

ATTACHMENT 1
T-HANGAR STANDARD CONDITIONS
FOR PERRY HOUSTON COUNTY AIRPORT

LANDLORD COVENANTS

ASSIGNMENT AND SUBLETTING. Tenant shall not assign or sublet the Premises. Tenant may:

- A. License another party to temporarily store such party's aircraft in the Premises, subject to the Landlord's prior written approval which may be withheld by the Landlord in its sole discretion. Such temporary use may be of all or only a portion of the hangar and shall in all respects be in compliance with the terms of this Lease and shall under no circumstances continue for a period of longer than three months. In the event of any such license, both Tenant and such licensee shall be jointly and severally bound by and liable for all the terms and conditions of this Lease.
- B. Upon receipt of written approval of the Landlord, which may be withheld by the Landlord in its sole discretion, Tenant may sublease, for all or part of the term of this Lease, a portion of the hangar for storage of an additional aircraft that is owned or exclusively leased by another party, provided that use of the hangar remains primarily for storage of Tenant's aircraft. In the event of any such sublease, both Tenant and such subTenant shall be jointly and severally bound by and liable for all the terms and conditions of this lease.
- C. In the event the registered owner of the aircraft authorized herein sells such aircraft to another party, this Lease may be assigned to such subsequent aircraft owner upon prior written approval of the Landlord.

BUILDING MODIFICATIONS. Tenant shall not paint, remove, deface, modify, bend, drill, cut or otherwise alter or modify any part of the Premises without the prior written permission of the Landlord.

COMMERCIAL ACTIVITIES. Tenant shall not either directly or indirectly, conduct or promote any commercial activities within or from the Premises or in the T-hangar area, unless expressly licensed or permitted in writing by the Landlord to do so. For purposes of this Lease, commercial activity includes all types of vocations, occupations, professions, enterprises, establishments, and all other types of Activities and matters, together with all devices, machines, Vehicles, and Equipment used therein, any of which are conducted, used, or carried on for the purpose of earning, in whole or in part, a profit or livelihood, whether or not a profit or livelihood actually is earned thereby. Such examples include but are not limited to maintenance or inspection of aircraft not authorized herein, aircraft charter, aircraft rental, flight training, banner towing, and sale of aircraft parts or supplies, for compensation whether in the form of cash, credit or barter.

COMPLIANCE WITH LAWS. Tenant shall comply with all federal, state and local laws and regulations, including the Landlord's Regulations applicable to this Lease, including, but not limited to, those

pertaining to fire, safety, and the environment. Tenant, at its own expense, shall secure all occupational and professional licenses and permits from public or private sources necessary for the fulfillment of its obligations under this Lease.

ENVIRONMENTAL. Tenant shall comply with all laws relating to the environment, hazardous substances and materials, and petroleum products in connection with the use of the Premises. If the Premises become environmentally contaminated during Tenant's occupancy of the Premises under this Lease or otherwise, Tenant shall be responsible for all costs related to the environmental remediation of the Premises. Tenant agrees to indemnify the Landlord for any claims, loss, costs, and/or expenses it incurs due to such contamination and/or remediation. The Landlord shall be held free and harmless from any and all failure by Tenant to comply with the terms of this provision.

FIRE HAZARDS.

- A. Tenant shall not store more than 5 gallons of flammable fluids of any one kind, or reasonable amounts of aircraft lubricants, within the Premises outside of the aircraft's fuel cell or motor vehicle's fuel cell. Any such fluids shall be stored, dispensed and disposed of in accordance with applicable fire codes, safety ordinances, and environmental regulations and laws.
- B. Tenant shall not install or use any heater with an open flame or glowing element, including those commonly referred to as salamander or torpedo heaters, in the Premises. The installation or use of any other heaters or heating equipment shall require the Landlord's advance written authorization and shall be subject to all National Fire Protection Association (NFPA) guidelines. Tenant shall not operate any heater or heating equipment while Tenant is not actually physically present in the Premises.
- C. Tenant shall not install or use any non-approved dehumidifiers, air conditioning units, portable, window or other in the premises. Tenant shall not leave fans running when not present on the premises.
- D. Tenant shall not place or store anything within the Premises that constitutes a fire or safety hazard or that violates federal, state, or local codes or that precludes the Landlord's ability to inspect the Premises.

HOISTING AND WINCH EQUIPMENT. Subject to prior written approval by the Landlord, Tenant may install at Tenant's expense a power or hand operated winch to assist with maneuvering and hanging of the airplane within the Premises. However, any winch may be attached only to the hangar floor or be attached in a non-permanent way to the hangar structure. A hoisting mechanism such as a chain-ball, block and tackle, or other hoisting device shall be prohibited. Upon request of the Landlord, Tenant shall remove the device and the hangar shall be returned to its original condition at the termination of the lease.

INDEMNIFICATION. Tenant agrees to indemnify and save the Landlord, officers, agents and employees of the Perry-Houston County Airport Authority harmless from any liability, including, but not limited to claims, judgments, fines, costs and reasonable attorney's fees, to persons or property resulting from or arising out of or in any way connected with Tenant's use or occupancy of the Premises and/or the Airport, except to the extent such claims, judgments, fines, costs, and attorney's fees result from or arise out of the sole negligence of the Landlord.

INVITEES AND VISITORS. Tenant shall be responsible for the conduct and actions of any of Tenant's invitees and visitors to the T- Hangars, and will not permit such invitees and visitors to solicit business from other Tenants at the Airport.

LIFTING DEVICES. Subject to prior written approval by the Landlord, Tenant may install at Tenant's expense an aircraft vertical lift system for the purpose of storing an additional aircraft. Such vertical lift device must be similar in design and structural integrity of ARM Aerospace, LLC's Aero Lift and secured to the hangar floor. Such lift shall not be attached in any way to the hangar structure. If such vertical lift system is approved in writing by the Landlord, the following two conditions shall apply:

- A. Any second aircraft stored in Premises must be owned by Tenant and authorized for storage under tenants current Lease.
- B. At all times during the term of this Lease, the Tenant shall carry, and shall furnish the Landlord with evidence of Premises Liability issued by an insurance company acceptable to the Landlord with combined single limits of not less than \$1,000,000, which provides coverage for public liability, property damage, and bodily injury. The Landlord shall be named an additional insured; and Tenant shall furnish satisfactory evidence that such insurance is in effect and will not be cancelled during the term of this Lease without 30 days prior written notice of such cancellation to Landlord.

Upon request of the Landlord, Tenant shall remove the device and the hangar shall be returned to its original condition at the termination of this Lease.

MAINTENANCE OF AIRCRAFT. Tenant may perform, or have performed, maintenance and inspections on aircraft owned or leased by Tenant, but only to the extent that Tenant is permitted by under Part 43 of Title 14 of the Code of Federal Regulations to conduct such activities. In the event Tenant elects to obtain the services of another party for maintenance or inspection of aircraft authorized herein, Tenant shall obtain the services of an individual or company licensed or otherwise authorized, by the Landlord to conduct such maintenance or inspections at the Airport. Upon Tenant's request, the Landlord shall provide Tenant with a list of such authorized individuals or companies.

NON-LIABILITY OF LANDLORD. The Landlord shall not be liable for any damage either to person or property,

sustained by Tenant or by other persons due to the Airport or the Premises or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of any accident in or about the Airport or the Premises, or due to any act or neglect of any tenant or occupant of the Airport, or of any other person, unless and only to this extent resulting from the gross negligence of the Landlord, its officers, agents or employees. Without limiting the generality of the foregoing, the Landlord shall not be liable for damage caused by water, steam, sewerage, gas, bursting or leaking of pipes or plumbing or electrical causes, or the intentional or negligent acts of contractors or licensees of the Landlord, or tenants of the Airport.

PAINTING. Tenant shall not perform, or have performed, painting or "doping" operations of any kind within the Premises, except for minor touch up using a brush, only. Use of air compressors or air brushes for painting shall be strictly prohibited.

SIGNAGE. No signs, emblems, or advertising shall be placed or erected on or in the Premises herein demised, nor shall Tenant make any alterations, changes or additions to the Premises.

TAXES. Tenant shall pay all personal property taxes which may be assessed against equipment, merchandise, or other personal property belonging to the Tenant located on the Premises, or other permitted portions of the Airport.

TRASH.

- A. Tenant shall be responsible for keeping the Premises in a neat and orderly fashion. Accumulation of rubbish, trash, rags, cans, grease, and food items in or about the T-Hangars is prohibited. Tenant shall keep the T-Hangar clean at all times. The Premises shall be subject to inspection by the Landlord and if found to be a fire or accident hazard or otherwise not to be in a neat and orderly condition, Tenant shall be so informed in writing and Tenant shall, within three days of this notice, clean the Premises to the Landlord's satisfaction.
- B. At the termination of this Agreement, Tenant shall leave Premises in a broom-clean and orderly condition, reasonable wear and tear excepted.
- C. All items (other than airworthy aircraft) permitted to be stored within the Premises shall be stored in appropriate containers, stacked or placed in cabinets, and maintained in a neat and orderly manner. Items shall not be scattered throughout the Premises or stacked excessively high. If the Landlord determines that any items are stored in a manner inconsistent with this Section, the Tenant shall be so informed and Tenant shall, within three business days of this notice, either remove or appropriately store all such items.

USE OF PREMISES. Tenant agrees that the primary purpose and use of the Premises shall be to hangar Tenant's airworthy aircraft as authorized herein and that the Premises shall not be occupied or used by Tenant, whether temporarily or permanently, as office space, as non-

commercial residence, or for storage of items other than as permitted herein.

VEHICLE PARKING. Tenant's automobile may be temporarily parked directly in front of assigned T-Hangar so as not to interfere with adjacent T-Hangar Tenants or taxiing airplanes as long as the owner of the automobile remains in the immediate vicinity. For so long as the Tenant is using the Premises to hangar an airworthy aircraft and complying with the other provisions of this Lease (including without limitation the sections entitled "Compliance with Laws," "Fire Hazards," and "Trash" set forth above"), Antique autos, boats, additional cars, motorcycles and ATVs may not be stored in the Premises. The Landlord shall have the right to remove any automobile, at Tenant's expense, that is parked in an unauthorized area.

WASHING OF AIRCRAFT. Tenant may wash authorized aircraft on the apron area immediately adjacent to the Premises; provided, however, that Tenant shall minimize the time that such aircraft is parked on the apron so as not to interfere with other tenants' use of the apron.

LANDLORD COVENANTS

AIRPORT ACCESS. Landlord shall provide reasonable access to the T-hangar areas, public taxiways, ramps, and runways.

REPAIR AND MAINTENANCE. Landlord shall maintain the structural integrity of the Premises, including the roof and T-hangar doors if applicable.

QUIET ENJOYMENT. Subject to the provisions of this Lease, Landlord covenants that Tenant, on performing its obligations hereunder, shall have quiet and peaceable possession of the Premises except as otherwise provided within this Lease.

MISCELLANEOUS PROVISIONS

AMENDMENTS. This Lease may be amended only in writing, duly authorized and executed by representatives of both parties.

GOVERNING LAW. This Lease shall be governed by and constructed under the laws of the State of Georgia.

INVALID PROVISIONS. If a court or administrative agency having jurisdiction formally declares a provision of this Lease void or illegal, the entire Lease shall not be void, but the remaining provisions shall continue as nearly as possible in accordance with the original intent of the parties.

NONDISCRIMINATION The tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant

and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that the tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, Landlord shall have the right to terminate the lease and to re-enter and as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

PROPERTY RIGHTS RESERVED This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the Landlord acquired or financed the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said premises from the Landlord, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the Landlord pertaining to the Perry-Houston County Airport.

ATTORNEY'S FEES

In the event any action is taken by either party to enforce any term of this lease, the defaulting party shall pay reasonable attorney's fees and costs incurred by the non-defaulting party in connection therewith.

WAIVER OF JURY TRIAL

EACH PARTY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS LEASE AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT, OR

**OTHERWISE. FURTHER ANY ACTION ARISING
HEREUNDER SHALL BE BROUGHT IN THE
SUPERIOR COURT OF HOUSTON COUNTY. EACH
PARTY ACKNOWLEDGES THAT IT HAS
RECEIVED THE ADVICE OF COMPETENT
COUNSEL.**