

LEASE OF REAL ESTATE AT THE PICKENS COUNTY AIRPORT

THIS INDENTURE made this 26 day of Oct., 2011 between the Pickens County Airport Authority ("Landlord") and Wallace Reece ("Tenant").

WITNESSETH:

1) Legal Description of Leased Premises

The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the real estate described in Exhibit "A" (which hangar L 7 sits on) being a part of the Pickens County Airport, Jasper Township, Pickens County, Georgia.

2) Ground Rent

The Tenant will pay to the Landlord annual ground rent for the parcels described in Paragraph 1 of this Agreement as follows:

The Tenant will pay to the Landlord an annual ground rent in the amount of **\$480.00** of which ground rent may, at the option of the Tenant, be paid annually on the anniversary date of this Lease or in equal monthly installments. Said ground rent is to be paid by the 1st day of the period to be covered by the rent payment. Monthly ground rent payments shall be due on the first day of the month and each succeeding month hereafter until the termination of this Lease. Said ground rent is computed by multiplying the total square footage of the subject parcel by an amount of **\$0.36** per square foot per year. **There may be a review of the lease rate every five years for an adjustment commensurate with the changes in the federal Consumer Price Index.**

(a) If, for any reason, the rent as set forth in this Section is not paid when due, a carrying charge of two percent (2%) per month or any portion of the month thereof shall be imposed on the amount which remains due and unpaid. In addition, if the Tenant is determined to be delinquent for any three (3) consecutive months, the tenant shall surrender the leased premises including all buildings and site improvements constructed or installed by the tenant to the Pickens County Airport Authority.

3) Lease Term

The term of this lease shall begin on **Nov. 1, 2011**, and shall continue for a period of twenty (20) years expiring on **Oct. 31, 2031**. Upon the completion of 20 year lease and reversion of the leased property and improvements of said property to the Pickens County Airport Authority, the tenant shall have first right of refusal of a new lease for the property and improvements at the then current lease rate of such property of the Airport Authority. Tenant shall advise the Landlord by the procedure specified in the "NOTICES" Paragraph of this Agreement no sooner than **April 30, 2031**, and no later than **August 31, 2031**, of its intent to exercise the option contained herein.

4) Use of Premises

(a) Tenant agrees that the use of the premises shall be limited to the following list of activities:

- 1) Aircraft Storage

No other activities or business shall be authorized to conduct or perform or provide any service from the leased premises without prior written approval from the Pickens County Airport Authority. Any separate or affiliated person (corporation, individual, partnership, LLC, joint venture, etc.) operating from the premises without prior written approval from the Pickens County Airport Authority shall be deemed to be in violation of this Lease Agreement.

5) Non-Discrimination

The Tenant for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree that:

(a) For all aeronautical leases involving services to the public; each lease must be in conformance with Section 47107 of Title 49, USC, Subtitle VII, as amended,, as follows:

"It is hereby agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right prohibited by Section 47107 of Title 49, USC, Subtitle VII, , as amended, and the lessor reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature."

(b) All leases involving services to the public must contain the assurances required by Title VI of the Civil Rights Act of 1964, and by Part 21 of the regulations of the Office of the Secretary of Transportation, as follows:

"The Tenant for himself, his personal representatives, successors in interest and assigns, as 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 otherwise be subjected to discrimination in the use of said facilities; 2) 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 otherwise be subjected to discrimination; 3) the Tenant shall use the premises in compliance with all the other requirements imposed by 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, as amended."

(c) All aeronautical leases involving services to the public must contain the provisions of the airport Grant Assurances, as follows:

"The Tenant agrees to furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory

prices for each unit or service; PROVIDED, that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers."

- (d) In the event of breach of any of the above covenants, Tenant shall have thirty (30) days to resolve said breach to the satisfaction of the Landlord. If the parties hereto cannot agree that said breach has been, or can be, resolved, then the matter shall be referred to arbitration as provided for in Paragraph 4(a) of this Lease.

6) Use of Airport Facilities

The Tenant shall have use of the Pickens County Airport, including, but not by way of limitation, the landing areas, aprons, taxiways and vehicle parking areas for no additional charge during the pendency of the lease. This Lease shall not be construed to convey to the Tenant the exclusive use of any part of the Pickens County Airport except those premises described in Section 1 herein, or to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 47107 of Title 49 USC, Subtitle VII, as amended. The Landlord reserves the right to lease to any other party any portion of the Pickens County Airport not described in Paragraph 1 herein (and subject to the terms of the Right of First Refusal) other than public facilities, and to grant to others the privilege and right of conducting any one or more activities of an aeronautical nature.

7) Care of Leased Premises

- (a) The Tenant shall keep and maintain the leased premises and all improvements of any kind, which may be erected, installed or made thereon by Tenant in good and substantial repair and condition, including the exterior condition thereof, and shall make all necessary repairs and alterations thereto. Tenant shall assume all responsibility for the installation and maintenance of any fuel or oil (or any other material deemed hazardous by the Environmental Protection Agency) storage facility on the airport that is for the sole use of the Tenant. Maintenance includes, but is not limited to, any and all environmental clean-ups of the site and/or removal of the facility. Tenant agrees to hold harmless from any responsibility or expense, the Landlord for any maintenance of the facilities during the lease. Tenant shall provide proper containers for trash and garbage and shall keep the premises free and clear of rubbish, debris and litter at all times. Tenant shall also maintain all aprons, ramps and taxiways that are constructed by Tenant and are for the exclusive use of Tenant, its subTenants, guests and invitees. Tenant shall keep mowed and in a sightly condition all landscaping and grass areas within the leased premises. Tenant shall be responsible for payment of all electric, telephone, road, water, natural gas and other public utility services used on the premises during the lease.
- (b) At the termination of this Lease or of any extension or renewal thereof, Tenant shall surrender the leased premises, in good condition, including all buildings and site improvements constructed or installed by the Tenant. Reasonable wear and tear and damage by fire, explosion, windstorm or any other casualty excepted. All such buildings and improvements shall become the sole property of the Landlord upon termination of the Lease. When termination occurs, the Landlord shall have no obligation to account

for, or pay the value or cost of, such buildings or improvements to the Tenant.

8) Insurance

Tenant covenants and agrees to maintain in force and effect at all times during the term of this Agreement liability insurance in the minimum amount of \$1,000,000 combined single limit for bodily injuries or property damage of such other amount as may be set forth by the Pickens County Airport Authority. Tenant will maintain casualty and fire insurance that will cover the replacement cost of all buildings and improvements on the leased property. The insurer shall advise the Owner 30 days prior to any termination or reduction of coverage of any insurance.

9) Subordination

(a) State and Federal Law ;

This Lease is subject to all applicable State and Federal laws as well as all articles and conditions of grant agreements entered into between the Landlord and the Federal Aviation Administration and the Division of Aeronautics, Department of Transportation of the State of Georgia and nothing contained herein shall be construed to prevent the Landlord from making such further commitments as it desires to make to the Federal Government or to the State of Georgia so as to qualify for further expenditure of federal and/or state funds at the Pickens County Airport .

(b) Local Ordinances

This Lease shall be subject and subordinate to all ordinances of the Pickens County Airport Authority , the Rules and Regulations of the Pickens County Airport and/or the Minimum Standards for Commercial Activities at the Pickens County Airport, as the same may be in effect and amended from time to time.

10) Right of Access

The Landlord hereby reserves the right to enter upon the leased premises at reasonable times for the purpose of making inspections to determine if the conditions and requirements of this Lease are being fully complied with. Should any buildings on the leased premises become deficient in maintenance or in need of repair, Tenant hereby agrees to repair same within thirty (90) days after receipt of notice from Landlord. Failure to comply shall be considered a breach of this Lease.

11) Storage of Damaged Aircraft

No damaged aircraft shall be stored in view of the general public.

12) Delays in Enforcement

No delay on the part of any party in enforcing any of the provisions of this Lease shall be construed as a waiver thereof. No waiver on the part of any party of a breach of any of the provisions of this Lease shall be construed as a waiver of any subsequent breach.

13) Assignment of Lease

This Lease may not be assigned or subleased without the prior written consent of the Landlord and such consent shall not be unreasonably withheld.

14) Notices

All notices required hereunder shall be in writing.

15) Successors and Assigns

The terms, covenants and conditions of this Lease shall be binding upon and inure to the benefit of the successors and/or assigns of the parties hereto.

16) Interpretation

(a) Severability

It is the intention of the parties hereto that the provisions of this Lease shall be severable with respect to declaration of invalidity of any provision contained herein.

(b) Headings

The paragraph headings are for convenience only and do not define, limit or describe the contents of such paragraphs.

(c) Governing Law

The laws of the State of Georgia shall govern the validity, performance and enforcement of this Lease.

(d) Amendments

No amendments, modifications or supplements to this Lease shall be effective unless in writing and executed and delivered by both parties to this Lease.

IN WITNESS WHEREOF, the parties herein have hereunto set their hands and seals
the day and year first above written.

LANDLORD

PICKENS COUNTY AIRPORT AUTHORITY

WK Austin

Chairman

Marion W. Harris

Witness as to Pickens County
Airport Authority

Attest:

MAM

Secretary

Paula J. Peace

Notary Public for Pickens County
Airport Authority

Notary Public, Pickens County, Georgia
My commission expires on Feb 14, 2014

TENANT

Dallas R.

Tenant

[Signature]

Witness as to Tenant

Notary Public for Tenant