

STATE OF GEORGIA RICHMOND COUNTY

AUGUSTA REGIONAL AIRPORT PROPERTY LEASE AGREEMENT

THIS PROPERTY LEASE AGREEMENT (“Lease”), made as of the date of the last of the parties’ signatures below (hereinafter referred to as the “Effective Date”), between BA Augusta, LLC, a Delaware limited liability company (hereinafter referred to as “Lessee”), and AUGUSTA, GEORGIA, a political subdivision of the State of Georgia, acting by and through its Augusta Aviation Commission (hereinafter referred to as “Lessor”).

WITNESSETH:

WHEREAS Lessor is the owner of certain land in Augusta, Georgia located within the Augusta Regional Airport (hereinafter “Airport”); and

WHEREAS Lessee desires a lease to certain property located at the Airport, and to obtain certain rights in connection therewith, more fully described hereinafter, for the initial purpose of constructing a facility for aircraft storage; and

WHEREAS Lessor deems it advantageous to itself and to the operation and development of the Airport to lease the premises described below, upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the above-mentioned property and the terms and conditions hereinafter set forth, the sufficiency of which is acknowledged by each Party, Lessor and Lessee agree as follows:

ARTICLE I

PREMISES

Lessor hereby lets and demises to Lessee for its exclusive use, subject to existing easements and right of ways, a parcel of land situated at the Augusta Regional Airport having an area of approximately 519,000 square feet of unimproved land and 150,000 square feet of paved concrete ramp and taxilane, as identified in Exhibit “A,” attached hereto and hereinafter referred to as “the Property.”

## ARTICLE II

### REPRESENTATIONS AND UNDERTAKINGS

#### A. Representations by the Lessor.

Lessor makes the following representations and warranties as the basis for the undertakings on its part herein contained:

1. Creation and Authority. Lessor is a political subdivision of the State of Georgia. Lessor is the owner of the Property referenced herein below. Lessor has all requisite power and authority to lease the same to the Lessee, enter into and perform its obligations under, and to exercise its rights under this Lease.

2. Lessor warrants to Lessee, that Lessor has the right to execute this lease and to convey the rights herein granted, and Lessor will defend the said rights to Lessee, its successors and assigns, against all claims.

3. Lessor warrants and covenants as the basis for the undertakings on its part herein contained: (i) As of the Effective Date, all governmental and quasi-governmental approvals required for the making of this Lease and the exercise by Lessee of the rights granted to Lessee hereunder have been obtained; (ii) the Property is free of defects or restrictions that would materially and adversely impede the exercise of the rights granted under this Lease; and (iii) the Property currently has, and shall have throughout the Term, direct vehicular access to and from the nearest public right of way.

#### B. Representations by the Lessee.

Lessee makes the following representations and warranties as the basis for the undertakings on its part herein contained:

1. Organization and Power. Lessee is a limited liability company and has all requisite power and authority to enter into this Lease, perform its obligations, and exercise its rights under the same.

2. Agreements are Legal and Authorized. Lessee warrants that the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (i) are within the power, legal right, and authority of Lessee, (ii) have been duly authorized by all

necessary and appropriate action on the part of Lessee, (iii) have been duly executed and delivered on the part of Lessee, (iv) are legal, valid and binding as to Lessee, subject to bankruptcy, moratorium and other equitable principles, and (v) will not conflict with or constitute on the part of Lessee a violation of, or a breach of or a default under, any charter instrument, bylaw, indenture, mortgage, deed to secure debt, pledge, note, lease, loan, installment sale agreement, contract, or other agreement or instrument to which the Lessee is a party or by which Lessee or its properties are otherwise subject or bound which would have a material adverse impact on the Lessee's ability to perform its obligations hereunder, or any judgment, order, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Lessee or any of its activities or properties.

### ARTICLE III

#### LEASING CLAUSE

A. Lessor, for and in consideration of the Public Benefit, the performance to be rendered to or for the benefit of Lessor by Lessee, and the other benefits to be received by Lessor and the members of the public residing within the borders of Lessor as result of this Lease, hereby leases and demises to Lessee, the Property, and Lessee, for and in consideration of the covenants and agreements herein contained to be kept or performed by Lessor, hereby leases from Lessor subject to and in accordance with the terms and conditions of this Lease, the Property, as follows.

- a. Parcel A, consisting of approximately 132,000 square feet of unimproved land with an additional approximately 150,000 square feet of paved concrete ramp and taxilane, for a total of approximately 282,000 square feet.
- b. Parcel B, consisting of approximately 387,000 square feet of unimproved land.

B. For Parcel A: That for and in consideration of the sum of thirty-five cents (\$0.35) per square foot for unimproved land and fifty-three cents (\$0.53) per square foot for those paved surfaces constructed by Lessor, paid by Lessee to Lessor each year, paid on a monthly basis, and the mutual agreements contained herein, and subject to the terms and conditions hereinafter stated, Lessor has this day leased to Lessee, its successors and assigns, and the Lessee has leased from Lessor, its successors and assigns, an approximately two hundred and eighty two thousand (282,000) square foot parcel of land, identified in Exhibit "A," attached hereto and hereinafter referred to as "Parcel A", Parcel A being located at the Airport; provided, however, that no sum

shall be payable until the date occurring one year after the Effective Date (the "Rent Commencement Date").

For Parcel B: That for and in consideration of the sum of ten cents (\$0.10) per square foot, paid by Lessee to Lessor each year, paid on a monthly basis, Lessor agrees they shall not (i) directly or indirectly, through any other party, engage in any negotiations with or provide any information to any other person, firm or corporation with respect to leasing the parcel; (ii) directly or indirectly, through any other party, solicit any proposal relating to the lease of, or other transaction involving, the parcel; and (iii) otherwise encumber the parcel for a period of thirty-six (36) months. In the event Lessee commences construction on Parcel B anytime within this thirty-six (36) month period, the leasing considerations will be consistent with those identified for Parcel A in Article III, Leasing Clause, Section B. In the event Lessee fails to move forward with development of Parcel B during this time frame, Lessee shall have the option to either:

- i. Relinquish Parcel B back to the Lessor through an amendment to the ground lease agreement or,
- ii. Remit rent at the full land rental rate for the ensuing twelve (12) months after which, if Lessee fails to move forward with development, Parcel B will be relinquished to the Lessor through an amendment to the ground lease agreement.

C. The foregoing lease rate for Parcel A will be increased every year on the anniversary of the Rent Commencement Date by the amount of three (3%) percent of the then-current lease rate. Lessor reserves the right to have the Property independently appraised after five (5) years to evaluate fair market value for the Property (excluding Lessee improvements) in keeping with FAA guidance. If the Lessee so desires, Lessee will have the right to commission an independent appraisal at their expense. The two appraisals will be averaged to determine a new lease rate if applicable. Any increase in the lease rate shall be capped at 10% of the lease rate applicable during the fifth year of the Term. Any fair market adjustment as described above shall apply during the sixth year of the Term. Thereafter, Lessor will have the right to reappraise the property every ten (10) years, under the same process and parameters as described above (appraisal to be independent, Lessee right to its own independent appraisal and averaging of rates, and any increase capped at 10% of the preceding year's rate). Any fair market adjustment shall apply during the first year following the appraisal. The lease rate will be increased every subsequent year on the anniversary of the Rent Commencement Date by the amount of three percent (3%) of the then-current lease rate.

D. Permitted Improvements. Notwithstanding anything in Section A of Article VII or anything else in this Lease to the contrary, Lessor further agrees that Lessee may install and construct improvements on the Property in accordance with Airport guiding documents, i.e. Rules Governing Use of the Augusta Regional Airport at Bush Field, Augusta Aviation Commission Development Standards, federal, state, and local laws and ordinances.

#### ARTICLE IV

#### TERM; POSSESSION

A. Effective Date; Lease Term; Default.

This Lease shall become effective upon the Effective Date, for a period ending on the day immediately preceding the date that is twenty-five (25) years from the Rent Commencement Date, unless renewed as provided for below (such period, including any renewals, the "Term").

Term Extension Options: This Lease Agreement may be renewed by Lessee, at Lessee's option, provided that no Event of Default is then currently outstanding or occurring, for two successive ten-year (10) Terms, at the rate contained above in Article III. Said renewal notice shall be given in writing to Lessor at least one hundred eighty (180) days prior to the expiration of the then-current Term. Upon expiration of the Term, Property will revert to Airport as identified in Article VII E. Reversion Clause. Lessee will have the first right of refusal at the subsequent lease on the Property.

1. Event of Default by Lessee; Remedies. Upon the occurrence of an "Event of Default" under this Lease, the Parties shall have all rights and remedies available at law or in equity and the right to terminate this Lease upon the other Party's failure to cure. The following shall be deemed an "Event of Default" of this Lease upon the occurrence thereof:

(a) The failure of Lessee to pay when due any rent payable pursuant to this Lease, if such failure remains un-remedied for a period of thirty (30) days after written notice thereof from Lessor;

(b) Lessee's default in the observation or performance of any covenant or obligation hereunder and the failure of Lessee to remedy such default for a period of sixty (60) days after receipt of written demand from Lessor to remedy the same. Said demand is not effective unless it specifically describes the default that is the subject of the demand. If Lessee commences, within the foregoing sixty

(60) day period, corrective action with respect to said default and is diligently pursuing the same, the deadline by which the default must be remedied shall be extended by such period as to allow reasonably sufficient time, as approved by Lessor, for Lessee to correct the default, provided Lessee commences and continues with diligence to correct such default. Should Lessee need additional time to correct the default, they must provide the details in writing with a request for extension to the Augusta Aviation Commission for review and approval, which approval shall not be unreasonably withheld;

(c) The commencement by or against Lessee, as a debtor, of a proceeding under the Bankruptcy Code or any other bankruptcy, arrangement, reorganization, receivership, custodianship or similar proceeding under any federal, state or foreign law, and such proceeding is not dismissed with prejudice within sixty (60) days of such filing;

(d) Lessee makes a general assignment for the benefit of creditors or applies for, consents to, or acquiesces in the appointment of a trustee, receiver, or other custodian for Lessee or the property of Lessee or any part thereof, or in the absence of such application, consent, or acquiescence, a trustee, receiver or other custodian is appointed for Lessee or the property of Lessee or any part thereof, and such appointment is not discharged within sixty (60) days;

(e) The commencement of an action against Lessee to foreclose any lien or mortgage or other rights of Lessee in or to the Property (excluding foreclosure of a Leasehold Mortgage in accordance with Section 5 of Article VI) and the continuation thereof unless a dismissal or termination of such action is made within sixty (60) days.

(f) The abandonment by Lessee of the Property (as described in Section F of Article VII), except in connection with its surrender thereof to an approved assignee, sub-lessee, mortgagee or other party properly succeeding to Lessee's interest hereunder.

(g) The failure to fulfill any requirements or provisions that are stated to be an "Event of Default" in any Section or Sub-Section of this Lease.

Upon an Event of Default by Lessee as set forth above Lessor may give Lessee written notice of its intention to terminate this Lease, which termination shall be effective thirty (30) days after delivery of said notice. Provided, however, that the notice of intent to terminate shall be of no force or effect if Lessee shall have remedied the breach prior to the termination date described therein. Upon such termination Lessee's rights, including the rights of any sub-lessee, to possession of the Property shall

cease. Any termination under this section must be expressly noticed as set forth herein, and neither notice to pay rent or to deliver up possession of the Property given pursuant to law, nor any proceeding instituted by Lessor, nor the failure by Lessee for any period of time to pay any of the rent herein reserved, shall of itself operate to terminate this Lease. Any lease of office or other space on or in any improvement constructed or placed on the Property shall provide for termination thereof in the event Lessor terminates this Lease pursuant to this section. All personal property on the Property after termination of this Lease shall be deemed abandoned by Lessee and subject to removal by Lessor. Lessee shall save Lessor harmless and reimburse Lessor for any costs, loss or damages occasioned by the removal of personal property as authorized under this Lease.

2. Event of Default by Lessor; Remedies. Lessor shall be deemed in material breach of this Lease upon the occurrence of any of the following:

(a) Lessee, for a period of thirty (30) consecutive days, is unable to use the Property because of any law, rule, regulation or other action or failure to act on the part of any governmental authority having jurisdiction over the Property or the Airport, provided the inability to use the Property is not due to an act or omission of Lessee, its representatives, successors and assigns, and is within the control of Lessor; or

(b) Lessor's default in the observation or performance of any covenant or obligation hereunder and the failure of Lessor to remedy such default for a period of thirty (30) days after receipt of written demand from Lessee to remedy the same. Said demand is not effective unless it specifically describes the default that is the subject of the demand. If Lessor commences, within the foregoing thirty (30) day period, corrective action with respect to said default and is diligently pursuing the same, the deadline by which the default must be remedied shall be extended to allow reasonably sufficient time for Lessor to correct the default.

Upon material breach by Lessor as set forth above, Lessee may, in addition to all other rights, remedies and recourses afforded Lessee hereunder or by law or equity, take the following actions:

(a) give Lessor written notice of its intention to terminate this Lease, which termination shall be effective thirty (30) days after delivery of said notice; provided, however, that the notice of intent to terminate shall be of no force or effect if Lessor shall have remedied the breach prior to the termination date described therein; or

(b) at its sole election (but not as its exclusive remedy), perform or observe the covenants, agreements, or obligations which are asserted to have not been performed or observed at the expense of Lessor and to recover all reasonable costs or expenses incurred in connection therewith or to offset Rent to the extent of such costs and expenses

3. Remedies Cumulative; No Implied Waiver.

All rights and remedies of Lessor and Lessee contained in this Lease, or based in law or equity shall be construed to be cumulative, and no such right or remedy shall be exclusive of any other unless so stated herein. No waiver of any default or breach of this Lease shall be implied from any acceptance by Lessor of any rent or other payments due hereunder or any omission by Lessor or Lessee to take any action on account of such default or breach if such default or breach persists or is repeated, and no express waiver shall be effective in a manner other than as expressly specified in said waiver. The consent or approval by Lessor to or of any act by Lessee requiring Lessor's consent or approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar acts by Lessee. No waiver by either party of the other party's default or breach of any of its obligations hereunder shall be construed to be or act as a waiver by the non-defaulting/breaching party of any subsequent default or breach by the defaulting/breaching party.

B. Notwithstanding any expiration or termination of this Lease, those covenants and obligations that are stated herein shall survive the expiration or termination of this Lease.

C. Delivery of Possession.

Lessee shall, commencing with the Effective Date of this Lease, have possession, custody, and control of the Property as it exists on such date, and the Lessee hereby accepts such possession, custody, and control "as is;" provided that, Lessor is not aware of any Recognized Environmental Conditions (RECs) with respect to the Property. "Recognized Environmental Condition" means the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. Lessor covenants and



agrees that it shall not take any action, permit others to take any action, or omit to take any action and/or permit others to omit to take any action to prevent Lessee from having peaceful possession and quiet enjoyment of the Property during the Lease term. Lessor shall, at the request of Lessee, cooperate with Lessee to ensure that Lessee has peaceful possession and quiet enjoyment of the Property.

Prior to the Rent Commencement Date, Lessee shall be entitled to conduct a phase 1 environmental site assessment (ESA) at its own expense with respect to the Property. In the event the ESA identifies any RECs, Lessee shall not disclose any of the findings to Lessor, but Lessee shall have the option to terminate this Lease.

D. Acceptance of Possession.

Lessee warrants that it has inspected the Property and, subject to the express representations and warranties made by Lessor in this Lease, accepts possession of the Property and the improvements thereon "as is" in its present condition, except as provided above, and subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration (FAA), Transportation Security Administration (TSA), Laws of the State of Georgia, and by ordinances of Lessor, and admits its suitability and sufficiency for the uses permitted hereunder.

E. Quiet Enjoyment, Ingress and Egress.

Lessor covenants and warrants that Lessee, as long as Lessee shall pay the rent herein stipulated and shall perform the duties and obligations herein agreed to be performed, shall peaceably and quietly have, hold, and occupy and shall have the exclusive use and enjoyment of the Property during the term of this Lease and any extensions thereof, including but not limited to ingress and egress for Lessee and its employees.

F. Entry upon Property.

Lessor may enter upon the Property upon reasonable notice and may be escorted at Lessee's option, for any purpose necessary, incidental to or connected with the exercise of its governmental functions, or to inspect the Property for compliance with all applicable laws, rules, regulations and covenants hereunder or to prevent waste, loss or destruction.

## ARTICLE V

### CONSTRUCTION OF IMPROVEMENTS BY LESSEE

Lessee hereby leases the Premises subject to, and Lessee hereby agrees to comply at its own cost with the following, as applicable, which shall collectively be referred to as the "Airport Standards": (a) all applicable building codes, zoning regulations, and county, state and federal laws, ordinances and regulations governing or regulating the Premises or its uses, (b) all covenants, easements and restrictions of record, (c) all governmental permits applicable or affecting the Premises now and in the future, such as stormwater and other environmental permits (d) Airport Rules and Regulations; (e) The Augusta Regional Airport Minimum Operating Standards, (f) Augusta Aviation Commission Development Standards (g) the Airport Security Plan; (h) the Airport Emergency Plan; (i) the Airport Certification Manual, and (j) any subsequently adopted Master Plan applicable to the Airport, all as the same may be enacted and amended from time to time.

#### A. Tenant Development Plan

1. Within one hundred fifty (150) days from the Effective Date of this Lease, Lessee shall submit a Tenant Development Plan to the Executive Director, or his designee, for his approval as set forth herein. If Lessee fails to submit a Tenant Development Plan to Airport within this period, Airport may, at any time prior to submission of a Tenant Development Plan to Airport, terminate this Lease immediately by written notice to Lessee notwithstanding anything to the contrary herein.

2. The Tenant Development Plan must include a specific description of all improvements to be initially designed and constructed upon the Real Property by Lessee (the "Tenant Improvements") The Tenant Development Plan must be sufficient in all respects to allow Airport to evaluate it for compliance with the requirements of this Lease, including all Airport Standards. In addition, the Tenant Development Plan also must include a time line for the design and construction of the Lessee Improvements by Lessee with no less than four specific benchmark dates consisting of a date for construction commencement and for completion for all construction, as well as dates for at least two other significant events in the construction of the Lessee Improvements (the "Benchmarks"); designations and restrictions for the use of certain areas on the Premises; the total cost for the Lessee Improvements; and any other pertinent information regarding the development of the Premises. The Tenant Development Plan must comply with all Airport Standards.

3. Within thirty (30) days of receipt of the proposed Tenant Development Plan, the Executive Director shall review and approve or disapprove, not to be unreasonably withheld, the proposed Tenant Development Plan submitted by Lessee. The sole method of acceptance of the Tenant Development Plan by Airport is execution by the Executive Director a Letter of Acceptance of Final Design. The failure of the Executive Director to respond to any submission by Lessee within the required time period shall not be deemed an acceptance. The Tenant Development Plan as finally approved by the Executive Director shall become the "Approved Tenant Development Plan." The Approved Tenant Development Plan may be modified by Lessee only if such modifications are approved in advance and in writing by the Executive Director, in his sole discretion.

4. If the Executive Director disapproves the Tenant Development Plan or any subsequently submitted modified Tenant Development Plan, the Executive Director will inform Lessee in writing of its disapproval with details as to the reasons for such disapproval and/or request for further clarification of the Tenant Development Plan elements. Lessee shall respond within forty five (45) days with a modified Tenant Development Plan or subsequent modified Tenant Development Plan. Modified Tenant Development Plans submitted by Lessee may include revised dates as compared to previously submitted Tenant Development Plans to account for delays necessitated by resubmission. The parties agree to negotiate in good faith to resolve any conflicting issues that may arise, but if the parties cannot agree to a Tenant Development Plan, Airport or Lessee may terminate this Lease by ten (10) days written notice to the other and, in that event, no recourse or damages shall be available to either party. During such termination notice period, Lessee may choose to accept any proposed Tenant Development Plan which the Executive Director previously provided, in writing to Lessee, would be acceptable, and in such event the termination by Airport shall be revoked.

5. In the event that Lessee fails to timely complete a Benchmark, except due to force majeure or the act or omission of Airport, then the Airport may terminate this Lease, notwithstanding Section 21, following written notice from Airport providing ninety (90) business days to complete the Benchmark. The Benchmark of completion of all construction shall be fulfilled when applicable temporary and/or permanent certificates of occupancy or equivalent approvals have been issued for all structures shown on the Tenant Development Plan. The determination of completion of any other Benchmarks shall be at Airport's reasonable judgment, which shall be exercised in good faith.

B. Construction by Lessee.

1. During the Term of this Lease, Lessee may, with the prior written approval of the Executive Director, construct, add to or alter the Lessee Improvements on the Premises subject to all terms and conditions set forth herein. Any such construction, including construction of the Lessee Improvements, any addition, or any alteration will be performed in a workmanlike manner in accordance with all applicable governmental regulations and requirements and the Airport Standards, and shall not weaken or impair the structural strength of any existing improvement or reduce the value of the Premises or any improvements thereon. The approval of the Executive Director shall not be required for interior alterations or improvements, provided that such interior alterations or improvements do not require Lessee to obtain a building permit pursuant to County Ordinance for such interior alterations or improvements. Within thirty (30) days of completion of any construction during the term hereof, including the Lessee Improvements and any other improvement and any addition or any alteration to either, Lessee shall provide a complete set of as-built drawings of same to Airport along with a certification of construction costs for all permanent improvements plus, to the extent not shown in the as-built drawings, additional drawings showing the location and details of installation of all equipment, utility lines, heating, ventilating, air-condition ducts and related matters. Lessee shall keep all said drawings current by updating the same in order to reflect thereon any changes or modifications which may be made in or to the Premises and shall provide such updates to Airport within thirty (30) days of such change or modification.

2. Design and construction specifications and documents for the Lessee Improvements must be reviewed and approved in writing for conformance with the Tenant Development Plan by the Executive Director or his designee prior to commencement of construction. The design documents for any construction, including the Lessee Improvements, any addition, or any alteration must be prepared by appropriately licensed design professionals and must be reviewed and approved in writing for conformance with the Airport Standards and the Tenant Development Plan by the Executive Director or his designee prior to commencement of construction.

3. Unless expressly waived in writing by the Airport, all construction, including the Lessee Improvements, any additions, or any alterations, the cost of which (including any site preparation, demolition or other related work) will exceed the sum of \$500,000.00, Lessee shall obtain and provide performance and payment bonds naming Airport and the leasehold mortgagee, if any, as the dual obligees or beneficiaries thereunder.

## ARTICLE VI

## FINANCING

Lessor shall consent to a mortgage or deed of trust on Lessee's leasehold interest hereunder ("Leasehold Mortgage") granted to a lending institution to secure a loan ("Leasehold Mortgagee"), the proceeds of which will be used entirely to pay for the construction of improvements on the Property and related costs, provided that the language of any such mortgage or deed of trust that requires the execution, approval, or consent of Lessor and of all related documents that require the execution, approval, or consent of Lessor shall be subject to the prior review and approval of legal counsel for Lessor. In no event shall the land comprising the Property be subject to mortgage or otherwise encumbered as security for any obligation of Lessee.

This Lease creates only the relationship of landlord and tenant between Lessor and Lessee; no estate in land shall pass out of Lessor, and Lessee shall have only a usufruct, which is not subject to levy and sale and may not be assignable in whole or in part by Lessee except as specifically provided in this Lease.

1. Right to Cure. Lessor shall give to such Leasehold Mortgagee a copy of each notice of default at the same time as any such notice shall be given by Lessor to Lessee, such copy to be addressed to Leasehold Mortgagee at the address last furnished to Lessor. Lessor shall accept performance by a Leasehold Mortgagee within the following periods of any obligation to be performed by Lessee under this Lease, with the same force and effect as though timely performed by Lessee:

(i) As to any rent and other sums payable under the Lease, within ninety (90) days after written notice from Lessor that Lessee has not cured such default within the cure period provided in the Lease.

(ii) As to all other defaults, within ninety (90) days after written notice from Lessor that Lessee has not cured within the applicable period provided in the Lease, or, if within such additional thirty (30) day period such default cannot be cured, to commence to so cure within such thirty (30) -day period and diligently and continuously proceed therewith to completion. In addition, in those instances that reasonably require any Leasehold Mortgagee to be in possession of the Property to cure any default by Lessee, the time allowed any Leasehold Mortgagee to cure any default by Lessee shall be deemed extended to include the reasonable period of time required by any Leasehold Mortgagee to obtain such possession of the Property with due diligence, and in those instances in which any Leasehold Mortgagee is prohibited by any process or injunction or any bankruptcy or insolvency proceeding

involving Lessee from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the time herein allowed any Leasehold Mortgagee to prosecute such foreclosure or other proceeding shall be extended for the period of such prohibition; provided that, in either such instance, such Leasehold Mortgagee makes payments of rent and any other monetary payments to Lessor in accordance with the terms and within the time frames set forth in the Lease.

(iii) As to any default with respect to which a Leasehold Mortgagee is without the legal power to cure by payment or performance, a Leasehold Mortgagee shall have one hundred eighty (180) days after receipt of written notice from Lessor of such default within which to give Lessor written notice that the Leasehold Mortgagee either (i) elects to become the Lessee under this Lease or (ii) appoints a successor lessee, in either case in the place and stead of Lessee on all the terms, covenants, and conditions provided in this Lease and shall pay to Lessor all expenses and reasonable attorney fees incurred by Lessor in connection with such Event of Default.

2. Not an Assignment. The execution and delivery of any Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease, nor shall a Leasehold Mortgagee, as such, be deemed an assignee of this Lease so as to require such Leasehold Mortgagee to assume the performance of any of the terms, covenants, or conditions on the part of Lessee to be performed hereunder.

3. No Modifications. Anything herein contained to the contrary notwithstanding, Lessor and Lessee mutually agree that as long as there exists an unpaid Leasehold Mortgage on the leasehold estate of Lessee, this Lease or any renewal thereof shall not be modified, amended, or altered and Lessor shall not accept a surrender of the Property or a cancellation of this Lease (provided a Leasehold Mortgagee remedies any Event of Default as provided in this Article) before the expiration or sooner termination thereof, without the prior written consent of Leasehold Mortgagee.

4. Estoppel Certificate. Lessor agrees for the benefit of any Leasehold Mortgagee that at any time, and from time to time, on not less than twenty (20) days' prior notice from Lessee or from a Leasehold Mortgagee, to deliver a certificate to Lessee and to the Leasehold Mortgagee stating that this Lease is unmodified (or, if there have been modifications, setting them forth) and in full force and effect, the dates to which Rent and other charges have been paid, and that either Lessee is not in default in the performance of any of the terms or provisions of this Lease or, if there are defaults, specifying the nature thereof with sufficient particularity that Lessee and the Leasehold Mortgagee will know the nature of

the acts that must be performed and the amounts of the payments that must be made to cure any such defaults, it being agreed that any such certificate delivered pursuant to this paragraph may be relied on by any prospective assignee of Lessee's interest in this Lease or by any Leasehold Mortgagee or prospective Leasehold Mortgagee.

5. Requirements. The foreclosure of a Leasehold Mortgage, or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in any Leasehold Mortgage, or any conveyance of the leasehold estate created hereby from Lessee to any Leasehold Mortgagee or its affiliate through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, shall be subject to all notice provisions required under Federal, Georgia or Local Law, and not breach any provision of or constitute an Event of Default under this Lease, and on such foreclosure, sale, or conveyance, Lessor shall recognize any Leasehold Mortgagee or such affiliate or designee of any Leasehold Mortgagee, or any purchaser at such foreclosure sale, as Lessee hereunder; however, such recognition shall be conditioned upon notice being provided and the execution of documents that are required by Federal, Georgia or Local Law and cannot be waived by Lessor.

## ARTICLE VII

### OBLIGATIONS OF LESSEE

A. Utilities.

Lessee shall pay for all maintenance and monthly service for water, electricity, sewer, gas and/or other utilities used on the Property throughout the term of this Lease. It is the responsibility of Lessee to connect to the utility service(s) available to the Property, and Lessor shall grant to all utility companies such easements as may be necessary to furnish said utilities to the Property. Lessor reserves the right to connect to water and sewer utility infrastructure constructed by Lessee.

B. Maintenance and Repair.

Except as may otherwise be provided for herein, the Lessor shall not be obligated to maintain or make any improvements, repairs, or restorations upon or to the Property or to any of the improvements presently located thereon. Lessor shall not have any obligation to repair, maintain, or restore, during the term of this Lease, any improvements placed upon the Property by Lessee, its successors and assigns.

C. Lessee shall, throughout the term of this Lease, assume the entire responsibility, cost, and expense for all repair and maintenance whatsoever on the Property, including all concrete pavement and taxiways constructed by Lessor, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise, and shall keep improvements thereon in a good workmanlike manner. Additionally, Lessee, without limiting the generality hereof, shall:

1. Keep at all times, in a clean and orderly condition and appearance, the Property, all improvements thereon, and all of the Lessee's fixtures, equipment, and personal property which are located on any part of the Property;

2. Provide and maintain on the Property all lights and safety equipment as required by law;

3. Repair any damage caused by Lessee or its invitees, employees, or contractors to paving, soils, water or other parts of the Property caused by any oil, gasoline, grease, lubricants, solvents, flammable liquids, or substances having a corrosive or detrimental effect thereon, and remediate any release caused by Lessee or any of its invitees and/or contractors of any substance that has a harmful effect on human health or the environment as determined by any regulatory agency;

4. Maintain any landscaped areas on the Property;

5. Be responsible for the maintenance of all utility service lines placed on the Property and used by Lessee exclusively, including but not limited to, water lines, gas lines, electrical power and communications/IT connections, and lines for sanitary sewers and storm sewers;

6. Be solely responsible for maintaining the building on the Property, including specifically but not exclusively, the roof, structures, heating, air conditioning, plumbing, and electrical facilities located therein in good working condition and state of repair at all times during the Lease Term.

7. Be solely responsible for maintaining the paved surfaces on the Property, in accordance with FAA standards, including specifically but not exclusively, the aircraft parking ramp and taxiway extending from the Property to Taxiway Alpha.

D. Limitations on Use. In connection with the exercise of its rights under this Lease, Lessee shall not:



1. Do or permit its agents, employees, contractors, directors, or officers to do anything on or about the Airport that may interfere with the effectiveness or accessibility of the drainage and sewage system, electrical system, air conditioning system, fire protection system, sprinkler system, alarm system, and fire hydrants and hoses, if any, installed or located on or within the Property of the Airport.

2. Do or permit its agents, employees, contractors, directors, or officers to do any act or thing upon the Airport that will invalidate or conflict with any fire or other casualty insurance policies covering the Airport or any part thereof.

3. Dispose of any waste material or products (whether liquid or solid) taken from or used with respect to its aircraft or equipment into the sanitary or storm sewers at the Airport unless such waste material or products are disposed of in full and complete compliance with all Federal (including the U.S. Environmental Protection Agency), State, and County laws for disposal of such waste material and products.

4. Keep or store, at any time, flammable or combustible liquids except in storage facilities especially constructed for such purposes in accordance with Federal, State, and County laws, including the Uniform Fire Code and the Uniform Building Code. For purposes of this Lease, flammable or combustible liquids shall have the same definitions as set forth in the most recent Uniform Fire Code.

5. Do or permit its agents, employees, contractors, directors, or officers to do any act or thing upon the Airport that will be in conflict with CFR Part 139 or jeopardize the Airport's operating certificate.

6. Do or permit its agents, employees, contractors, directors, or officers to do any act or thing in conflict with the Airport's TSA-approved Security Plan.

E. Reversion Clause

Upon expiration or termination of this Lease, the ownership of the building(s) and other improvements on the Property shall be determined as follows:

All improvements on the Property upon termination of this Lease shall become the property of Lessor. Prior to or Immediately upon Lease termination, Lessee shall execute all documents necessary to effectuate the transfer to Lessor of ownership of the improvements on the Property free and clear

of all liens and encumbrances. In the alternative, and at Lessor's sole discretion, Lessor may require demolition and removal, by Lessee and at Lessee's expense, of all improvements on the Property. In the event demolition and removal of improvements is required by Lessor, all demolition and removal shall be fully completed by Lease Termination and Lessee shall upon Lease termination peaceably surrender possession of the Premises to Lessor in its pre-improvement condition.

F. Abandonment of the Property.

Lessee agrees not to abandon or vacate the Property during the term of this Lease and agrees to use the Property for the purpose herein stated until the expiration or earlier termination of this Lease in accordance with the terms of this Lease, provided that no abandonment or vacating shall be deemed to have occurred as long as Lessee meets its maintenance and rental payment obligations hereunder.

G. Storage and Purchase of Gasoline and Fuels.

It is understood and agreed by the Parties hereto that Lessor has reserved unto itself exclusive control of the storage and sale of all aviation fuel ("Fuel") on or about the Airport.

H. Operational Requirements and Procedures.

The following Standard Operating Procedures govern the operation of all Lessee operations at the Airport including, without limitation, restricted areas and roadways:

1. All persons shall comply with the provisions of the Rules Governing Use of the Augusta Regional Airport, the Rules and Regulations pertaining to Vehicle/Pedestrian Operations on the Airfield, and the Airport Security Program, which are incorporated by reference herein as if fully set forth.
2. Vehicle and Aircraft Operators shall comply with all applicable Federal, State, County laws, ordinances, orders, signals, and directives given by the Executive Director, Law Enforcement Officials, Airport Representative, and traffic control devices.
3. No person shall solicit business at the Airport outside the Property.
4. No pictures, advertisements, or solicitation flyers shall be posted on the Airport premises outside the Property.

5. Lessee shall keep all doors and gates providing access to any part of the restricted area closed and locked at all times. Lessee is responsible for the security of their leased area and for access through their leased doors and gates.

I. Pedestrian/Ground Vehicle Operations Requirements. Lessee employees operating inside the restricted area shall:

1. Comply with provisions of the Airport's Ground Vehicle/Pedestrian Operations Operating Rules and Regulations.

2. Maintain the necessary licenses for the operation of their vehicles at all times.

3. Lessee's employees that have access to the Airport Operations Area (AOA) shall obtain an Airport-issued badge ("Badge") and complete the appropriate Security and Ground Vehicle/Pedestrian Operations training classes (initial and recurrent) provided by the Airport prior to operating unescorted in the AOA, i.e., restricted area or any secured area of the Airport.

J. Vehicle Requirements. Lessee's vehicles operating within the restricted area shall be operated and equipped in the following manner:

1. Have proper registration in the State of Georgia.

2. Have an Airport-approved company sign/placard conspicuously located on each side of the vehicle, either magnetically or permanently adhered.

3. Be equipped with operating amber rotating beacon, or equivalent, mounted on top of vehicle either magnetically or permanently.

4. Be in sound mechanical condition with unobstructed forward and side vision from the driver's seat.

5. Have operable headlamps and brake lights.

6. Lessee's employees operating vehicle within Airport's restricted area shall comply with all vehicle/driver requirements as described herein and with provisions of the Airport's Ground Vehicle/Pedestrian Operations and Operating Rules and Regulations.

7. Personally Owned Vehicles (POVs) are strictly prohibited in the restricted area without prior Airport authorization.

K. Restricted Area.

1. Definitions.

- a. The Airport Operations Area (AOA) is defined as any area of an airport used or intended to be used for landing, takeoff, or surface maneuvering of aircraft. The AOA includes such paved areas or unpaved areas that are used or intended to be used for the unobstructed movement of aircraft in addition to its associated runways, taxiways, or apron.
- b. Restricted Area is defined as any area of the Airport not open to the general public. The area open to the public includes the public roads and sidewalks, the terminal lobby, restrooms, and places for public gathering, waiting, and viewing. Restricted areas include AOAs and airfield areas. Access to restricted areas is controlled. Personnel accessing restricted areas must be authorized as described below.

L. Airport Badge.

1. If Lessee's employees are permitted unescorted access in the restricted area, they are required to obtain an Airport Badge prior to operating unescorted in the AOA.

2. Lessee shall ensure that all persons performing operations in the AOA and associated with Lessee's activities shall be properly badged or escorted.

3. Lessee's badged employees are required to escort their own passengers and other unbadged personnel at all times while inside the AOA. Lessee's badged employees shall remain with unbadged personnel until personnel are escorted by aircraft pilot or another badged escort.

4. Airport Badge authorizes the bearer, unescorted access to and, transit between the footprint of their hangar/building and their aircraft only. The Badge does not authorize the individual to operate a vehicle in the AOA or access any other area of the AOA on foot.

5. To qualify for a Badge, each individual must satisfy and complete Transportation Security Administration (TSA) background investigations and badge training consistent with TSA, Department of Transportation (DOT) and Federal Aviation Administration (FAA) regulations, including but not limited to, those rules promulgated by 49 U.S.C. Part 1540, Civil Aviation Security and 49 U.S.C. Part 1552, Airport Security. This may include collection of appropriate criminal history information, contractual and business associations and practices, employment histories, and reputation in the business community. Lessee consents to such inquiries and agrees to make available to the Airport such information in its possession as lawfully required by the Airport, FAA, TSA or any other federal agency for the purpose of operating under this Lease. Such information shall be maintained by the Airport in the manner prescribed by applicable federal regulations.

6. Lessee shall pay cost(s) associated with the badging process, i.e. background checks, training, etc.

7. Lessee's failure to comply with all Badge procedures shall be considered a violation of this Lease requiring prompt correction to the satisfaction of the Airport. Lessee's failure to promptly correct any violations shall be considered an event of default, as further defined and as may be governed below.

8. Employees shall satisfactorily complete the applicable Pedestrian/Ground Vehicle Operations training class given by Airport Operations before receiving an appropriate Badge.

M. Training.

1. If Lessee's employees are permitted to access and operate unescorted in the restricted area, they are required to obtain an Airport Badge and successfully complete both the Airport's Security Training Class and the Ground Vehicle/Pedestrian Operations Training Class prior to operating unescorted in the AOA and maintain the appropriate annual recurrent training thereafter.

2. Employees must pass the written test given in the Ground Vehicle/Pedestrian Operations Training class with a grade of at least eighty (80) percent. An applicant who does not pass the written test may retake the test.

3. Lessee shall ensure that all persons accessing the AOA and associated with Lessee's activities have completed required training.

4. Lessee badged and trained employees are required to operate or to escort their own vehicles and pedestrians at all times while inside the AOA.

5. Lessee vehicle(s) operating in the AOA shall be properly configured for ramp operations in accordance with Airport Rules and Regulations prior to operating a vehicle within the AOA.

6. Lessee shall pay all costs associated with providing training.

N. Consequences of Non-Compliance.

1. Lessee's failure to comply with all access and vehicle operating procedures shall be considered a violation of this Lease requiring prompt correction to the satisfaction of the Airport. Lessee's failure to promptly correct any violations shall be considered an event of default.

2. Failure to comply with the rules and regulations of the Airport's Security Program and Ground Vehicle/Pedestrian Operations will result in the temporary or permanent revocation of the Airport issued badge and thereby all access to the restricted areas on the Airport.

O. Assignments, Subletting, or Sale.

1. Lessee shall not assign this Lease or any interest herein or in the Property, or otherwise sell, transfer or sublet the Property, or permit the use of the Property by any other party other than Lessee, without prior written notice to Lessor, whose consent will not be unreasonably withheld. If Lessee desires to sell, transfer or sublet the hangar, Lessee shall provide Lessor with the following information: the name of Lessee's purchaser or subLessee, type of aeronautical operation, proof of insurance required by this Lease, information on the purchaser's or subLessee's aircraft and aircraft's registration number(s).

2. Upon prior written notice to Lessor, Lessee has the right to sell or transfer Lessee improvements to a third party during the Term of this Lease or any extension thereof. In the event of the sale of Lessee improvements, Lessee agrees that the terms and conditions of this Lease remain in effect for the remainder of the Term.

3. In the event of a sale, transfer or assignment, the purchaser, transferee or assignee will be required to sign a new lease for a remainder of the Term on the same terms and conditions of this Lease.

4. Release of Assignor's Liability. In the event Lessee (including, without limitation, any Leasehold Mortgagee, its designee, or third party who shall have acquired Lessee's leasehold interest pursuant to a judicial or nonjudicial foreclosure of the Leasehold Mortgage, a deed-in-lieu thereof, or otherwise) shall assign all of its right, title, and interest under this Lease in and to the Property pursuant to the applicable provisions of the Lease and such transferee shall, in a writing reasonably acceptable to Lessor, assume all duties and obligations of Lessee under the Lease and agrees to be bound by all provisions contained herein, such assigning Lessee shall be released from all rights, duties, and obligations of Lessee under the Lease, except with regard to any obligations of Lessee arising before the date of such assignment and assumption. The foregoing release shall be effective and self-operative without the execution of any further instruments on assignment to and assumption by such assignee. Notwithstanding the foregoing, promptly following the request of any such assigning Lessee, Lessor shall execute and deliver to such Lessee a written release consistent with the terms of this paragraph.

P. Taxes and Charges. Lessee shall pay as they become due any and all taxes, fees, assessments or charges of any type levied by any governmental entity based upon, related to, or resulting from any improvements, conditions, property, activities or operations of any kind on the Property. Lessee shall have the right at its own cost and expense to contest the amount or validity of any tax, fee, assessment or charge and to bring or defend any actions involving the amount or validity thereof in its own name or, if necessary and approved by Lessor, in the name of Lessor; provided that, if unsuccessful, Lessee shall pay and discharge any such tax, fee, assessment or charge so contested, together with any penalties, fines, interest, costs and expenses, including reasonable attorneys' fees, that may result from any such action by Lessee, and provided that, pending resolution of any proceeding contesting a tax, fee, assessment or charge, Lessee shall take any actions necessary, including conditional payment of the amount in dispute, to prevent the attachment or accrual of any lien or penalty.

ARTICLE VIII

ALTERATIONS, ADDITIONS AND CHANGES

A. Lessee shall not, without the prior consent of Lessor, which consent shall not be unreasonably withheld or delayed, make any alterations, changes or additions, structural or otherwise, in or upon any

part of the Property. All alterations, additions and improvements shall be done in a good and workman-like manner and in accordance with all applicable laws and the Airport's Development Standards without impairing the structural soundness of the building. Lessor agrees, if necessary, to join in any applications to governmental authorities for such permits as may be required to do the work contemplated in this Section. All applications and permits shall be at Lessee's sole expense. Prior to construction, Lessee shall file with the FAA a complete and accurate FAA Form 7460-1. Use of the Property and construction of improvements thereon may not proceed or be maintained by Lessee if the FAA does not determine that the improvements proposed for the Property would not be a hazard to air navigation. If the FAA's determination of no hazard to air navigation is conditional, Lessee shall satisfy all conditions underlying the determination. All improvements, alterations or fixtures constructed or placed on the Property shall comply with local building codes and all other applicable laws, covenants and regulations. Approval by Lessor shall not constitute an opinion or warranty that any items or conditions so approved are in compliance with applicable codes, laws, covenants or regulations.

B. Lessor shall not be required to perform any repairs or any other improvements to the Property whatsoever. Lessee, at its cost and expense, shall at all times maintain the Property in as good condition as when received by Lessee, excepting only normal wear and damage resulting from fire or other casualty which is beyond the control of Lessee and does not result from negligence of the Lessee. At the expiration or termination of the terms herein described, Lessee shall surrender the Property to Lessor in as good or better condition as when received by Lessee, excepting only normal wear.

## ARTICLE IX

### USE

A. It is understood and agreed that said Lessee shall use the Property only for aircraft storage and associated office space for hangar tenants. Lessee shall be permitted to change the use of the Property from aircraft storage with the prior written consent of Lessor, which consent shall not be unreasonably withheld, and the Property shall thereafter continue to be subject to all rules, regulations, and laws applicable to the use of Airport property.

B. Access. Lessor hereby grants Lessee permission to construct, at Lessee's cost, a segment of paving for a drive aisle on the currently-unimproved land adjacent to the Property, to connect the Property to the Airport's hangar access road, thereby providing uninterrupted, paved vehicular access



between the Property and nearest public right-of-way ("Drive Path"). Lessor shall be responsible for maintaining the Drive Path in good condition and repair throughout the Term.

C. Rules and Regulations.

Lessee agrees that use of the Property and that its operations in and upon the Property shall be conducted in compliance with all applicable local, state and federal laws, including but not limited to those of, or administered by, the FAA or its successor, TSA, the ordinances and Code of Augusta, Georgia, the Rules and Regulations of the Augusta-Regional Airport and the Augusta Aviation Commission. The Airport Executive Director will at all times be in full and complete charge of said Airport.

D. Lessee further agrees to endeavor to conduct its business in such a manner as will develop and maintain the good will and active interest of the general public.

E. Lessee specifically agrees that its operations shall be conducted in compliance with all applicable federal, state and local environmental laws, rules and regulations (collectively, "Environmental Laws"). Lessee's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required repair, cleanup or remediation of the Property necessary to comply with Environmental Laws, provided such required repair, cleanup, or remediation is required due to Lessee's failure to comply with Environmental Laws.

F. Operating Standards.

In providing any of the required and/or authorized services or activities specified in this Lease, Lessee shall operate for the use and benefit of the public and shall comply with the reasonable minimum operating standards or requirements, promulgated by Lessor, and as amended from time to time, applicable to each of Lessee's activities on the Airport.

G. Aerial Approaches.

Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft.

H. Lessor may enter upon the Property at reasonable hours, in the presence of Lessee, so as not to interfere with Lessee's business, to inspect the building for the purpose of seeing that the Lessee is complying with all of its obligations set forth in this Lease.

I. Use of Landing Areas.

It is expressly understood and agreed by the Parties hereto that the use of all landing areas at Airport shall be open at all times to all persons, firms, and corporations desiring to use same, provided only that such use shall be in accordance with the rules and regulations of the United States Government, TSA, FAA, the laws of the State of Georgia, and the rules and regulations of Lessor.

J. Security.

Lessee shall not bring into or operate any ground vehicle or motorized equipment within any air operations area, unless having first complied with all insurance provisions and requirements specified in this Lease, as well as the Airport Vehicle Training Program and the Airport Lessee Security Program, as defined by TSA. When operating within any air operations area, Lessee shall cause its vehicles and equipment to move directly to and from the entrance gate of Lessee's Property and the aircraft and shall not enter or move about any other non-movement area. Lessee, its officers, employees, agents, and those under its control, shall comply with security measures required of Lessee or the Aviation Commission by the FAA, TSA, U. S. Department of Transportation, or contained in any Airport Master Security Plan approved by the TSA, including an Airport Lessee Security Program as outlined in 49 CFR Part 1542 respective to Lessee's Exclusive Use Space. If Lessee, its officers, employees, agents, or those under its control shall fail or refuse to comply with said measures and such noncompliance results in a monetary penalty being assessed against Lessor and/or the Augusta Aviation Commission, then Lessee shall be responsible and shall reimburse Lessor and/or the Augusta Aviation Commission in the full amount of any such monetary penalty or other damages, including reasonable attorney fees and other costs to defend Lessor and/or the Augusta Aviation Commission against such claims.

K. Lessee shall be responsible for having employee background checks performed through the Augusta Regional Airport. Lessee shall reimburse the Augusta Aviation Commission its costs, plus fifteen percent (15%) for administration expenses.

L. Lessee is responsible for safely securing all aircraft or equipment stored in or about the Property, in compliance with all applicable rules, regulations and laws of the United States of America, including the rules of the Federal Aviation Administration, the State of Georgia, the Lessor, and all local authorities having proper jurisdiction over the Property.

M. Lessee acknowledges that the Property does not have manned security, and Lessee shall be responsible for any damage or theft of Lessee's Designated Aircraft, equipment, or other property located in the Property unless such damage is directly due to the gross negligence of Lessor.

N. Storage by Lessee of Lessee's personal property or the personal property of any of Lessee's employees, agents, licensees, guests, or invitees, in or about the Property shall be done at Lessee's sole risk and Lessor shall not be responsible, in any way, for any damage to, or any loss of any such personal property stored in or about the Property.

O. Movement of Aircraft.

Except as otherwise stated herein, throughout the Lease term, Lessee shall be solely responsible for the movement of its Aircraft into and out of the Property, as well as all other movement of its Aircraft upon the Property (the "Aircraft Movement"), and at no time shall Lessor be under any obligation to assist Lessee in any Aircraft Movement or undertake any Aircraft Movement on Lessee's behalf.

P. Hazardous Substances.

Lessee shall be liable for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, emission, discharge or release from the Property caused by its officers, employees or agents of any Hazardous Substance (including any losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees, costs of any settlement or judgment or claims as awarded by the Court arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called federal, state, or local "Superfund" or "Superlien" laws, statutes, law, ordinance, code, rule, regulations, order or decree regulating, with respect to or imposing liability, including strict liability, in regard to any Hazardous Substances), arising out of negligent acts of Lessee. For purposes of this Lease "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by Congress or the EPA

or defined by any other federal, state or local statute, law, ordinance, code, rule, regulations, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, and hazardous, toxic or dangerous waste, substance or material as now or at any time hereunder in effect. If Lessee receives any notice of (i) the happening of any material event involving the spill, release, leak, seepage, discharge or cleanup of any Hazardous Substance on the Leased Property or in connection with Lessee's operations thereon, or (ii) any complaint, order, citation or material notice with regard to air emissions, water discharges, or any other environmental, health or safety matter affecting Lessee (an "Environmental Complaint"), from any person or entity (including without limitation, the EPA), then Lessee shall immediately notify Lessor orally and in writing of said notice. The breach of any warranty, representation, or agreement contained in this Section shall be an Event of Default hereunder and shall entitle Lessor to exercise any and all remedies provided in this Lease, or otherwise permitted by law.

## ARTICLE X

### INSURANCE AND INDEMNIFICATION

#### A. Insurance.

1. General Information. Lessee agrees to carry and maintain, or to cause its permitted sub-lessee or qualified third-party management company, to carry and maintain, in force at all times during the Lease Term, at Lessee's or its permitted sub-lessee's sole expense, the insurance described herein in this Article X. A below for itself or its permitted sub-lessee.

2. Lessor reserves the right to amend the insurance requirements imposed by this Lease at any time, provided any such amendment is not unreasonable, which amendment shall be in accordance with the following:

- a. Lessee understands and agrees that the minimum limits of the insurance required herein may become inadequate during the Lease Term and that, if in any way, directly or indirectly, contingently or otherwise, affects or might affect the Airport or Augusta, Georgia, as determined in the sole but reasonable discretion of the Airport's Executive Director, Lessee will increase such minimum

limits by reasonable amounts on written request of the Airport's Executive Director, with the concurrence of the Lessor's insurance broker/underwriter. No such amendment shall reduce the coverage amounts lower than as stated in this Lease.

- b. Within thirty (30) days of the publication by Lessor of any such modifications the foregoing insurance requirements, Lessee shall deliver to Lessor insurance certificates certifying compliance with such modified coverage(s).
- c. No written amendment of this Lease shall be required to effectuate said increases in minimum limits.

3. All insurance required hereunder shall be provided through qualified self-insurance or commercial insurance insurers rated A- VII, or better by A.M. Best. Limits provided may be satisfied by a combination of primary and excess insurance, and shall be issued by a company licensed, qualified and authorized to transact business in the State of Georgia.

4. The insurance policies for coverage listed in this section shall contain a provision that written notice of cancellation or any material change in policy by the insurer shall be delivered to the Lessor no less than thirty (30) days prior to cancellation or change.

5. Proof of Insurance. Lessee shall provide Lessor with an annual Certificate of Insurance on all required insurance within ten (10) days upon the effective date of this Lease and annually upon the effective date thereafter. Lessor reserves the right to require complete, certified copies of all required insurance policies at any time.

6. Subcontractors and Sub-lessees: Lessee shall require that any of its agents and subcontractors who perform work and/or services pursuant to the provisions of this Lease and all sub-lessees carry commercially reasonable insurance coverage commensurate with their use or access as consistent with industry standards for that use or access.

7. Lessee shall obtain and maintain continuously in effect, at all times during the term of this Lease, at Lessee's sole expense, the following insurance:

- a. Comprehensive Aircraft Liability Insurance. Comprehensive Aircraft Liability insurance, (including liability for bodily injury and property damage, passenger liability, airport premises liability, personal injury liability and contractual liability),

combined single limit of liability of not less than \$5,000,000. Coverage shall include bodily injury or death to person's in or about the facility and/or property damage to the facility and/or other aircraft stored in or about the Property resulting from Lessee's preventive maintenance, routine aircraft servicing, or minor repair activities. The foregoing insurance shall be endorsed to state that it will be primary to Lessor's insurance and that the Lessee waives its right of subrogation against Augusta, Georgia, the Augusta Aviation Commission, and their officers, agents, elected and appointed officials, representatives, volunteers, and employees. The Augusta Aviation Commission and Augusta, Georgia, and their officers, agents, elected and appointed officials shall be added as additional insureds on said policies. Said policy shall contain Severability of Interest Clause and Contractual Liability coverage.

- b. General Liability Insurance. General liability insurance with a combined single limit of not less than \$5,000,000 covering Lessee's off-airport operations. The foregoing insurance shall be endorsed to state that it will be primary to Lessor's insurance and that the Lessee waives its right of subrogation against the Augusta Aviation Commission, Augusta, Georgia, and their officers, agents, elected and appointed officials, representatives, volunteers, and employees. The Augusta Aviation Commission, Augusta, Georgia and their officers, agents, elected and appointed officials shall be added as additional insureds on said policies. Said policy shall contain Severability of Interest Clause and Contractual Liability coverage at least as broad as that given in the most current CG 00 01 ISO form.
- c. Airport Liability/Hangarkeepers Liability: Lessee shall procure and maintain, during the life of this Lease, Airport Liability Insurance, including Hangarkeepers Liability, in a policy form customarily carried at the time in the United States. The Airport Liability Insurance coverage shall include limits not less than \$5,000,000 per occurrence combined single limit and the Hangarkeepers Liability coverage shall include limits of not less than \$5,000,000 per occurrence combined single limit. A list of all exclusions not considered "standard and customary" to the form of policy customarily carried at the time in the United States shall be attached to the Certificate of Insurance or a copy of the insurance policy may be submitted.

- d. **Property Insurance:** Lessee shall procure and maintain during the life of this Lease, Property Insurance, in a form at least as broad as the standard Insurance Services Office special cause of loss form, and flood insurance covering all currently existing buildings as well as any new buildings constructed. These policies shall insure, and shall be sufficient to cover the replacement value of, all improvements installed on the Premises, and all fixtures, furnishings, equipment and decoration kept, furnished or installed on the Premises. The insurance policy(ies) secured pursuant to this paragraph shall provide coverage on a replacement cost basis.
- e. **Builder's Risk Insurance:** Lessee shall purchase builder's risk insurance for the full value of the improvements to be constructed pursuant to the Tenant Development Plan and shall maintain such insurance until all certificates of occupancy have been issued. For any building later constructed, Lessee shall purchase builder's risk insurance for the full value of the building to be constructed and shall maintain such insurance until all certificates of occupancy have been issued.
- f. **Workers' Compensation Insurance.** If Lessee has employees, it shall provide Workers' Compensation insurance with statutory limits and employers liability with a limit of \$500,000 for employees and subcontractors entering the hangar or office space with limits of liability of not less than Five Hundred Thousand Dollars (\$500,000.00) for each accident/disease. Such policy (ies) shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the Augusta Aviation Commission, Augusta, Georgia, and their officers, agents, elected and appointed officials, representatives, volunteers, and employees.
- g. **Automobile Liability Insurance.** Lessee shall provide Automobile Liability insurance with a combined single limit of not less than \$1,000,000 covering Lessee's automobiles while on and off the airport premises. Policy must be written on a Symbol 1 basis. However, if it is determined that Lessee's automobiles are to be used in restricted areas of the Airport; Lessee shall provide Automobile Liability with a combined single limit of not less than \$5,000,000. The foregoing insurance shall be endorsed to state that it will be primary to Lessor's insurance and that the carrier waives its right of subrogation against the Augusta Aviation Commission

and Augusta, Georgia, and their officers, agents, elected and appointed officials, representatives, volunteers, and employees. The Augusta Aviation Commission and Augusta, Georgia, and their officers, agents, elected and appointed officials shall be added as additional insureds on said policies. Said policy shall contain Severability of Interest Clause and Contractual Liability coverage at least as broad as that given in the most current CA 00 01 ISO form.

B. Indemnity.

1. Lessee shall indemnify and hold harmless the Lessor and the Augusta Aviation Commission, Augusta, Georgia and their members, officers, elected officials, agents, servants, employees and successors in office from any and all claims including reasonable attorney's fees and expenses of litigation incurred by Augusta, Georgia and/or Augusta Aviation Commission, in connection therewith, related to or arising out of any damage or injury to property or persons, occurring or allegedly occurring in, on or about the Airport's property which are in any way related to or arising out of any failure of Lessee to perform its obligations hereunder, or any negligence act of Lessee's officers, employees or agents, during the period from the date of this Lease to the end of the Lease Term, except to the extent that such claims, demands, suits, judgment, costs and expenses may be directly attributed to any act of negligence on the part of Lessor or their agents, employees, directors, officers, guests, licensees and invitees .
2. Lessee further agrees that the foregoing contract to indemnify and hold harmless applies to any claims for damage or injury to any individuals employed or retained by Lessee and hereby releases Lessor from liability in connection with any such claims.
3. Lessee shall keep, defend and hold harmless Lessor, Augusta, Georgia, the Augusta Aviation Commission and their respective agents, employees, directors, officers, guests, licensees and invitees, from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of Lessee, by reason of death or injury to persons or loss or damage to property, resulting from Lessee's operations and occupancy of the Property, or anything done or omitted by Lessee under this Lease except to the extent that such claims, demands, suits, judgment, costs and expenses may be directly attributed to any act of negligence on the part of Lessor or their agents, employees, directors, officers, guests, licensees and invitees.
4. The obligation to provide indemnification under this Agreement shall be contingent upon the



Lessor providing Lessee with timely written notice of any claim for which indemnification is sought, allowing Lessee to control the defense of such claim; provided, however that the Lessee agrees not to enter into any settlement or compromise of any claim or action without the Lessor's prior written consent, which will not be unreasonably withheld. The Lessor shall cooperate with the Lessee in connection with such defense. Nothing in this Section is intended to prohibit a Party from engaging its own legal counsel, at its own expense, to investigate or defend against any claim.

## ARTICLE XI

### MISCELLANEOUS PROVISION

A. It is agreed between the Parties hereto that this Lease shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns.

B. Force Majeure.

Force Majeure shall mean delays caused by or resulting from an Act of God, severe weather conditions, war, insurrection, riot, civil commotion, epidemic, pandemic, declared National, State, and/or Local state of emergency, fire or other casualty, strikes, lockouts, inability to obtain labor or materials, or other causes beyond the party's reasonable control. Neither party shall have any liability whatsoever to the other party on account of any event of Force Majeure. If this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay caused by any event of Force Majeure. However, an event of Force Majeure shall not in any way affect Lessee's obligation to pay rent or other moneys due, nor shall it extend the term of this Lease.

C. Notices.

All notices, demands, and request which may or are required to be given by either Lessor or Lessee to the other shall be in writing and shall be deemed to have been properly given when sent postage pre-paid by registered or certified mail (with return receipt requested) addressed as follows:

If to Lessee:

BA Augusta, LLC  
602 E. Cooper Ave.  
Suite 201  
Aspen, CO 81611

If to Lessor:

Augusta Aviation Commission  
Augusta Regional Airport  
1501 Aviation Way  
Augusta, Georgia 30906-9600  
Attention: Aviation Director

With copy to:

Augusta, Georgia  
ATTN: General Counsel  
535 Telfair Street, Building 3000  
Augusta, Georgia 30901

Either Party may change the address and name of addressee to which subsequent notices are to be sent by notice to the other given as aforesaid.

D. Covenants Bind and Benefit Successors and Assigns.

The provisions of this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns; provided, however, that no one shall have any benefit or acquire any rights under this Lease pursuant to any conveyance, transfer, or assignment in violation of any of its provisions.

E. Governing Law and Venue.

This Lease shall be construed and enforced in accordance with the laws of the State of Georgia. The Parties hereby submit to the exclusive jurisdiction of the Superior Court of Augusta, Georgia for the purposes of all legal proceedings arising out of or relating to this Lease and the Parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the venue of any such proceeding which is brought in such a court.

F. Severability.

In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

G. Time.

Time is of the essence in performance under this Lease.

H. Execution of Counterparts.

This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

I. Covenants Run with Property.

The covenants, agreements, and conditions herein contained shall run with the Property hereby leased and shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective successors and assigns.

J. Relationship of the Parties.

The relationship of the Parties under this Lease shall be that of independent principals and nothing herein or in any related document or representation shall be construed to create or imply any relationship of employment, agency, partnership or any other relationship other than that of independent principals. Each of the Parties acknowledge and agree that each is engaged in a separate and independent business or activities and neither shall state, represent or imply any interest in or control over the business of the other.

K. Georgia Open Records Act.

Lessee acknowledges that this Agreement and certain documentation may be subject to the Georgia Open Records Act (OCGA §50-18-70, et seq.). Lessee shall cooperate fully in responding to such requests and shall make all records, not exempt, available for inspection and copying as required by law.

L. Venue and Jurisdiction.

This Agreement shall be governed by and construed in accordance with the internal laws of the State of Georgia without giving effect to any choice or conflict of law provision or rule (whether of the

State of Georgia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Georgia. Any legal suit, action or proceeding arising out of or related to this Agreement or the matters contemplated hereunder shall be instituted exclusively in the federal or state courts located in Richmond County, Georgia. Each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding and waives any objection based on improper venue or forum non conveniens. Service of process, summons, notice or other document by mail to such Party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court.

M. Entire Agreement.

This Lease contains the entire agreement of the Parties, and no representations, inducements, promises or agreements, oral or otherwise, between the Parties not embodied herein shall be of any force or effect. This Lease supersedes any prior agreements with respect thereto. This Lease shall inure to the benefit of and be binding upon the Lessor, the Lessee, and their respective successors and assigns. No failure of either Party to exercise any power given it hereunder, or to insist upon strict compliance by either Party of any obligations hereunder, and no custom or practice of the Parties at variance with the terms hereof shall constitute a waiver of either Party's right to demand exact compliance with the terms hereof.

N. Approval by the Airport Sponsor.

Upon approval of this Lease by the Airport Sponsor, the Mayor shall execute this Lease on behalf of the Augusta Regional Airport. This Agreement may only be modified by a written amendment signed by an authorized representative of each Party. Lessee acknowledges that this Lease and any changes to it by amendment, modification, change order or other similar document may have required or may require the authorization and approval of the Airport Sponsor and the Mayor. Under Georgia law, Lessee is deemed to possess knowledge concerning Airport Sponsor's ability to assume contractual obligations and the consequences for Lessee of entering into any contract, amendment, modification, or other similar document without the authorization and approval of the Airport Sponsor and the Mayor. In the event of such unauthorized actions, Airport Sponsor and/or the Augusta Aviation Commission shall not be held liable, responsible, or obligated to perform under such unauthorized actions and shall not be in breach of contract of such unauthorized actions if it chooses not to adhere to said actions.

O. Amendment.

This Lease may not be amended at any time except by written agreement of Lessor and Lessee.

P. Eminent domain.

If the Property shall be taken or condemned by any competent authority, including the FAA, for any governmental or public use or purpose, or conveyed to such authority in lieu of a threatened or imminent condemnation, the term of this Lease shall cease and terminate from the date of such taking or conveyance. In such case, the current rental shall be abated as of the effective date of such taking or conveyance, and the award shall belong to and be the sole property of Lessor.

Q. Non-Discrimination.

Notwithstanding any other provision of this Lease, during the performance of this Lease, Lessee, for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration of this Lease does hereby covenant and agree, as a covenant running with the land, that:

1. No person on the grounds of race, color, religion, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Property;

2. In the construction of any improvements on, over or under the Property, and the furnishing of services therein or thereon, no person on the grounds of race, color, religion, sex or national origin shall be excluded from participation in, or denied the benefits of, such activities, or otherwise be subjected to discrimination;

3. Lessee shall use the Property in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations (“C.F.R.”), Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation — Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

4. In the event of breach of any of the above nondiscrimination covenants, Lessor shall have the right to terminate this Lease and to reenter and repossess the Property and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 C.F.R. Part 21 have been followed and completed including expiration of appeal rights.

5. Lessee assures that it will undertake an affirmative action program, as required by 14 C.F.R. Part 152, Sub-part E, to ensure that no person shall, on the grounds of race, creed, color, national

origin, or sex, be excluded from participating in any employment, contracting or leasing activities covered in 14 C.F.R. Part 152, Sub-part E. Lessee assures that no person shall be excluded, on these grounds, from participating in or receiving the services or benefits of any program or activity covered by Sub-part.

6. Lessee assures that it will require that its covered organizations provide assurance to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 C.F.R. Part 152, Sub-part E, to the same effect.

7. Lessee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 C.F.R. Part 152, Sub-part E, or by any federal, state, or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order, or similar mechanism. Lessee agrees to obtain a similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered sub-organizations, as required by 14 C.F.R. Part 152, Sub-part E.

R. Requirements of the United States.

This Lease shall be subject and subordinate to the provisions of any existing or future agreement between Lessor and the United States, or any agency thereof, 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 operation of the Airport; provided, however, that Lessor shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provisions protecting and preserving the rights of Lessee in and to the Property, and to compensation for the taking thereof, interference therewith and damage thereto, caused by such agreement or by actions of Lessor or the United States pursuant thereto.

*[signatures appear on following page]*

IN WITNESS THEREOF, the said Parties hereto have executed this Lease or caused this Lease to be executed the day and year first above written.

LESSEE:

LESSOR:

AUGUSTA, GEORGIA

By: \_\_\_\_\_

Name:

Its:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit "A"

Map of the Property and Surrounding Area

[[[to be added]]]





250 FT

March 29, 2023



**BURRELL AVIATION**

INVEST | BUILD | OPERATE





S:\1\PROJECTS\UTILITY PROJECTS\2022 DES - NORTH ROAD - PAVING, GRADING, DRAINAGE, WATER AND SEWER/WATERLINE AND SANITARY EXHIBIT.DWG  
12/20/2022 10:58 PM



**AUGUSTA REGIONAL AIRPORT**  
1501 AVIATION WAY  
AUGUSTA, GA  
HANGAR N1 RAMP AND TAXIALNE  
0119700  
2/1/2022

NORTH DEVELOPMENT UTILITY EXHIBIT

**Mead & Hunt**  
FIGURE 1

