WITNESS WHEREOF the parties hereto have by their duly authorized representatives executed this Lease as of the dates so indicated.

FOR FEDERAL EXPRESS CORPORATION



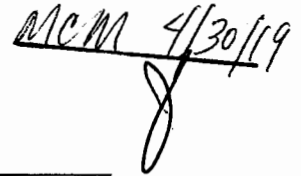
Wiley Johnson, Jr.
Managing Director, Real Estate and Airport Development

Date: _____



FOR DANE COUNTY

**Approved
Legal Department**



Joe Parisi
Dane County Executive

Date: _____

Scott McDonell
Dane County Clerk

Date: _____

#1339096v1mcm



NON-EXCLUSIVE USE RAMP AREA
121,168 Square Feet

BUILDING B
5,000 Square Feet

BUILDING A
2,400 Square Feet

EXCLUSIVE USE LAND

SOUTH RAMP

ASSIGNED RAMP AREA
71,347 Square Feet

	ASSIGNED RAMP AREA
	NON-EXCLUSIVE USE RAMP AREA
	EXCLUSIVE USE LAND
1 2 3	} AIRCRAFT SUPPORT SYSTEM LOCATIONS

EXHIBIT 1