

STATE OF SOUTH CAROLINA)
)
COUNTY OF DARLINGTON)

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement") made and entered into as of the ___ day of ___ 2024 (the "Effective Date"), by and between TITAN AVIATION FUELS, a corporation existing under and by virtue of the laws of the State of North Carolina, with its principal office in New Bern, North Carolina, (hereinafter referred to as "Lessor") and the City of Hartsville, South Carolina (hereinafter referred to as "Lessee").

WITNESSETH

Lessor agrees to deliver and lease to Lessee for Lessee's use at the Hartsville Regional Airport, an aviation refueling truck (hereinafter referred to as "Refueling Equipment") described as follows:

2005 INTERNATIONAL 4200 VIN 1HTMPAFN95H693166 WITH 2200 GALLON TANK

In consideration of the mutual agreements contained herein, the parties agree that that the Refueling Equipment is, as of the above date, leased to Lessee subject to the following terms and conditions:

1. During the term hereof, Lessor hereby agrees to lease to Lessee the Refueling Equipment for a rental fee of \$0 per month for the first 3 months after the Effective Date (the "Trial Period"). Thereafter, and subject to appropriation of legally available funds by the City Council of the City of Hartsville, as the governing body of the Lessee (the "City Council"), Lessee shall lease the Refueling Equipment for \$500/month, plus applicable sales and use taxes. After the Initial Term (as defined below), Lessor shall be permitted to increase the monthly rental amount of the Refueling Equipment by giving Lessee at least sixty (60) days advance written notice of the effective date of said increased rental amount. In the event of any increase in rental, Lessee shall have the right to terminate this Agreement on the effective date of said increase by giving Lessor thirty (30) days advance written notice of its intention to terminate on said date.

2. This agreement shall remain in effect for an initial term of beginning on the Effective Date through and until June 30, 2025 (the "Initial Term"). Failure to give written notice of termination of this Agreement by either party at least 45 days prior to the termination date of the Initial Term, or the termination date of any subsequent term resulting from automatic renewal, shall result in an automatic renewal of this Agreement for an additional one-year period (the Initial Term and any successful renewal term, collectively, the "Term"). While this Agreement is in force and effect, Lessee shall have use and possession of the Refueling Equipment upon receipt of rent, as described in Section 1 below. Additionally, this Agreement may be terminated at any time without notice on account of breach or default of the terms of this Agreement, expressly including a failure by the City Council to appropriate funds

necessary to pay any rent due hereon. If the refueling equipment is leased for a period of less than six months, the Lessee will be responsible for reasonable freight charges.

3. The Refueling Equipment may be purchased by the Lessee from Lessor for the sum of \$55,000 at any time after the Trial Period. On payment by the Lessee of such purchase price, all of the Lessor's right, title and interest in and to the Refueling Equipment will be conveyed to the Lessee and, the Lessor shall deliver such documents to evidence the transfer of the Lessor's interest in the Refueling Equipment to Lessee. There are no liens or encumbrances on the Refueling Equipment other than the lien created by this Agreement. In the event any lien or other encumbrance is assessed against the Refueling Equipment, Lessor agrees that such lien or encumbrance shall be satisfied prior to any conveyance of the Refueling Equipment to the Lessee as purchaser and shall covenant to the Lessee that the Refueling Equipment, at the time of conveyance, is owned in full by Lessee free and clear of any lien, encumbrance or any other rights of a third-party.

4. The Refueling Equipment shall be used solely by Lessee or its representatives at its municipal airport for handling the aviation fuels supplied by Titan Aviation Fuels.

5. Lessee shall pay all sales and property taxes, assessments, and licenses and registrations on the Refueling Equipment during the Term, and furnish to Lessor's reasonable satisfaction, verification that payment has been made before said taxes, assessments, or fees become delinquent.

6. It is understood and agreed that Lessee will not encumber said Refueling Equipment or do or permit anything to prejudice the title of the owner thereto; will comply with all laws, ordinances, and regulations applicable to the Refueling Equipment. THE REFUELING EQUIPMENT IS LEASED "AS IS" WITHOUT WARRANTY AS TO MERCHANTABILITY, TITLE, CONDITION, OR FITNESS FOR ANY PURPOSE. It is also agreed that Lessee shall not add or remove any equipment or appurtenances to or from the Refueling Equipment without the written consent of Lessor. The Refueling Equipment is, and shall at all times during the Term be and remain, personal property. No portion of the Refueling Equipment will become fixtures within the meaning of Article 9 of the Uniform Commercial Code.

7. It is further understood and agreed that each party accepts the applicable responsibilities for operating and maintaining the Refueling Equipment as hereafter provided. Lessor shall be permitted access to inspect the Refueling Equipment at all reasonable times.

8. Lessee agrees that it shall return the Refueling Equipment to Lessor at the termination of this Agreement in as good condition as when Lessee received it, normal wear and tear excepted.

9. Lessee agrees to maintain adequate physical damage insurance on

Refueling Equipment during the term of this Agreement with Lessor named as a loss payee. At the request of Lessor, and within 30 days of any renewal of any applicable casualty policy associated with the Refueling Equipment, Lessee shall furnish a copy of certificate of insurance to Lessor.

10. This Agreement supersedes and takes the place of all former agreements, and amendments thereto, heretofore entered into between the parties covering the lease of the Refueling Equipment at the location above-stated.

11. Lessee agrees that it will not use or permit the use of the Refueling Equipment in a negligent or improper manner or in violation of any law; or so as to avoid any insurance covering the same; or as a public or private livery; or permit the vehicle to become subject to any lien, charge or encumbrances.

12. Subject to the appropriation of funds as may be necessary therefor, the Lessee is responsible for:

A. Performing minor maintenance on refueler, including preventive maintenance, tune-ups, starter repair, battery replacement, alternator repair, filter/element replacement, ground reel replacement, deadman cable and handle replacement, fuel nozzle replacement, etc. (collectively, "Regular Maintenance").

B. Quality control inspections on the fueling equipment and for filter replacement at regular intervals.

C. Purchasing all fuel for Refueling Equipment.

D. Checking and maintaining sufficient supply of lubricating oil in the crankcase for the Refueling Equipment.

E. Checking regularly and maintaining sufficient supply of gear oil in transmission and differential for the Refueling Equipment.

F. Pay for all ground reel equipment and replacement of aviation refueling hose.

G. Checking battery water level in accordance with manufacturer specifications. Test and charge battery as necessary. Replace as needed.

H. Maintaining proper air pressure in tires, and making all necessary tire changes and repairs, including replacements.

I. Checking and maintaining adequate all-season antifreeze in radiator to protect cooling system properly. Antifreeze shall be maintained in Refueling Equipment throughout the Term.

J. Keeping all fire extinguishers fully charged and in good working order.

K. Pay for fuel meter calibration, if any required.

L. Inspect nozzle screens, filter, and filtering equipment daily, and clean as necessary.

M. Furnish any ladders desired by Lessee.

N. Reimburse Lessor for replacement of parts or equipment lost from Refueler Equipment to the extent of actual costs incurred by Lessor, and for all expenses incurred for repairs to, and/or replacement of parts of, the Refueling Equipment through carelessness, abuse, or neglect to the extent of actual

costs incurred by Lessor.

O. Wash and clean Refueling Equipment as necessary to maintain good appearance.

P. Advise Lessor at once if operation of truck or refueling system indicates need for repairs, which are Lessor's responsibility. Cost of local repairs or replacements by others will not be paid or reimbursed by Lessor unless prior authorization is secured from Lessor.

13. The Lessor is responsible for:

A. All major repairs if caused by normal wear and tear (engine or transmission rebuilding, etc.). For purposes herein, a major repair is anything that isn't considered Regular Maintenance., if major repairs are not timely implemented or initiated by Lessor, and temporary replacement refueling equipment cannot be provided by Lessor in the event of a loss of use of the Refueling Equipment due to a major repair for a period of more than [10 calendar days], this Agreement, regardless of any remaining Term, shall be subject to immediate termination upon written notice by the Lessee to the Lessor. **Notwithstanding the foregoing, if Lessee purchases equipment per section 3 of this Agreement Lessee assumes full responsibility for repairs and maintenance as of the date of such purchase and acquisition.**

B. Furnishing aviation fuel at regular or necessary intervals as requested by Lessee.

14. ATTORNEY AND/OR COLLECTION FEES: In the event of default by the Lessee, Lessee agrees to pay Lessor a late payment charge on any delinquent balance in the amount of 5% per annum from the date of default through the earlier of (i) the end of the Lessee's then-current fiscal year, or (ii) the cure of such default. Subject to appropriation of legally available funds by the City Council, Lessee agrees to pay any attorney or collection fees if incurred in the collection of any delinquent balance or the enforcement of this Agreement.

15. The execution of this Agreement and the performance of any act pursuant to the provisions thereof shall not be deemed or constructed to have the effect of creating between Lessor and Lessee the relationship of principal or agent, or of a partnership or joint venture.

16. This Contract may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

17. This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of South Carolina.

18. If any provision in this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction, such ruling shall not affect any other term or provision herein, except that the invalid or unenforceable provision and the other provisions in this Agreement automatically shall be modified as minimally as possible so as to be valid and

enforceable and to effectuate the intent of the parties, provided that such modification can be made while still preserving the intent of the parties, and the remaining terms and provisions, as modified, if modified, shall remain binding on the parties. In the event that no such modification can be made while still preserving the intent of the parties hereto, then the invalid or unenforceable provision shall be stricken from this Agreement, and the remaining terms, if sufficient to constitute a binding contract, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto caused this Agreement to be executed in their corporate names by their authorized officials.

TITAN AVIATION FUELS

By: _____
Robert L. Stallings, IV
President

WITNESS:

CITY OF HARTSVILLE

By: _____

WITNESS:

