

# **Lease Agreement at DeKalb Peachtree Airport**



**Between**

**DeKalb County, Georgia**

**and**

**Helicopters, Inc.**

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**STATE OF GEORGIA  
COUNTY OF DEKALB**

**LEASE AGREEMENT**

THIS LEASE AGREEMENT, by and between **DEKALB COUNTY**, a political subdivision of the State of Georgia (hereinafter referred to as the “Lessor” or “PDK”) and **HELICOPTERS, INC.**, a corporation organized and existing under the laws of the State of Missouri (hereinafter referred to as the “Lessee”);

**WITNESSETH:**

**WHEREAS**, the Lessor is the owner of a tract of land in Land Lots 244, 245, 270, 279 and 280 of the 18<sup>th</sup> District of DeKalb County, Georgia, lying generally within an area bounded on the north by Chamblee-Tucker Road; on the west by Clairmont Road and Hardee Avenue; on the south by Dresden Drive; and on the east by Buford Highway, which is known as DeKalb Peachtree Airport (hereinafter referred to as “Airport”); and

**WHEREAS**, Lessee desires to lease from Lessor, and Lessor desires to lease to Lessee, that property on the DeKalb Peachtree Airport identified as Tract N2 (2003 Flightway Drive), Chamblee, Georgia 30341 and more particularly described by the legal description on survey of Revision to Lease Tract N2, DeKalb Peachtree Airport, dated March 5, 1996, prepared by Patterson & Dewar Engineers, Inc. and certified by George E. Ingram, Georgia Registered Land Surveyor No. 1950, which is hereby attached as Exhibit A and made a part of this Lease; and

**NOW THEREFORE**, for and in consideration of the premises and covenants herein contained and in further consideration of the payment of rent hereinafter stipulated, and of the terms and conditions herein set forth, the parties hereto do hereby agree as follows:

**SECTION 1. LEASED PROPERTY:**

A. Description. That property on DeKalb Peachtree Airport identified as Lease Tract N2, and more particularly described by the legal description on survey of Revision to Lease Tract N2, DeKalb Peachtree Airport, dated March 5, 1996, prepared by Patterson & Dewar Engineers, Inc. and certified by George E. Ingram, Georgia Registered Land Surveyor No. 1950, attached hereto as Exhibit A and incorporated herein by reference (the “Leased

Property”).

B. **Site.** The subject site lies within the boundaries of the DeKalb Peachtree Airport (PDK). Airport Road and Clairmont Road generally bound the Airport on its north and west sides respectively. The site generally encompasses 0.911 acre, or 39,683 square feet.

**SECTION 2. USE OF LEASED PROPERTY:**

A. **Use by Lessee.** Lessee shall, in a manner consistent with its present and past use, use the Leased Property for its corporate aviation department which includes a corporate hangar and office/shop building, pilot’s office/lounge, restrooms, aprons, ramps, taxiway, auto parking and aircraft refueling facility. Leased Property includes the following:

1. **Land:** Approximately 39,683 square feet to provide for building, paved automobile parking and driveway and 10,000-gallon underground aircraft fuel only storage and dispensing equipment.

2. **Building:** Approximately 10,692 square feet of properly lighted and heated building space for office/hangar with shop, pilots’ lounge, and restroom facilities. The aircraft storage hangar is approximately 8,000 square feet.

B. **Services:** Lessee shall provide fuel, oils, lubricants and maintenance for its corporate aircraft only on and from the Leased Premises.

C. **Ingress and Egress.** Lessee shall have the right of ingress to, and egress from the Leased Property over airport roadways, including the use of common-use roadways, expressly subject to such rules and regulations as may be established by the Airport Director respecting such use and subject to law. Lessee shall have the right of ingress to, and egress from, the Leased Property by way of aircraft taxiway or aircraft access way adequate for Lessee’s aircraft.

**SECTION 3. RESTRICTIONS ON USE OF LEASED PROPERTY:**

A. **Leased Property to Be Used for Designated Purposes.** The Leased Property shall not be used for any purposes except for the specific purposes herein designated without the written consent of the Lessor.

B. **Control of Lighting.** Lessee agrees to control all existing and future lighting on the Leased Property so as to prevent illumination from being a hazard to pilots



landing on, taking off from, or taxiing on the Airport. The determination of whether lighting creates a hazard shall rest solely upon the judgment of the Airport Director.

C. FAR Part 135 Air Taxi/Charter Operations. FAR Part 135 Air Taxi or Air Charter Operations are not permitted to operate directly from the Leased Property or the facilities thereon. This does not mean that Lessee cannot require its flight crew to be certificated under FAR Part 135 or that aircraft cannot be used in FAR Part 135 operations. It simply means that Lessee cannot specifically conduct FAR Part 135 operations for or on behalf of others from the Leased Property or facilities thereon.

D. Airport Master Plan. Lessee will at all times cooperate with all provisions of any Airport Master Plan to be adopted by the Airport and/or approved by the Board of Commissioners.

**SECTION 4. TERM OF LEASE AGREEMENT:**

A. Term. This Lease Agreement shall commence and be effective on December 1, 2017. The term of this Lease Agreement shall be for a period of twenty (20) years. This Lease Agreement shall terminate absolutely and without further obligation on the part of either Lessor or Lessee on November 30, 2037, unless terminated earlier in accordance with the termination provisions of this agreement.

B. Option for Renewal Term. Lessee may renew this Lease in accordance with Section 6-136 of the DeKalb County Code as Revised, 1988. Failure to comply with Section 6-136 of the DeKalb County Code as Revised, 1988 shall be grounds to terminate this Lease Agreement and the parties shall have no further rights, duties or obligations hereunder, other than obligations that are accrued but unsatisfied as of the date of the termination.

**SECTION 5. LEASE PAYMENT:**

A. Rent. Lessee agrees to pay Lessor, as Basic Rent for the Leased Property an annual amount equal to Ten Percent (10%) of the Fair Market Value or as determined by a Fair Market Rent Analysis prepared by Airport Business Solutions, with report date of March 27, 2017 and analysis date of March 24, 2017. The Fair Market Rent Analysis is attached hereto as Exhibit B and incorporated herein by reference. The annual Basic Rent for the Leased Property is Sixty-Four Thousand, One Hundred and Fifty-Two Dollars (\$64,152.00), subject to

adjustment below. Rent is accrued on a monthly basis and shall be paid in equal monthly installments, initially in the amount of Five Thousand, Three Hundred and Forty-Six Dollars (\$5,346.00) due and payable on the first day of each month in advance during the term of this Lease Agreement.

B. Fuel Flowage Fee. Lessee shall pay a fuel flowage fee (FFF) in the amount of \$0.14 per gallon for fuel, oils and lubricants delivered to the Leased Property. The payment is to be remitted the month following the delivery month into the tank. The aforesaid fuel flowage amounts shall continue throughout the first five (5) years of this Lease Agreement.

It is further agreed that Lessee will deliver a minimum of 50,000 gallons of fuel annually. If fewer than 50,000 gallons are delivered to the Leased Property annually, a penalty of \$0.20 per gallon for every gallon fewer than 50,000 gallons shall be applied and paid without demand, the month after such under delivery occurs, with that month's fuel flowage fee as required. This minimum fuel delivery requirement shall be effective the 12-month period following the effective date of this new lease and every full year thereafter.

1. Report Forms: Payment. On the first (1<sup>st</sup>) day of each month, Lessee agrees to submit to Lessor its commission remittance (fuel, oils, lubricants) for the previous calendar month with a reporting form, attached hereto as Exhibit C, Remittance Worksheet, showing the commission calculation.

C. Escalation: Rent and Fuel Flowage Fee (FFF).

1. Rent. The rent shall remain constant throughout the first five (5) years of the Lease Agreement. On December 1, 2022, and at the end of each five (5) year period, the following options for the Lessor shall be available: (1) Escalate the rent by 10% for the next five (5) year period, or (2) Compute the Consumer Price Index (CPI) (All Urban Consumers, South Region) increase using the previous five years of data, and if it is higher than 10%, divide the aggregate CPI figure by five (5) and apply this percentage rate over the next five years.

2. Fuel Flowage Fee. Beginning five (5) years after the commencement of the Lease Agreement and every five (5) years thereafter, the fuel flowage fee for such fuel delivered to the Leased Property, shall increase by one cent (\$.01) per gallon or shall increase based upon the Consumer Price Index (CPI) (All Urban Consumers, South Region) increase using the

previous five years of data, and if it is higher than 10%, divide the aggregate CPI figure by five (5) and apply this percentage rate over the next five years.

D. Audit. The Lessor, at its sole discretion, but not more than once during any calendar year, may conduct an audit of the books and records as it relates to the purchase of fuel, oil and lubricants and all lease payments made by the Lessee to determine the accuracy of said figures; the cost of the audit to be borne by Lessor.

E. Failure to Pay. On failure of Lessee to pay rentals when due, Lessor has the right, subject to the provisions under Sections 20, 21 and 22 hereof, at its option: (1) to declare this Lease Agreement void, and cancel the same, without the necessity of any legal proceedings; or, (2) enter and take possession of the Leased Property. Lessor at its option, upon a breach of this contract for any reason, may then sublet the Leased Property at the best price obtainable for any reasonable effort through private negotiations and charge the difference, if any, between said price of subletting and the contract price to Lessee and hold him liable therefore. Such subletting on the part of the Lessor will not in any sense constitute a breach of this contract on the part of the Lessor, but Lessor will act as agent for the Lessee to minimize the damage caused by Lessee's breach. These rights of the Lessor are cumulative and not restrictive of any other rights under the law, and failure on the part of the Lessor to avail himself of these privileges at any particular time shall not constitute a waiver of these rights.

#### **SECTION 6. IMPROVEMENTS BY LESSEE:**

A. Minimum Improvements. Lessee may make improvements or changes to the Leased Property during the term of the Lease Agreement. Lessor and Lessee may enter into an amendment to the Lease Agreement which will specify the improvements and the schedule of construction.

B. Plans and Specifications.

1. No improvements, including landscaping, shall be erected or placed on the Leased Property, and no alterations shall be made in the improvements and facilities constructed, without prior written approval by Lessor, or of the Lessor's agent, the Airport Director. Such approval shall not be unreasonably withheld.

2. Two (2) complete sets of plans and specifications for all future buildings, alterations, and improvements and for all subsequent planned changes therein or

alterations shall, at least thirty (30) days prior to beginning of construction or changes, be signed by Lessee and delivered to the Airport Director for his consideration and approval.

**SECTION 7. CONSTRUCTION:**

A. Schedule.

1. Lessee acknowledges that at least 120 days prior to executing this Lease Agreement, it has provided all information regarding the submission of Notice of Construction or Alteration, FAA form 7460-1, to the Airport Director, for final approval by the Federal Aviation Administration, as required by Paragraph 77.13(5)(1) of Part 77, Federal Aviation Regulations.

2. Within the time schedule set forth in Section 6A, Minimum Improvements, Lessee agrees to construct or cause to be constructed and completed upon the Premises in accordance with the terms of this Lease and all applicable laws, ordinances, regulations and matters of record, the improvements and facilities set forth in Section 6A hereof. The date for completion may, however, be extended for the period of any unavoidable delay, if Lessee makes a claim for such delay in writing to Lessor within ten (10) days after the commencement of the cause for such delay. For the purpose of this Lease, the term “unavoidable delay” shall mean delay suffered by the Lessee or Lessee’s contractors which necessarily and materially interferes with the progress and extends the time required for the completion of such work and which is caused by, but not limited to, such events as acts of nature or the elements, strikes, lockouts, fire or other causes beyond the control of Lessee or Lessee’s contractors.

B. Building Code. Any building constructed on the Premises shall be constructed in conformance with current building codes or the edition in effect at the time of construction, and all applicable codes and regulations of DeKalb County.

C. Default by Failure to Construct. Any breach by Lessee of any of the terms and provisions of Section No. 5, Lease Payment; Section No. 6, Improvements by Lessee; and Section No. 7, Construction, of this Lease shall constitute a material breach and shall be deemed to be “an event of default by Lessee” under Section 20, Events of Default by Lessee, unless

cured as set forth in Section 20.

**SECTION 8. COMPLIANCE WITH LAWS AND REGULATIONS:**

A. Subordination of Leased Property to U.S.A. It is agreed and understood that this Lease Agreement and the provisions hereof, shall be subject and subordinated to the terms and conditions of the instruments and documents under which DeKalb County acquired the airport 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 of said instruments and documents. This lease is given effect only to the extent that such agreements with the United States of America permit the use of the Leased Property as contemplated herein.

B. Non-Discrimination. Lessee agrees that in its operation and use of the Leased Property and/or the Airport it will not, on the basis of race, color, national origin, religion, sex, age or disability, discriminate against any person or group of persons in any manner prohibited by the Federal Aviation Regulations, federal, state or local laws. Lessee hereby agrees to include the aforesaid language in any agreement it has with a sub-tenant who operates from or uses the Leased Property.

C. Airport Rules and Regulations. Lessee agrees to abide by all ordinances, rules and regulations concerning the Airport, operational safety, operational and airport security, parking of aircraft and other vehicles, and fire prevention promulgated by the Airport Director or the Governing Authority of DeKalb County, Georgia. Copies of such rules and ordinances are available to Lessee in the office of the Airport Director.

D. FAA Rules and Regulations. Lessee shall at all times conduct its business in a lawful manner and at all times conform to the rules and regulations of the Federal Aviation Administration (FAA) insofar as applicable to Lessee's possession and operation of its aircraft. Lessee agrees to include the language in this sub-section with any sub-tenant.

E. No Derogation of Rights of Lessee. Lessee shall not knowingly omit or fail to do anything or permit anything to be done on or about the Leased Property, or bring or keep any thing on the Leased Property or in any improvement erected thereon, which will in any way conflict with any law, ordinance, rule or regulation required to be kept and observed by Lessee which is now in force or which may be hereinafter enacted or promulgated by any public

authority having jurisdiction over the Leased Property.

F. Disturbance on Leased Property. Lessee shall not commit or suffer to be committed in or upon the Leased Property any other act or thing which may unreasonably disturb the quiet use and enjoyment of any other tenant at the airport.

**SECTION 9. UTILITIES:**

A. Payment for Utilities. It is understood and agreed that the rent as noted in Section 5 does not include payment for utilities. Lessee shall throughout the term of this Lease Agreement pay all utility bills which may accrue in the operation of Lessee's business on the Leased Property, including, but not limited to, installation of meters and utility connections for the calculation of utilities incurred by Lessee.

B. Right of Connection. Lessee may, at Lessee's expense, connect to all utilities at the nearest points of existing utility lines, and shall thereafter maintain, repair and replace all such utilities to and including the points of such connections.

C. Waiver of Damage. Lessee hereby waives any claim against and releases Lessor (but not any third parties, such as other lessees) from any and all claims for damage arising or resulting from failures or interruptions of utility services, including but not limited to, electricity, gas, water, plumbing, sewerage, telephone, communications, heat, ventilation, or for the failure or interruption of any public or passenger services facilities.

**SECTION 10. CHARACTER AND STANDARDS OF OPERATION:**

A. Operate in a First-Class Manner. During the full term of this Lease Agreement, Lessee shall continuously operate and maintain, in a first-class manner, the existing grounds and facilities and all future improvements to be constructed on the Leased Property.

B. Supervision by Manager. The Lessee or its designee shall be available on the Property as required in order to ensure compliance with all responsibilities as set forth in this Lease.

**SECTION 11. LESSEE TO HOLD HARMLESS:**

The Lessee shall be responsible from the time of signing this Lease Agreement, or from the time of the beginning of the first work, whichever shall come first, for all injury or damage,

of any kind resulting from the work, or the occupancy of the Leased Property, to any persons or property. The Lessee shall exonerate, indemnify and hold harmless the Lessor from and against all claims or actions, and all expenses incidental to the defense of any such claims, litigation and actions, based upon or arising out of damage or injury (including death) to persons or property, including employees and property of the Lessor caused by or sustained in connection with the performance of this Lease Agreement or arising out of work performed under this Lease Agreement and shall assume and pay for, without cost to the Lessor, the defense of any and all claims, litigation and actions, suffered through any act or omission of the Lessee or any subcontractor or anyone directly or indirectly employed by or under the supervision of any of them, or in any way arising out of the use and occupancy of the Leased Property. The Lessee expressly agrees to defend at its expense against any claims brought or actions filed against the Lessor where and to the extent such claim or action involves, in whole or in part, the subject of the indemnity contained herein.

**SECTION 12. LIABILITY:**

A. Indemnification. Lessee hereby waives and renounces for himself and family any and all homestead and exemption rights he or they may have under or by virtue of the laws of the State of Georgia or the United States as against any liability that may accrue under this Lease Agreement.

B. Abandonment. Lessee shall not vacate or abandon the Leased Property at any time during the term hereof; and if Lessee shall abandon, vacate or surrender the Leased Property or be dispossessed by operation of law or otherwise, any personal property belonging to Lessee and left upon the Leased Property and any or all of Lessee's improvements thereon shall, at the option of the Lessor, be deemed to be abandoned by Lessee and shall, at the option of the Lessor, become the property of Lessor or may be discarded, at the expense of Lessee, with no liability to Lessor therefore.

C. Liens. Lessee shall keep the Leased Property and all improvements thereon free from any and all liens and encumbrances arising out of any work performed, materials furnished or obligation incurred by Lessee, Lessee's employees, agents or contractors. Lessee agrees to indemnify and to save Lessor harmless from any such liens and to pay to

Lessor, upon demand, the cost of discharging such liens with interest at the rate of ten-percent (10%) per annum from the date of such discharge, together with reasonable attorneys' fees in connection with the settlement, trial or appeal of any such lien matter.

D. Bankruptcy. In the event that bankruptcy or state insolvency or receivership proceedings shall be filed and sustained for a period of greater than ninety (90) days against Lessee, its heirs, executors, administrators, successors or assigns, in any Federal or State Court, it shall give the right to Lessor, at its option, to immediately declare this contract null and void, and to at once resume possession of the Leased Property and improvements thereon. No Receiver, Trustee or other judicial officer shall ever have any right, title or interest in or to the Leased Property by virtue of this Lease Agreement.

E. Tenant at Will. If Lessee remains in possession of Leased Property after expiration of the terms hereof, with Lessor's acquiescence and without any express agreement of the parties, Lessee shall become a tenant at will at the rental rate of 120% of the rate in effect at the end of the term of this Lease Agreement; and Lessee shall be bound by the terms and conditions of this Lease Agreement as far as applicable; and there shall then be no renewal of this Lease Agreement by operation of law.

### **SECTION 13. LIABILITY INSURANCE:**

A. Comprehensive General Liability. Lessee shall maintain in force and effect at all times during the term of this Lease Agreement comprehensive general liability insurance coverage, for terms and conditions deemed appropriate by the Lessee to protect its interests, with a minimum \$5,000,000, per occurrence limit. Comprehensive Liability coverage for Lessee's subcontractors, if any, shall be obtained by Lessee with a \$1,000,000 policy limit. Pollution coverage shall be obtained by Lessee with a \$2,000,000 Pollution Limit. Contractor to name DeKalb County as Additional Insured including Completed Operations. Policy to be primary with Waiver of Subrogation. In lieu of a separate pollution policy, the contract can add a Limited Pollution Endorsement to their existing General Liability policy at the same limits.

B. Comprehensive Automobile Liability. Lessee shall maintain in force and effect at all times during the term of this Lease Agreement comprehensive automobile liability coverage for any vehicles used by Lessee on the Airport. Coverage shall be provided with a



minimum limit of \$1,000,000 combined single limit and shall cover all owned, non-owned, and hired vehicles.

C. Pollution Coverage shall be provided with a minimum of \$2,000,000 Pollution Limit. Lessee shall name DeKalb County as Additional Insured including Completed Operations. Policy shall be primary with Waiver of Subrogation. In lieu of a separate pollution policy, the contractor can add a Limited Pollution Endorsement to their existing General Liability policy at the same limits.

D. Workers' Compensation Liability. Lessee shall, if required by State of Georgia Law, maintain in force during the term of this Lease Agreement, statutory workers' compensation insurance coverage.

E. Policies. All Liability Insurance policies required under Section 13 hereof shall name Lessor as additional insured under such policy or policies of insurance. A Minimum standard of acceptability of a carrier should be an A.M. Best's rating of A-VI. Lessee shall pay the premiums for such policies in a timely manner.

F. Certificate of Coverage. Lessee shall furnish to the Airport Director within thirty (30) days after execution of this Lease Agreement, or prior to the initiation of any construction or development on the Leased Property, which ever shall first occur, a certificate or certificates evidencing such insurance coverage with companies doing business in Georgia and acceptable to Lessor covering:

- i. The coverage and policy limits contained herein.
- ii. The location and the operation to which the insurance applies.
- iii. The expiration date of the policy(ies).
- iv. The name and address of the party to whom the certificates should be issued:

DeKalb County, Georgia  
DeKalb Peachtree Airport  
2000 Airport Road  
Suite 212, Administration Building  
Atlanta, Georgia, 30341  
Attention: Airport Director

- v. If such coverage is canceled, reduced, or materially changed, Lessee shall, within fifteen (15) days of such event, notify the Airport Director

of such cancellation, reduction, or material change of coverage and file with said Airport Director a certificate showing that the required insurance has been reinstated or is being provided through another insurance company or companies.

- vi. Prior to ten (10) days before the expiration of any such certificate, Lessee shall deliver to the Airport Director a certificate renewing or extending the terms for a period of at least one (1) year, or a replacement certificate acceptable to Lessor evidencing the required insurance coverage.

#### **SECTION 14. BUILDERS RISK INSURANCE:**

Lessee shall obtain and maintain fire insurance with extended coverage in an amount equal to the estimated completed value of such building(s). Coverage shall be written on a "completed value" basis. Fire Insurance with extended coverage policy shall name Lessor as an additional insured under such policy of insurance.

The Lessee shall pay the premiums for such insurance in a timely manner.

The Lessee shall provide the Lessor with a certificate of insurance of companies doing business in Georgia and acceptable to Lessor, covering:

- A. The required coverage and policy limits.
- B. The location and the operation to which the insurance applies.
- C. The expiration date of policy.
- D. The name and address of party to whom the certificates should be issued:

DeKalb County, Georgia  
DeKalb Peachtree Airport  
2000 Airport Road  
Suite 212, Administration Building  
Atlanta, Georgia, 30341  
Attention: Airport Director

- E. If such coverage is canceled, reduced, or materially changed, Lessee shall, within fifteen (15) days of such event, notify the Airport Director of such

cancellation, reduction, or material change of coverage and shall promptly file with said Airport Director a certificate showing that the required insurance has been reinstated and is being provided through another insurance company or companies.

- F. Prior to ten (10) days before the expiration of any such certificate, Lessee shall deliver to the Airport Director a certificate renewing or extending the terms for a period of at least one (1) year, or a replacement certificate acceptable to Lessor evidencing the required insurance coverage.

**SECTION 15. PERMANENT PROPERTY INSURANCE:**

Lessee shall provide to the Lessor evidence of coverage of an “all risk” property insurance policy, written on a “replacement cost” basis; it is understood by Lessor that such coverage shall be subject to exclusions and limitations to coverage by the Lessee’s insurance company. This policy shall name Lessor as an additional named insured under such policy of insurance. Lessee shall ensure that this policy shall remain in force at all times during the term of this Lease Agreement.

The Lessee shall pay the premiums for such insurance in a timely manner.

The Lessee shall provide the Lessor with a certificate of insurance of companies doing business in Georgia and acceptable to Lessor, covering:

- A. The required coverage and policy limits. Disclosure of Deductible is required.
- B. The location and the operation to which the insurance applies.
- C. The expiration date of policy.
- D. The name and address of party to whom the certificates should be issued:

DeKalb County, Georgia  
DeKalb Peachtree Airport  
2000 Airport Road  
Suite 212, Administration Building  
Atlanta, Georgia, 30341  
Attention: Airport Director

- E. If such coverage is canceled, reduced, or materially changed, Lessee shall,

within fifteen (15) days of such event, notify the Airport Director of such cancellation, reduction, or material change of coverage and promptly file with said Airport Director a certificate showing that the required insurance has been reinstated and is provided through another insurance company or companies.

- F. Prior to ten (10) days before the expiration of any such certificate, Lessee shall deliver to the Airport Director a certificate renewing or extending the terms for a period of at least one (1) year, or a replacement certificate acceptable to Lessor evidencing the required insurance coverage.

**SECTION 16. DAMAGE, DESTRUCTION OR CONDEMNATION OF LEASED PROPERTY:**

If the building or improvements on the Leased Property are destroyed by fire or any other cause, or substantially damaged as to be unusable, Lessee shall have the option to either (a) terminate this Lease Agreement upon payment to Lessor of an amount equal to 1/20<sup>th</sup> of the insurance proceeds multiplied by the number of years the Lessee has been in possession under this Lease Agreement, which payment shall be made from the proceeds of insurance received by the Lessee and not from other assets of the Lessee; or (b) to rebuild as expeditiously as possible, using insurance proceeds therefore and to treat this Lease Agreement as continuing in effect. Lessee shall notify Lessor in writing of which alternative it elects within thirty (30) days after date of determination of the amount of insurance proceeds owed to Lessor.

In the event that a part of the improvements are damaged by fire or other cause, this Lease Agreement shall be treated as continuing in effect, and Lessee shall rebuild and/or repair as expeditiously as possible, and, so long as Lessee is, in good faith, taking the action required to rebuild and/or repair such portion of the improvements as required herein, rent shall be reduced pro rata, based on the square footage of the affected improvements, until such improvements are rebuilt and/or repaired, such that they may be occupied safely and used for their intended purpose by Lessee.

A. Maintenance of Improvements. Lessee shall, throughout the term of this Lease Agreement, at its own cost, and without any expense to Lessor, keep and maintain the Leased Property, including buildings and improvements of every kind which may be a part

thereof, and all appurtenances thereto, including sidewalks adjacent thereto, in good, sanitary and neat order, condition and repair, and, except as specifically provided herein, restore and rehabilitate any improvements of any kind which may be destroyed or damaged by fire, casualty or any other cause whatsoever. Lessor shall not be obligated to make any repairs, replacements or renewals of any kind, nature, or description, whatsoever to the demised Leased Property or any buildings or improvements thereon.

B. Condemnation.

1. Total Condemnation. In the event of condemnation, or any taking by eminent domain, by any governmental entity, Lessor and Lessee shall have no interest in the award to the other, it being the intent of this Lease Agreement that each shall negotiate and litigate according to their separate interests, and this Lease Agreement shall terminate on the date of initiation of action taken by such governmental entity.

2. Partial Taking. In the event of the condemnation, or taking by eminent domain of a portion of the Leased Property, if the remainder of the leasehold is in an economically viable operating unit, as agreed by Lessor and Lessee, rental payments shall abate according to the ratio of square footage so taken. Condemnation award for the taking of any structure on the Leased Property shall be divided between Lessee and Lessor on the basis that Lessor shall receive an amount equal to the award divided by 20 and multiplied by the number of years remaining under this Lease Agreement.

If the remaining property is not an economically viable unit, as agreed by Lessor and Lessee, it shall be treated as a total condemnation as set forth in Subparagraph 1, Total Condemnation, above.

3. Temporary Taking. Should any portion of the Leased Property be condemned for any period, Lessor shall have no interest in such condemnation award, and the same shall go to Lessee, and the rent shall not abate to the extent that the award is equal to or in excess of the rent amount relating to such condemned portion of the Leased Property.

**SECTION 17. INSPECTION OF LEASED PROPERTY:**

With twenty-four (24) hours notice to Lessee, Lessor or its duly authorized

representatives may enter upon the Leased Property at any and all reasonable times during the term of this Lease Agreement for the purpose of determining whether or not Lessee is in compliance with the terms and conditions hereof or for any other purpose incidental to the rights of Lessor.

**SECTION 18. TITLE:**

A. Newly Constructed Buildings and/or Replacement Structures: During the term of this Lease Agreement and upon completion of any improvements, title to any and all newly constructed buildings, i.e. new and/or replacement structures placed on the Leased Property by Lessee shall remain in Lessee. Consequently, the Lessee shall be responsible for paying any and all property taxes and the like on these newly constructed buildings and/or replacement structures through the entire period of the Lease.

B. Existing Property and Structures: Title to all existing structures and facilities reverted to the ownership of the County on November 30, 2017. Hence, no payment of property taxes on County/Airport property and existing facilities are due or required at any time, exclusive of newly constructed buildings and/or replacement structures outlined above. However, final determination of property taxes due remains with the Tax Commissioner, DeKalb County.

C. Reversion of Title: Title to any and all new improvements (including newly constructed buildings and/or replacement structures) on the Leased Property shall revert to the ownership of Lessor at the termination of this Lease Agreement.

**SECTION 19. TAXES:**

During the term of the Lease Agreement, Lessee shall pay or cause to be paid, prior to delinquency, all taxes, including possessory interest taxes, ad valorem taxes, and any other assessments levied or assessed:

- (a) On the Leased Property;
- (b) On all possessory interests hereunder or in the Leased Property;
- (c) On any improvements, fixtures and equipment now or hereafter existing on the Leased Property and on any personal property situated in, on or about the Leased Property, or in, on or about any buildings or improvements thereon. Lessee shall obtain and deliver receipts or duplicate receipts for all taxes,

assessments, and other items required hereunder to be paid by Lessee, promptly on payment thereof, if so required by Lessor, and;

- (d) On Lessee's aircraft based on the Airport.

It is understood, however, that Lessee may pay any such taxes and assessments under protest, and without liability, cost or expense to Lessor, and may in good faith contest the validity or amount thereof.

#### **SECTION 20. EVENTS OF DEFAULT BY LESSEE:**

Each of the following events shall constitute an "event of default by Lessee", provided, however, that Lessee shall have thirty (30) days, (except in the case of Subparagraph (a) below, ten (10) days) after the receipt of written notice from Lessor of any such "event of default by Lessee" to cure.

- (a) Lessee's failure to pay the rent and other fees herein provided at the time fixed for payment thereof.
- (b) Lessee's failure to pay any taxes, including possessory interest taxes or assessments, agreed to be paid by Lessee in Section 21, Results of Lessee's Defaults, of this Lease Agreement in accordance with the terms of said Section. If the nature of any default by Lessee under this Subparagraph (b) is such that it cannot be cured within the thirty (30) day cure period provided above, Lessee shall be deemed to have cured such default if it shall, within such thirty (30) day period, commence performance and thereafter diligently prosecute the same to completion.
- (c) Lessee's failure to keep, perform or observe any term, covenant, or condition of this Lease Agreement to be kept, performed, or observed by Lessee.
- (d) Lessee's filing of a voluntary petition in bankruptcy or the assignment of all or substantially all of Lessee's assets for the benefit of Lessee's creditors or the institution of proceedings in bankruptcy against Lessee or the appointment of a receiver of the assets of Lessee; provided, however, that if any such proceedings or appointments are involuntary, then they shall not be considered an event of default by Lessee unless Lessee fails to procure a dismissal thereof within ninety (90) days after the institution of such involuntary bankruptcy proceedings or the appointment of such receiver.

#### **SECTION 21. RESULTS OF LESSEE'S DEFAULT:**

Upon the occurrence of an "event of default by Lessee", which is not cured within the

time period given, Lessor, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Leased Property with no liability to the Lessor therefore; such property may be removed and stored in a public warehouse or elsewhere at the expense of Lessee. Should Lessor elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice required by law, it may either terminate this Lease, or relet the Leased Property and any improvements thereon or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease Agreement) and at such rental or rentals and upon such other terms and conditions as Lessor in its sole discretion may deem advisable, with the right to make alterations and repairs to improvements on the Leased Property. Upon such reletting:

- (a) Lessee shall be immediately liable to pay to Lessor, any indebtedness for the cost and expenses of such reletting and of such alterations and repairs incurred by Lessor, and the amounts, if any, by which the rent reserved in this Lease Agreement for the period of such reletting (up to but not beyond the term of this Lease Agreement) is less than the amount agreed to be paid as rent for the Leased Property for the period of such reletting, or
- (b) At the option of the Lessor, rents received by Lessor from such re-letting shall be applied: first, to the payment of any indebtedness, other than rent, due hereunder from Lessee to Lessor; second, to the payment of any costs and expenses of such re-letting and of such alterations and repairs; third, to the payment of rent due and unpaid hereunder, and the balance, if any, shall be held by Lessor and applied in payment to future rent as the same may become due and payable hereunder.

If Lessee has been credited with any rent to be received by such reletting under option (a) and such rent shall not be promptly paid to Lessor by the new tenant, or if such rentals received from such reletting under option (b) during any month be less than that to be paid during that month by Lessee hereunder, Lessee shall immediately pay any such deficiency to Lessor. Such deficiency shall be calculated and paid monthly by Lessee. No such re-entry or taking possession of the Leased Property and any improvements thereon by Lessor shall be construed as an election on its part to terminate this Lease Agreement unless a written notice of such intention is given to Lessee. Notwithstanding any such reletting without termination, Lessor may, at any time thereafter, elect to terminate this Lease Agreement for any breach, in addition to any other remedy it may have, and in such event, Lessee's interest in any and all buildings and



improvements on the Leased Property shall, at the option of the Lessor, automatically pass to Lessor; and Lessor may recover from Lessee all damages it may incur by reason of such breach, including the cost of recovering the Leased Property, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent unpaid in this Lease Agreement for the remainder of the stated term, all of which amounts shall be immediately due and payable from Lessee to Lessor.

**SECTION 22. NON-WAIVER OF DEFAULTS:**

The waiver by Lessor or Lessee of any breach by Lessor or Lessee of any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of same or any other term, covenant or condition of this Lease Agreement. No term, covenant, or condition hereof can be waived except by written consent of Lessor; and forbearance or indulgence by Lessor, in any regard whatsoever, shall not constitute a waiver of the term, covenant or condition to be performed by Lessee to which the same may apply; and until complete performance by Lessee of the term, covenant or condition, Lessor shall be entitled to invoke any remedy available to it hereunder by law, despite such forbearance or indulgence.

**SECTION 23. LESSEE'S ENCUMBRANCES:**

A. Obligation. Lessee shall not encumber, mortgage or pledge or allow any lien upon Lessee's interest in the Leased Property or in any improvements Lessee places thereon by mortgage, deed of trust or other instrument without the prior written consent of Lessor. Any such mortgage, deed of trust or other instrument consented to by Lessor shall expressly provide therein that the trustee, mortgagee, or beneficiary in such instrument or payee in the note or other obligation secured by any such instrument shall provide Lessor with written notice of any event of default by Lessee or foreclosure action against Lessee, within ten (10) days of such event. In the event such encumbrance, pledge, mortgage, or lien is allowed, the trustee, mortgagee or beneficiary in said instrument or payee in the note or other obligation secured by any such instrument may deliver to Lessor written notice showing:

- (i) the amount of the obligation secured by such instrument and the date of maturity or maturities thereof; and
- (ii) the name and post office address of such mortgagee, beneficiary,

payee, or trustee. Upon delivery of such notice to Lessor, Lessor shall thereafter serve on such mortgagee, beneficiary, payee or trustee, by registered or certified mail at the address given or at any subsequent address thereafter given, a copy of every notice thereafter served by Lessor upon Lessee under the terms of this Lease, during the existence of such mortgage, deed of trust, or instrument.

B. Cure of Default by Mortgagee. In the event that Lessee defaults in the performance of any covenant or provision of this Lease Agreement to be performed by Lessee during the existence of any such mortgage, lien, deed of trust, or other instrument, the beneficiary, mortgagee, payee, or trustee named in any such notice, or their nominee, shall have the right, within the time herein provided, plus an additional ten (10) days, to perform and comply with all the covenants and provisions of this Lease to be performed by Lessee and to make all payments required of Lessee by this Lease and, by so doing, to cure and remove any such default.

C. Cure by Commencement of Performance. If the nature of any default by Lessee is such that it cannot be cured within the additional ten (10) days, such beneficiary, mortgagee, payee, or trustee shall be deemed to have cured such default if it or its nominee shall, within such ten (10) day period, commence performance and thereafter diligently prosecute the same to completion.

D. Foreclosure of Liens. If, at any time, foreclosure proceedings are begun to any lien secured by any mortgage, deed of trust, or other similar instrument on the Leased Property, for a period of thirty (30) calendar days from the date Lessor receives notice of such foreclosure, Lessor shall have the first option of assuming or discharging said lien at its actual face value, according to the terms thereof, and thereupon to then terminate this Lease Agreement and all interest in it and relet the Leased Property under the provisions of Section 22, Non-Waiver of Defaults, hereof.

E. Non-Relief of Liability. The execution of any encumbrance under this Section, or the foreclosure thereof, or any sale thereunder, either by judicial proceeding or by virtue of any power reserved in such encumbrance, or conveyance by Lessee to the holder of such indebtedness or encumbrance or the exercising of any right, power, or privilege reserved in

any encumbrance, shall not be held as a violation of any of the terms or conditions hereof, or as an assumption by the holder of such indebtedness personally of the obligations hereof. No such encumbrance, foreclosure, conveyance, or exercise of right shall relieve Lessee from its liability hereunder.

**SECTION 24. TERMINATION BY LESSEE:**

The Lessee may cancel this Lease Agreement at any time, without penalty, if the Airport ceases to be used for airport purposes, or if local/County/State/Federal/or FAA regulations, laws, ordinances prevent Lessee from using its aircraft at the airport, or restrict the size or noise from aircraft such that the aircraft cannot be used at the airport.

**SECTION 25. RIGHTS PRIOR TO TERMINATION:**

If Lessee is not in default hereunder, Lessee shall have the right to remove during the term hereof any and all fixtures which Lessee may have placed or installed upon the Leased Property; provided, however, that upon said removal, Lessee shall repair, at Lessee's own expense, any damage resulting therefrom and leave the Leased Property in their original condition, normal wear and tear excepted.

**SECTION 26. REDELIVERY OF LEASED PROPERTY:**

Lessee shall, upon termination of this Lease in any manner, quit and deliver up the Leased Property to Lessor peaceably, quietly, and in as good order and condition as the same now are or may be hereafter improved by Lessee or Lessor, reasonable wear and tear thereof excepted.

**SECTION 27. LESSOR'S LIEN:**

If Lessee is in default under any covenant, term or provision of this Lease Agreement or has abandoned the Leased Property, in addition to the rights of Lessor under Section 12, Liability, hereof, Lessee hereby grants to Lessor a lien upon any improvements, personal property and trade fixtures of Lessee upon the Leased Property, which lien Lessor may satisfy by selling said improvements, personal property or trade fixtures at public or private sale without notice to Lessee and from the proceeds of said sale satisfy first any costs of storage, removal and sale, and any other debts due from Lessee to Lessor; and secondly, satisfy the total amount of

unpaid rent due hereunder and hold any balance for the account of Lessee. This lien shall inure to Lessor's benefit whenever Lessee is in default hereunder and when Lessor exercises any right, which Lessor may have at law, in equity or under this Lease Agreement.

**SECTION 28. QUIET ENJOYMENT:**

Lessee, upon payment of the fees and all other payments and charges to be paid by Lessee under the terms of this Lease Agreement and upon observing and keeping the agreements and each of the covenants of this Lease Agreement on the part of Lessee to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Leased Property during the term of this Lease for the purposes and uses set out herein. Lessee covenants that it will not commit or allow to be committed by any other sub-tenant, any act on the Leased Property which may disturb the quiet enjoyment of any other adjoining tenants.

**SECTION 29. SALE, ASSIGNMENT, TRANSFER AND SUBLETTING:**

Lessee shall not, except as security as provided in Section 23, Lessee's Encumbrances, hereof, sell, assign, or transfer this Lease Agreement without the prior written consent of the Lessor. Lessee shall not sublease the Leased Property or any portion thereof, nor shall Lessee sublet any privileges granted with respect to the operation of said Leased Property or any portion thereof, without the prior written consent of the Lessor, unless said sublease is for storage of aircraft and/or other aviation business or use classified and interpreted as "direct aeronautical use". Lessee may also provide equipment storage space and/or office space to any such sublessee without Lessor's prior written consent. No assignee for the benefit of Lessee's creditors, and any trustee, receiver, or referee in bankruptcy shall acquire any rights under this Lease by virtue of this paragraph.

**SECTION 30. WAIVERS:**

Any waiver by Lessor or Lessee at any time of any of the terms, conditions, covenants or agreements of this Lease Agreement, or non-compliance therewith, shall not be deemed or taken as a future waiver at any time thereafter of the same or any other term, condition, covenant or agreement herein contained, nor of the strict and prompt performance thereof required by Lessee. No delay, failure or omission of Lessor to re-enter the Leased Property or to exercise any right,

power, privilege or option arising from any default, nor the subsequent acceptance of fees then or thereafter accrued, shall impair any future right, power, privilege or option, nor shall it be construed to be a waiver of any such default or acquiescence therein. No notice by Lessor shall be given to Lessee to restore or revive any "time is of the essence" clause after any waiver by Lessor. No option, right, power, remedy or privilege of Lessor shall be construed as being exhausted or discharged by the exercise thereof in one or more instances. It is agreed that each and all of the rights, powers, options, or remedies given to Lessor by this Lease Agreement are cumulative and no one of them shall be exclusive of the other or exclusive of any remedies provided by law, and that the exercise of one right, power, option or remedy by Lessor shall not impair its right to any other right, power, option or remedy.

### **SECTION 31. SECURITY:**

Lessor shall provide, or cause to be provided, during the term of this Lease Agreement, all proper and appropriate public fire and police protection similar to that afforded to other tenants at the Airport, and it will issue and enforce rules and regulations with respect thereto for all portions of the Airport. Lessee shall have the right but shall not be obligated, to provide such additional or supplemental public protection as it may desire, but such right, whether or not exercised by Lessee, shall not in any way be construed to limit or reduce the obligations of Lessor hereunder.

#### **A. Access to Non-Movement Area / Ingress and Egress.**

Lessee shall have right of ingress to, and egress from, the Airport over Airport roadways, including the use of common-use roadways, expressly subject to such rules and regulations as may be established by the Airport Director. Lessee is granted only that vehicular access which is reasonably necessary to allow Lessee access to the Leased Property once Lessee is on Airport property. Vehicular access to all movement areas, whether active or inactive, is expressly prohibited by this Lease. For the purpose of this Agreement, a movement area is any runway or taxiway utilized whether active or inactive for taxiing, takeoffs, and landings of aircraft, exclusive of aircraft loading ramps, taxilane(s), aircraft parking areas, and aircraft aprons and tie-down spaces.

#### **B. Gate Combination and / or Access Code.**

The Lessee acknowledges and agrees that he/she is totally responsible for the dissemination of any gate and/or access code given to provide access to the Airport through the use of Lessee's gate. If the Lessee gives this code to any other person for whatever reason, the Lessee will be responsible for any and all actions of such person(s) as if this were the Lessee him/herself.

C. Access Card.

If Lessee desires to use Airport's established proximity access control card system, or other Airport access control system not yet defined by, or in use by, the Airport at that time, Airport Administration will assign one (1) card to the Lessee only. A request by the Lessee for an additional card(s) shall be made in writing stating the reason(s) or rationale why an additional card(s) is/are required. Any request for an additional card may or may not be approved by the Airport Director at his/her sole discretion. The minimum information required for the issuance of any additional card will include the name, local address, and contact phone number of the individual. A Ten Dollar (\$10.00) fee, payable to DeKalb County, will be charged for the issuance of an access card to each individual. If a card is lost, stolen, or made unusable for any reasons, a Twenty-Five Dollar (\$25.00) replacement fee will be required before a new card is issued.

The control and monitoring of access is paramount to Airport security. Accordingly, only authorized users with access to the Airport granted pursuant to this Lease should hold a card to access the Airport. Lost or stolen Airport-issued access cards shall be reported immediately by any means possible to Airport Administration, whereupon the loss and/or theft will be recorded, and the card will be made "inactive" by Airport Administration for the access control point. "Reported immediately" means within twenty-four (24) hours or the next business day, not including weekends or holidays. A new card may then be issued by Airport Administration bearing a number different from the one lost or stolen.

D. Fraud and Intentional Falsification of Records.

- (a) No person may make any fraudulent or intentionally false statement in any application for any security program, access medium, or identification medium.

(b) No person may make any fraudulent or intentionally false entry in any record or report that is kept, made or used to show compliance or exercise any privileges.

E. Security Responsibilities of Employees and Other Persons.

No person may:

(a) Tamper or interfere with, compromise, modify, attempt to circumvent, or cause a person to tamper or interfere with, compromise, modify, or attempt to circumvent any security system, measure, or procedure.

(b) Enter, or be present within a secured area without complying with the systems, measures, or procedures being applied to control access to, or presence or movement in, such areas.

(c) Use, allow to be used, or cause to be used, any airport-issued or airport-approved access medium or identification medium that authorizes the access, presence, or movement of persons or vehicles in secured areas in any other manner than that for which it was used by the appropriate authority.

F. “On Airport Driver’s Safety and Training Guide for the DeKalb Peachtree Airport”.

Any person given access to the Airport shall be required to read and acknowledge having read and understood the current edition of the above document provided by the Airport, to qualify for access to the Airport. A copy of the signature page acknowledgement will be kept in the Lessee’s Lease file.

G. Airport Safety and Security.

In the interest of Airport safety and security, in the event Lessee fails to abide by this Section 31 of this Lease Agreement and provided Lessee is given five (5) days written notice of the violation with a ten (10) day period to cure, the Chief Executive Officer (CEO) of DeKalb County and his/her designee, is authorized by the County’s Governing Authority, at the CEO’s sole discretion, to immediately declare this Lease void, to cancel the same without any legal proceeding and to reenter and take possession of the Leased Property.

**SECTION 32. PUBLIC USE AND FEDERAL GRANTS:**

A. Grant Agreements. The Leased Property and the Airport are subject to the terms of those certain sponsors’ assurances made to guarantee the public use of the Airport as incidental to grant agreements between Lessor and the United States of America, as amended

("Sponsor's Assurance Agreement"), and Lessor represents that none of the provisions of this Lease Agreement violate any of the provisions of the Sponsor's Assurance Agreement.

B. Non-Exclusive Rights. Nothing contained in this Lease Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 USC Section 40103(e) (formerly, Section 308 of the Federal Aviation Act of 1958).

C. Right to Develop Airport. Lessor reserves the right to further develop or improve the Airport and all roadways, parking areas, terminal facilities, landing areas, and taxiways as it may see fit, regardless of the desires or views of the Lessee.

D. Subordination of Lease. This Lease Agreement shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States of America, its Boards, Agencies, or Commissions relative to the operation or maintenance of the Airport.

E. Right to Amend. In the event that the Federal Aviation Administration or its successors shall require any modifications or changes in this Lease Agreement as a condition precedent to the granting of funds for the improvement of the Airport, Lessee hereby consents to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions or requirements of this Lease Agreement as may reasonably be required to obtain such funds; provided, however, that in no event will Lessee be required, pursuant to this paragraph, to accept an increase in fees or rent provided for hereunder or accept a change in the use of, accept a reduction in the size of the Leased Property, or to accept any change which would adversely affect the rights of any mortgagee, beneficiary, payee or trustee registered with Lessor as provided in Section 23, Lessee's Encumbrances.

**SECTION 33. BONDS:**

Lessee shall be required to furnish to Lessor:

(a) Prior to the commencement of any construction or alteration upon the Leased Property, a surety bond, satisfactory to Lessor, in a sum not less than 100% of the estimated cost of construction, guaranteeing the faithful performance and the completion of such construction, all in accordance with final plans and detailed specifications to be approved in advance by Lessor. Said bond shall guarantee Lessor against any losses and liability, damages



and expenses (including attorney's fees), claims and judgments caused by or resulting from any failure of Lessee or Lessee's contractor to perform fully and faithfully the work in question within the time period herein provided for completion.

(b) Prior to the commencement of any construction work upon the Leased Property, a surety bond, satisfactory to Lessor, with Lessee's contractor or contractors as principal, in the sum equal to not less than 100% of the amount of the contract for the completion of such work guaranteeing the payments of wages for services engaged and of bills contracted for materials supplied and equipment used in the performance of such work, and protecting Lessor from any liability (including attorney's fees), loss or damage arising therefrom.

In the event that Lessee initially furnishes such bonds as required by Section 33(a) and 33(b), above, and thereafter obtains from its contractor or contractors such bonds in like amount which are satisfactory to Lessor, and which provide the same protection, as aforesaid, Lessor, upon application by Lessee and upon naming Lessor as an additional obligee of Lessee's principal and contractor under such bonds, shall release Lessee from and consent to the cancellation of the bond or bonds originally furnished by Lessee under Section 33(a) and 33(b) hereof; it being understood and agreed that nothing herein contained shall prevent Lessee's compliance with the provisions of Section 33(a) and 33(b) hereof by initially obtaining such bonds from its contractor or contractors prior to the commencement of any construction hereunder. Said bonds shall be with good and sufficient surety satisfactory to Lessor.

**SECTION 34. CONSENT NOT TO BE UNREASONABLY WITHHELD:**

Whenever consent or approval is required hereunder by either party, such consent is not to be unreasonably withheld, nor to be delayed for any unreasonable period of time.

**SECTION 35. PREVENTION OF TRESPASS:**

Lessee agrees to use Lessee's reasonable efforts to prevent unauthorized persons from gaining access to the Airport restricted areas through the Leased Property.

**SECTION 36. SIGNS AND ADVERTISING:**

Lessee is granted the right to install identification signs on and about the Leased Property, subject to the Airport's prior written approval with regard to the size, design, text and

location of such sign and the approval of applicable local government authority. Those signs currently erected on the property are exempt from this requirement.

**SECTION 37. RELATIONSHIP BETWEEN THE PARTIES:**

Lessor is neither a joint venture with, nor a partner or associate of the Lessee with respect to any matter provided for in this Lease Agreement. Nothing herein contained shall be construed to create any such relationship between the parties other than that of Lessor and Lessee or to subject Lessor to any obligation of the Lessee whatsoever.

**SECTION 38. TIME OF THE ESSENCE:**

Time is of the essence in this Lease Agreement.

**SECTION 39. LEASE MADE IN GEORGIA:**

This Lease Agreement has been made in and shall be construed in accordance with the laws of the State of Georgia.

**SECTION 40. HEADINGS:**

The headings contained herein, including the Title Page and the Table of Contents, are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease Agreement.

**SECTION 41. NOTICES:**

All notices to be given hereunder shall be in writing and shall be deemed given when deposited in the United States mail, postage prepaid, certified, and addressed as follows (or at such other address as from time to time may be designated by either party by written notice to other party):

- |                        |                                   |
|------------------------|-----------------------------------|
| <b>(a) LESSOR:</b>     |                                   |
| DeKalb County, Georgia | With a copy to: Airport Director, |
| The Maloof Center      | DeKalb County, Georgia            |
| 1300 Commerce Drive    | DeKalb Peachtree Airport          |
| Decatur, Georgia 30030 | 212 Administration Building       |
|                        | 2000 Airport Road                 |
|                        | Atlanta, Georgia 30341            |

**LESSEE:**  
Helicopters, Inc.  
5000 Omega Drive  
Cahokia, IL 62206

With a copy to:  
Helicopters, Inc.  
2003 Flightway Drive  
Chamblee, Georgia 30341

**SECTION 42. SURRENDER AND MERGER:**

The voluntary or other surrender or termination of this Lease Agreement by Lessee, or a mutual cancellation thereof, shall not work as a merger, and shall, at the option of Lessor, terminate all or any existing subleases, or subtenancies, or may, at the option of Lessor, operate as an assignment to Lessor of any or all such subleases or subtenancies.

**SECTION 43. SUCCESSORS AND ASSIGNS:**

Subject to the terms and conditions of Section 29, Sale, Assignment, Transfer, and Subletting, hereof, the provisions of this Lease Agreement shall bind and inure to the benefit of the successors and assigns of the parties hereto.

**SECTION 44. PERMITS AND LICENSES:**

All necessary permits, licenses, or permissions from the Airport Director shall be obtained in writing, and shall not be valid or binding upon any person unless and until said writing is obtained.

**SECTION 45. AS-BUILT PLANS TO BE FURNISHED:**

As available, two (2) complete certified sets of "as-built" plans and specifications for all buildings and improvements on the Leased Property shall be deposited with the Airport Director within thirty (30) days of the date of this agreement. After the completion of any new construction by Lessee on the Leased Property, two (2) complete sets of plans and specifications for all subsequent changes therein or alterations thereof shall, within fifteen (15) days after approval by the Lessor, be signed by Lessee and delivered to the Airport Director.

**SECTION 46. AIRPORT DIRECTOR:**

The Lessor, through an Airport Director shall have the exclusive right and responsibility during the term of this Lease Agreement of managing and operating said Airport for civilian flying adjacent to the Leased Property, including the promulgating of such rules and regulations,

including traffic rules, so that said Airport may be operated safely, efficiently and to the further end that all take offs, landings, taxiing and flying in the immediate vicinity of the field shall be performed with maximum safety.

**SECTION 47. MAINTENANCE OF RUNWAYS AND TAXIWAYS:**

The Lessor will maintain runways and taxiways in useable and safe condition, considering the type and nature of the initial construction, except those portions which may be closed to air traffic during periods of repair or construction, or for any other purpose deemed necessary by the Lessor.

**SECTION 48. TRASH AND REFUSE:**

A. Removal and Disposal. It is hereby agreed that the quick and efficient removal and disposal of trash, clippings, refuse, garbage and other debris from the Leased Property is essential, and Lessee shall arrange for such removal and disposal of trash, clippings, refuse, garbage and other debris from the Leased Property at Lessee's own expense in accordance with all applicable laws and ordinances.

B. Storage. Trash, clippings, refuse, garbage and other debris shall be stored in closed containers suitably screened and protected from public view, pending their removal and disposal, and such storage shall at no time, be allowed to generate odors, attract rodents or insects, or become offensive in any manner. The containers shall have paved access for the service providing their removal and disposal. The storage area shall be kept neat and clean at all times.

C. Waste Products. Lessee shall prevent the entrance from the Leased Property of quantities of petroleum products and other harmful wastes in excess of amounts permitted by applicable laws and regulations in the sewerage and storm water drainage systems serving the County, and shall treat the same in accordance and in full compliance with all applicable local, State and Federal laws and regulations.

**SECTION 49. OBSTRUCTION LIGHTING:**

Lessee agrees to install and maintain, including the furnishing of electrical power, obstruction lights on all structures within the Leased Property required under all applicable FAA

criteria.

**SECTION 50. REMOVAL OF EXCESS DIRT:**

Lessee agrees that all dirt within the Premises, which is excess to Lessee's need on the Premises, remains the property of Lessor and shall be hauled at Lessee's expense to a site on airport property as designated by the Airport Director.

**SECTION 51. LATE PAYMENT CHARGE:**

Lessee agrees to pay a penalty charge to Lessor in an amount equal to five percent (5%) of each monthly payment not received by Lessor within ten (10) days of date of which payment is due.

**SECTION 52. VENUE:**

This Lease Agreement has been executed and is to be wholly performed in DeKalb County, Georgia, and for the purposes of venue, all suits or causes of action arising out of this Lease Agreement shall be brought in the courts of DeKalb County, Georgia.

**SECTION 53. AMENDMENT OF LEASE AGREEMENT:**

All duties, obligations, and liability of Lessor and Lessee may only be amended in writing. No amendment or modification of this agreement shall be enforceable unless in writing and approved by action of the Board of Commissioners of DeKalb County."

**SECTION 54. POSSESSION OF LEASED PROPERTY:**

Possession and title to all Leased Property including all capital improvements and facilities shall be vested in Lessee and is deemed to begin on the start date of this Lease, December 1, 2017. From this date forward throughout the term of the agreement, the Lease Agreement is considered to be a "triple-net" lease whereas the Lessee is responsible for the all maintenance, routine and/or emergency, of all facilities and capital improvements, maintenance of insurance, regular and unscheduled / unforeseen / emergency maintenance on any part of the facility, capital improvements, ramps, parking areas, access control gates, etc.

**SECTION 55. ENVIRONMENTAL LAWS:**

Environmental laws means all laws relating to environmental matters, including without

limitation, those relating to fines, orders, injunctions, penalties damages, contribution, cost recovery compensation, losses, or injuries resulting from the release or threatened release of Hazardous Materials and to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. §1251 et seq.), the Clean Air Act (41 U.S.C. § 7401 et seq.), the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 et seq.), the Safe Drinking Water Act (42 U.S.C.§ 300f-§ 300h-11 et seq.), the Occupational Safety and Health Act of 1970 (29 U.S.C.§ 651 et seq.), the Emergency Planning and Community Right-to-Know Act (42U.S.C. § 11001 et seq.), the Georgia Underground Storage Tank Act (O.C.G.A. § 12-13-1 et seq.), Georgia Water Quality Control Act, Georgia Laws 1964, p.416, as amended, each as heretofore and hereafter amended or supplemented, and any analogous future or present local, state, or Federal statutes, rules and regulations promulgated thereunder or pursuant thereto, and any other present or future law, ordinance, rule, regulation, permit or permit condition, order or directive regulating, relating to or imposing liability standards of conduct concerning any Hazardous Material by the Federal government, any government, any state or any political subdivision thereof, exercising executive, legislative judicial, regulatory or administrative functions.

**SECTION 56. STORM WATER COMPLIANCE:**

(A) Acknowledgements.

(1) Notwithstanding any other provisions or terms of this Lease Agreement, Lessee acknowledges that the Airport is subject to Federal Storm Water regulations 40 C.F.R. Part 122, for “vehicle maintenance shops” (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport as defined in these regulations and in the Georgia Water Quality Control Act, Georgia Laws 1964, page 416, as amended. Lessee further acknowledges that it is familiar with these Storm Water regulations; that it may conduct or operate “vehicle maintenance” (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing activities as defined in the

Federal and state Storm Water regulations; and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.

(2) Notwithstanding any other provisions or terms of this Lease Agreement, Lessee acknowledges that it will take steps necessary to apply for and obtain a Storm Water discharge permit as required by the applicable regulations for the Airport, including the Property occupied or operated by the Lessee. Lessee acknowledges that the Storm Water discharge permit issued to the Airport may name the Lessee as a co-permittee.

(3) Notwithstanding any other provisions or terms of this Lease Agreement, including the Lessee's right to quiet enjoyment, Lessor and Lessee both acknowledge that close cooperation is necessary to ensure compliance with any Storm Water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. Lessee acknowledges that, as discussed more fully below, it may have to minimize the exposure of Storm Water to Significant Materials generated, stored, handled or otherwise used by the Lessee, as defined in the Federal Storm Water regulations, by implementing and maintaining "Best Management Practices" as listed in the DeKalb Peachtree Airport Storm Water Pollution Prevention Plan.

(4) Lessee acknowledges that the Airport's Storm Water discharge permit is incorporated by reference into this Lease and made a part hereof.

(5) Lessee acknowledges that DeKalb County and the Airport will pass all storm water fees as related to the Leased Property to the Lessee.

(B) Permit Compliance.

(1) Lessor will provide Lessee with written notice of those Storm Water discharge permit requirements, that are in the Airport's Storm Water permit, that Lessee will be obligated to perform from time to time, including, but not limited to: certification of non-Storm Water discharges; collection of Storm Water samples; implementation of Storm Water pollution prevention or similar plans; implementation of Best Management Practices and maintenance of necessary records. Such written notice shall include applicable deadlines. Lessee, within fifteen (15) days of receipt of such written notice, shall notify Lessor in writing if it disputes any of the Storm Water discharge permit requirements it is being directed to

undertake. If Lessee does not provide such timely notice, it is deemed assent to undertake such requirements. If Lessee provides Lessor with timely written notice that it disputes such Storm Water discharge permit requirements, Lessor and Lessee agree to negotiate a prompt resolution of their differences. Lessee warrants that it will not object to written notice from the Lessor for purposes of delay or avoiding compliance.

(2) Lessee agrees to undertake, at its sole expense unless otherwise agreed to in writing between Lessor and Lessee, those Storm Water discharge permit requirements for which it has received written notice from the Lessor. Lessee warrants that it shall meet any and all deadlines that may be imposed on or agreed to by Lessor and Lessee.

(3) Lessor agrees to provide Lessee, at its request, with any non-privileged information collected and submitted to any governmental entity(ies) pursuant to applicable Storm Water regulations.

(4) Lessee agrees that the terms and conditions of the Airport's Storm Water discharge permit may change from time to time and hereby appoints Lessor as its agent to negotiate with the appropriate governmental entity(ies) any such permit modifications.

(5) Lessor will give Lessee written notice of any breach by Lessee of the Airport's Storm Water discharge permit or the provisions of this section. If such breach is material, and, if of a continuing nature, Lessor may seek to terminate the lease pursuant to the terms of this Lease Agreement. Lessee agrees to cure promptly any breach.

(6) Lessee agrees to participate on the Airport's Pollution Prevention Team established to coordinate Storm Water activities at the Airport.

(C) Indemnification.

(1) Notwithstanding any other provisions of this Lease, Lessee agrees to indemnify and hold harmless Lessor for any and all claims, demands, costs (including attorneys fees), fees, fines, penalties, charges and demands by and liability directly or indirectly arising from Lessee's actions or omissions, including failure to comply with Lessee's obligations under this Section, the applicable Storm Water regulations, and Storm Water discharge permit, unless the result of Lessor's sole negligence. This indemnification shall survive any terminations



or non-renewal of this Lease.

(D) Definitions.

(1) **Storm Water** means: storm water runoff, snow melt runoff, and surface runoff and drainage.

(2) **Storm Water discharge associated with industrial activity** means, as defined by the EPA: storm water discharge associated with industrial activity means the discharge associated with any conveyance which is used for collecting and conveying storm water, and which is directly related to manufacturing, processing or raw materials storage areas at an industrial plant. The term does not include discharges from facilities or activities excluded from the NPDES program under 40 CFR Part 122. For the categories of industries identified in subparagraphs (i) through (x) of this subsection, the term includes, but is not limited to, storm water discharges from industrial plant yards; immediate access roads and rail lines used or traveled by carriers of raw materials, manufactured products, waste material, or by products used or created by the facility; material handling sites; refuse sites; sites used for the applications or disposal of process waste waters (as defined at 40 CFR 401); sites used for the storage and maintenance of material handling equipment, sites used for residual treatment, storage, or disposal; shipping and receiving area; manufacturing buildings; storage areas (including tank farms) for raw materials, and intermediate and finished products; and areas where industrial activity has taken place in the past and significant material remain and are exposed to storm water. For the categories of industries identified in subparagraph (xi), the term includes only storm water discharges from all areas (except access roads and rail lines) that are listed in the previous sentence where material handling equipment or activities, raw materials intermediate products, final products, waste materials, by-products, or industrial machinery are exposed to storm water. For the purpose of this paragraph, material handing activities include the; storage, loading and unloading, transportation, or conveyance of any raw material, intermediate product, finished product, by-product or waste product. The term excludes areas located on plant lands separate from the plant's industrial activities, such as office buildings and accompanying parking lots as long as the drainage from the excluded areas is not mixed with Storm Water drained from the above described areas. Industrial facilities (including industrial facilities that are Federal, State, or municipally owned or operated that meet the description of the facilities listed in this

paragraph (i)-(xi) include those facilities designated under the provisions of 122.26 (a) (1) (v).

(3) **Significant Materials** means: raw materials; fuels; materials such as solvents, detergents and plastic pellets; finished materials such as metallic products, raw materials used in food processing or production; hazardous substances designated under section 101(14) of CERCLA; any chemical the facility is required to report pursuant to section 313 of title III of SARA; fertilizers; pesticides; and waste products such as ashes, slag and sludge that have a potential to be released with Storm Water discharges. (See 40 CFR 122.26(b) (12)).

(4) **Best Management Practices (BMP)** means: practices employed to prevent or reduce source water pollution, such as the construction of runoff-retention basins and replanting eroding surfaces.

#### **SECTION 57. NO CLAIMS ON AIRCRAFT:**

Notwithstanding Section 12, Liability; Section 23, Lessee's Encumbrances; Section 29, Sale, Assignment, Transfer and Subletting; and Section 55, Environmental Laws, hereof, and any other provisions of this Lease Agreement granting to Lessor rights to take, proceed against, or file liens on Lessee, Lessor shall not have any rights in, or any rights to take, proceed against or file liens upon any aircraft, personal property, or vehicles of Lessee located at any time on the Leased Property.

#### **SECTION 58. EXCLUSIVE USE AREA:**

A. Designation. The entire Leased Property as identified and defined is further designated as an "Exclusive Use Area" for use by the Lessee. As such, this designation provides that, in the event the Airport is assessed a fine or penalty by the FAA for breach of security regulations or a movement area incursion as a result of the acts or omissions of the Lessee or any of its assigns, officers, agents, representatives, contractors, or invitees, the Lessee shall be required to reimburse the County promptly the full amount of any such fine or penalty paid by the County. In any proceeding by the FAA to investigate and assess such a fine or penalty involving the acts or omissions of the Lessee, the County shall provide the Lessee with reasonable notice of such proceedings and an opportunity to participate in any written submissions or hearings in connection with such proceedings.

B. Access to Non-Movement Area Only. Under this Lease Agreement, vehicular access is granted onto the Leased Property only, and to no other areas on the Airport. Vehicular access to any movement area, i.e., runway or taxiway, whether active or inactive, through the Leased Property area is not granted by virtue of this Lease Agreement, regardless of the circumstances, except for those towing (tug) operations for which the Lessee's employee(s) are completely and fully trained and are properly equipped with a communication radio and other equipment for coordinating access to and movement on any airport movement area (taxiway and/or runway, whether closed or open) with the PDK FAA Airport Traffic Control Tower (ATCT). Lessee accepts full and total responsibility for all such actions, and any fines or actions taken against the Lessee and/or Lessee's employee(s) under any and all circumstances.

C. Gate Combination and/or Access Code. The Lessee is totally responsible for the dissemination of the gate combination and/or access code and/or access card to any and all others. Any person given permanent access to the Leased Property by the Lessee shall read and be required to sign acknowledgement of having read and understood the current edition of the DeKalb Peachtree Airport (PDK) On Airport Driver's Safety and Training Guide for the DeKalb Peachtree Airport to qualify for "unescorted access" to the Leased Property. A copy of the signature page acknowledgement will be kept in the Lessee's Lease Agreement file. Any person granted temporary access to the Leased Property area shall be "escorted" at all times by the Lessee or by such person that has previously acknowledged having read and understood the above Airport training publication, and has been granted unescorted access. The access code and/or gate and/or access card combination will only be given to Airport Staff. Additionally, the access code and/or gate and/or access card combination will be provided such media and/or information to Airport Staff so that such information and/or material can be relayed to the DeKalb County Fire & Rescue Service for emergency access only.

**SECTION 59. SEVERABILITY:**

In the event any provision of this Lease Agreement is held to be unenforceable for any reason, the remainder of the Lease Agreement shall be in full force and effect and enforceable in accordance with its terms.

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**[SIGNATURES APPEAR ON NEXT PAGE.]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in four (4) counterparts, each to be considered as an original by their authorized representatives this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HELICOPTERS, INC  
By: [Signature]  
Signature (SEAL)

Parker B Condie Jr  
Name (Typed or Printed)

President + CEO  
Title

43-1252563  
Federal Tax Identification Number

6/27/17  
Date Signed by Lessee

DEKALB COUNTY, GEORGIA

\_\_\_\_\_ by Dir. (SEAL)

MICHAEL L. THURMOND  
Chief Executive Officer  
DeKalb County, Georgia

ATTEST:

Robert T. Toenjes (Seal)  
Name (Typed or Printed)

Maintenance Manager  
Title St Louis Downtown Airport

Signed, sealed and delivered as to Lessee in the presence of:

Robert T. Toenjes (Seal)  
Notary Public  
My Commission Expires: 5-14-18

APPROVED AS TO SUBSTANCE:

[Signature]  
Department Director

ATTEST:

\_\_\_\_\_  
BARBARA H. SANDERS, CCC, CMC  
Clerk of the Chief Executive Officer and  
Board of Commissioners of  
DeKalb County, Georgia

Signed, sealed and delivered as to County in the presence of:

\_\_\_\_\_  
(Seal)  
Notary Public  
My Commission Expires:

APPROVED AS TO FORM:

[Signature]  
County Attorney Signature

Max Ming Chang  
County Attorney Name (Typed or Printed)



**CERTIFICATE OF CORPORATE RESOLUTION**

I, Cindy J. Hesse, certify the following:

That I am the duly elected and authorized Secretary of Helicopters, Inc., hereinafter referred to as the "corporation"), a corporation organized and incorporated to do business under the laws of the State of Missouri;

That said corporation has, through lawful resolution of the Board of Directors of the corporation, duly authorized and directed Cindy J. Hesse in his official capacity as corp. Secretary of the corporation, to enter into and execute the following described Agreement with DeKalb County, a political subdivision of the State of Georgia:

Lease Agreement for Tract N2 (2003 Flightway Drive) at DeKalb Peachtree Airport.

That the foregoing Resolution of the Board of Directors has not been rescinded, modified, amended, or otherwise changed in any way since the adoption thereof, and is in full force and effect on the date hereof.

IN WITNESS WHEREOF, I have set my hand and corporate seal;

This the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

 (CORPORATE SEAL)  
(Secretary)

**Exhibit A**

**Description of Leased Property**

**Survey of Revision to Lease Tract N2, DeKalb Peachtree Airport,  
Dated March 5, 1996**

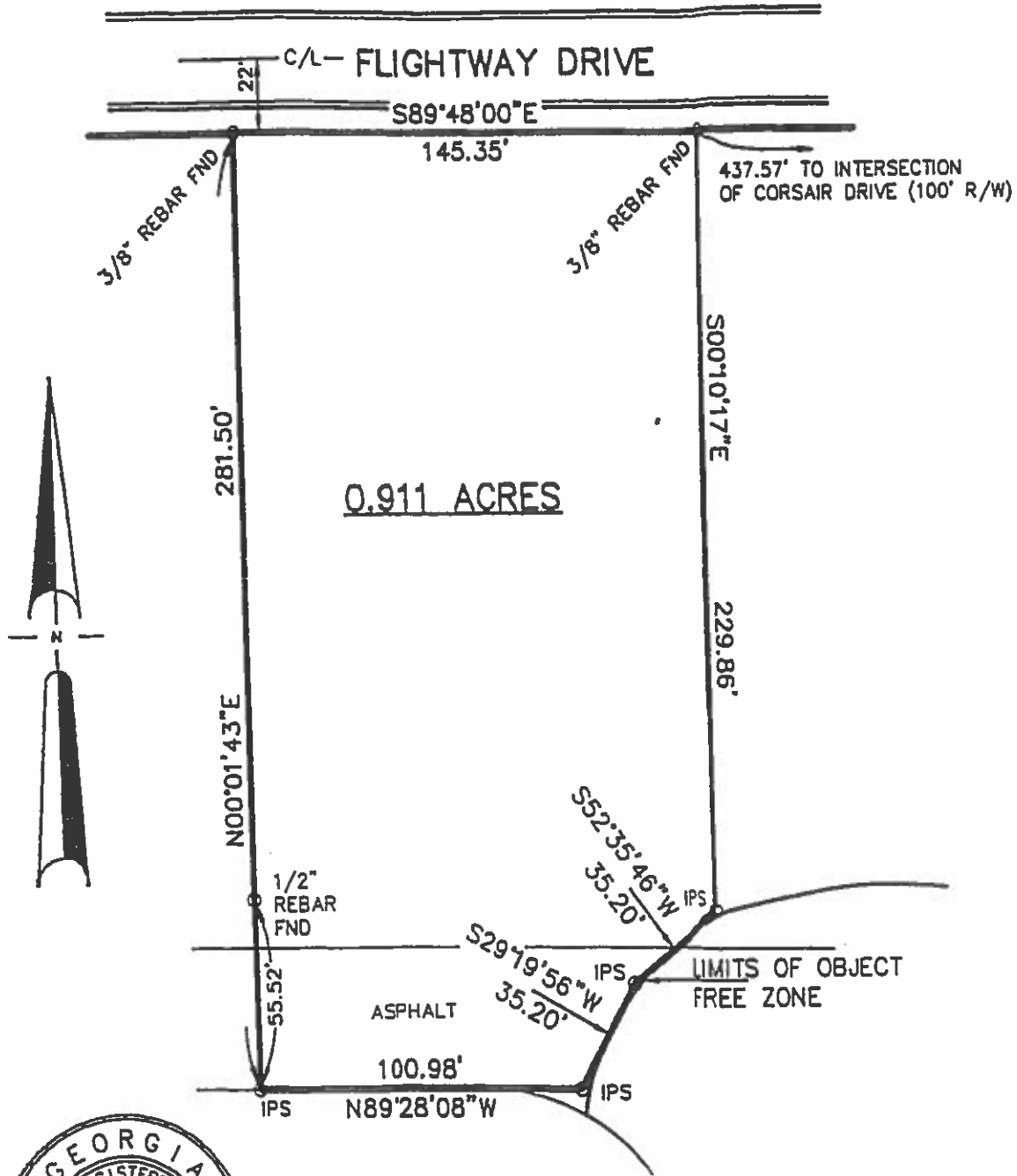
**Prepared by Patterson & Dewar Engineers, Inc. and  
Certified by George E. Ingram, Georgia Registered Land Surveyor No. 1950**

## Exhibit A

### Legal Description

All that tract or parcel of land lying and being in Land Lot 179 of the 18<sup>th</sup> District, DeKalb County, Georgia on the DeKalb Peachtree Airport property, and being more particularly described as follows:

Beginning at a point located on the southern right of way of Flightway Drive which point is 437.57 feet westerly from the southwest corner of the intersection of Corsair Drive and Flightway Drive; thence South 00° 10' 17" East a distance of 229.86 feet to an iron pin; thence South 52° 35' 46" West a distance of 35.20 feet to an iron pin; thence South 29° 19' 56" West a distance of 35.20 feet to an iron pin; thence North 89° 21' 08" West a distance of 100.98 feet to an iron pin; thence North 00° 01' 43" East a distance of 281.50 feet to a 3/8" rebar located on the southern right of way line of Flightway Drive; thence South 89° 48' 00" East a distance of 145.35 feet to a 3/8" rebar at the Point of Beginning. Said parcel containing 0.911 acre as shown on the attached survey of Revision to Lease Tract N2, DeKalb Peachtree Airport, dated March 5, 1996, prepared by Patterson & Dewar Engineers, Inc. and certified by George E. Ingram, Georgia Registered Land Surveyor No. 1950.



IPS DENOTES 1/2" REBAR SET.



PATTERSON & DEWAR ENGINEERS, INC.

2165 MILSCOTT DRIVE  
DECATUR, GEORGIA 30031  
phone (404) 296-9090

ENGINEERS - SURVEYORS - PLANNERS

DATE 3/5/96

FIELD BK.

DRAWN BY PBA

SCALE 1"=50'

REVISION TO

LEASE TRACT N2

DEKALB PEACHTREE AIRPORT

LAND LOT 27<sup>1/2</sup>, 18TH DISTRICT, DEKALB COUNTY, GEORGIA



**Exhibit B**

**Market Rent Analysis**

**Prepared by Airport Business Solutions**

**Date of Report: March 27, 2017**

**Date of Analysis: March 24, 2017**

# MARKET RENT UPDATE

\*\*\*\*\*

**Helicopters, Inc.  
Office/Hangar Development  
2003 Flightway Drive  
DeKalb Peachtree Airport (PDK)  
Atlanta, Georgia**



**Prepared for:**

**Mr. Mario A. Evans, C.M.  
Airport Director  
DeKalb Peachtree Airport  
2000 Airport Road, Suite 212  
Atlanta, Georgia 30341**

**Date of Report: March 27, 2017  
Date of Analysis: March 24, 2017**



## ***Airport Business Solutions***

*Valuation and Consulting Services to the Aviation Industry*

**12950 Race Track Road, Suite 206, Tampa, Florida 33626-1307**

**Phone (813) 855-3600 Fax (813) 200-1014**

March 27, 2017

Mr. Mario A. Evans, C.M.  
Airport Director  
DeKalb Peachtree Airport  
2000 Airport Road  
Suite 212  
Atlanta, Georgia 30341

RE: Market Rent Update  
Helicopters, Inc. Office/Hangar Development  
2003 Flightway Drive  
DeKalb Peachtree Airport (FDK)  
Atlanta, Georgia

Dear Mr. Evans:

In accordance with your request, we have inspected the subject development and completed our comprehensive study of the local, regional and national general aviation market for the purpose of providing an updated estimate of the Market Rent of the Helicopters, Inc. office/hangar development located at 2003 Flightway Drive at the DeKalb Peachtree Airport in Atlanta, Georgia. The subject development reflects a 10,692-square foot metal office/hangar on a 0.911-acre leasehold. The purpose of the assignment is to provide an estimate of the Market Rent on an as-is basis for the development to assist DeKalb County and the DeKalb Peachtree Airport with lease negotiations with Helicopters, Inc. This property was previously analyzed on May 1, 2013.

*The following document is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice. This consulting document does not include a full discussion of the data, reasoning, and analyses that were used to develop the opinion of Market Rent set forth herein. Within this document, data and analyses are summarized, with supporting documentation along with such as reasoning and analyses retained in our files.*

After careful analysis of the subject development and its competitive environment, as well as the local, regional and national general aviation market, it is our opinion that the current Market Rent of the Helicopters, Inc. office/hangar development, as of March 24, 2017, is as follows:

### **CURRENT MARKET RENT**

***SIXTY-FOUR THOUSAND ONE HUNDRED FIFTY-TWO DOLLARS PER ANNUM***

***(\$ 64,152.00 Per Year)***

*Solutions as Unique as the Problems . . .*


Mr. Mario A. Evans, C.M.  
March 27, 2017  
Page Two

*The County is advised to utilize the rate prescribed herein as a guideline for rate-setting, with prospective adjustments being warranted for specific leasehold characteristics or lease conditions. More specifically, in scenarios whereby capital investments in the facility will yield a more viable long-term corporate hangar facility, it is recommended that the County be flexible in their rate negotiations, specifically by providing longer lease terms or other amended terms based upon the capital commitments offered by a Lessee. This is standard within the industry in such situations.*

**NOTE:** The building area utilized in this report is consistent with previous analyses of this property completed for the Airport. Building areas were previously provided to the appraiser by the Client and were unable to be confirmed through County records. While the total building area is deemed to be accurate, it is recommended that the Client obtain an updated survey of the property, to include all improvements, as part of any new lease agreement.

The following Market Rent Analysis contains pertinent data assembled during our investigation, along with our analyses and conclusions. We appreciate this opportunity to be of service to you on this project. If you should have any further questions, or request additional information or clarification, please advise.

Sincerely,

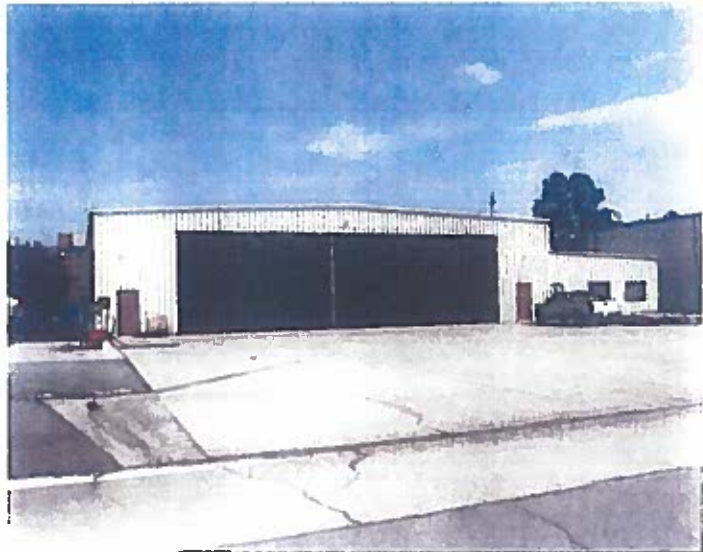
  
Michael A. Hodges, MAI  
State of Georgia  
Certified General Real Property Appraiser  
License No. CG004018

## DEVELOPMENT AND REPORTING PROCESS

This assignment involved preparation of a Market Rent Analysis of the subject property identified herein communicated within a Summary Report as defined by the *Uniform Standards of Professional Practice*. The appraiser inspected the subject site and all associated improvements, and all available information on comparable land and improved sales, rental data, construction costs, and accrued depreciation was gathered and analyzed. Confirmation of market data was via either direct confirmation or third-party sources deemed reliable by the appraiser. Our final conclusions are based on a comprehensive study of market trends.

## SCOPE OF THE ASSIGNMENT

The scope of this assignment is to estimate the current Market Rent of the Helicopters, Inc. office/hangar development located at 2003 Flightway Drive at the DeKalb Peachtree Airport in Atlanta, Georgia. The development is comprised of 0.911 acres (39,683 square feet) on the north side of the DeKalb Peachtree Airport (FAA Identifier PDK) and south side of Flightway Drive. Site is improved with a 10,692 square foot



office/hangar development, of which approximately 8,000 square feet is open bay hangar. However, a portion of the hangar is unusable for aircraft storage in its current state due to the construction of an interior hangar wall. While this is not a load-bearing wall and could be eliminated, the foundation support for this wall is raised and would need to be removed to create a seamless hangar floor.

There is a lean-to office/administrative area of average quality on the east side of the hangar, as well as a lean-to shop area on the north side of the hangar. The building was originally constructed in 1982 and has been partially renovated over the years. In addition, the development includes

approximately 10,000 square feet of concrete paved aircraft ramp/apron on south side of the building, a 10,000-gallon underground Jet fuel storage tank with dispenser, and miscellaneous site improvements such as asphalt paved vehicular parking, landscaping and perimeter security fencing.

This Market Rent Analysis is conveyed to the Client in a summary format reflecting salient facts and conclusions on the subject property identified herein. Consideration is given to all pertinent factors affecting the subject property and the specific dates and values defined herein, with all detailed data relevant to the rent conclusions contained herein. Pertinent confidential market data is retained in the appraiser's files. It should be noted that this report reflects an update of a previous analysis dated May, 2013.

**NOTE:** The building area utilized in this report is consistent with previous analyses of this property completed for the Airport. Building areas were previously provided to the appraiser by the Client and were unable to be confirmed through County records. While the total building area is deemed to be accurate, it is recommended that the Client obtain an updated survey of the property, to include all improvements, as part of any new lease agreement.

## **PURPOSE AND FUNCTION OF THE ASSIGNMENT**

On behalf of the County of DeKalb and the DeKalb Peachtree Airport, Mr. Mario A. Evans, C.M., its Airport Director, has requested an estimate of the Market Rent of the Helicopters, Inc. office/hangar development at the DeKalb Peachtree Airport in Atlanta, Georgia. Per the Client's request, the intended use of the rental conclusion is to assist in lease negotiations for a new agreement with the tenant. The intended user is DeKalb County and the DeKalb Peachtree Airport management. It is assumed that *Airport Business Solutions (ABS)* and their representatives were provided all information relative to the Airport and this leasehold, and that the information is current and accurate. *ABS* reserves the right to modify its conclusions if it is discovered that pertinent information was not made available.

***NOTE:** The County is advised to utilize the rate prescribed herein as a guideline for rate-setting, with prospective adjustments being warranted for specific leasehold characteristics or lease conditions. More specifically, in scenarios whereby capital investments in the facility will yield a more viable long-term corporate hangar facility, it is recommended that the County be flexible in their rate negotiations, specifically by providing longer lease terms or other amended terms based upon the capital commitments offered by a Lessee. This is standard within the industry in such situations.*

## **IDENTIFICATION OF PROPERTY ANALYZED**

The subject site lies on the south side of Flightway Drive, within the northern quadrant of the DeKalb Peachtree Airport (PDK), and is identified as the Helicopters, Inc. office/hangar development at 2003 Flightway Drive in Atlanta, Georgia. The site is comprised of 0.911 acres, or 39,683 square feet, and is improved with a 10,692 square foot office/hangar facility originally built in 1982 that has been partially renovated over the years. In addition, the development includes approximately 10,000 square feet of paved aircraft ramp/apron, asphalt paved automobile parking, a 10,000-gallon underground fuel storage facility with dispenser, and miscellaneous site improvements such as landscaping and perimeter security fencing.



**NOTE:** The building area utilized in this report is consistent with previous analyses of this property completed for the Airport. Building areas were previously provided to the appraiser by the Client and were unable to be confirmed through County records. While the total building area is deemed to be accurate, it is recommended that the Client obtain an updated survey of the property, to include all improvements, as part of any new lease agreement.

## **COMPETENCY PROVISION**

In accordance with the *Uniform Standards of Professional Appraisal Practice* and requirements of the Appraisal Institute, the consultant preparing this report possesses the necessary expertise and experience to complete an analysis of this uniqueness and complexity. Michael A. Hodges, MAI has been analyzing aviation-related properties since 1988, and has been employed in the aviation appraisal and consulting field exclusively since 1995. Over the past few years, Mr. Hodges has completed aviation projects in 48 states, and has been contracted by airport sponsors, aviation businesses, lending institutions and other private entities. In addition, over the past several years, Mr. Hodges has completed numerous aviation-related assignments within the Atlanta marketplace.

## **DATE OF RENT ESTIMATE**

The date of this report is March 27, 2017, which corresponds to our written composition. An on-site review and personal inspection of the property was performed by Michael A. Hodges, MAI on March 24, 2017, which also reflects the date of analysis. This property was previously analyzed on May 1, 2013.

## **OWNERSHIP HISTORY**

The subject leasehold is governed by a Lease Agreement between DeKalb County and Helicopters, Inc. The original lease began on November 12, 1981, but is disregarded in this analysis, as the purpose of the assignment is estimate Market Rent in conjunction with a new long-term lease agreement.



## **DEFINITION OF MARKET RENT**

The primary value estimate herein conforms with the definition of "Market Rent" per **The Dictionary of Real Estate Appraisal (Fifth Edition, page 121-122)**, specifically defined as *"The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)."*

## **LEGAL DESCRIPTION**

A metes and bounds legal description and site plan of the subject property was not available. As such, land and building areas were based upon information provided by the Client, as well as data from previous analyses on the property in 2002 and 2013.

## **PROPERTY RIGHTS ANALYZED**

Fee simple estate is defined as "absolute ownership unencumbered by any other interest or estate; subject only to the limitations of the four powers of government." This classification of ownership consists of the full "bundle of rights" which includes the right to use real estate, to sell it, to lease it, to give it away, or to choose to exercise all or none of these rights. In the case of income producing properties, it is typical for an owner to grant the right of use and occupancy for all or part of a property to another by a lease.

The property rights analyzed herein are those of the fee simple estate of the property identified herein, with the existing lease disregarded. Moreover, any other liens and encumbrances, *except for* pertinent Federal Aviation Administration restrictions, are disregarded herein.

## NEIGHBORHOOD/COMMUNITY ANALYSIS

Given the scope of this analysis, a detailed area assessment has been omitted herein. However, the following is a brief overview of the area.

The DeKalb-Peachtree Airport is located within the boundaries of DeKalb County in the State of Georgia. DeKalb County is Georgia's third largest county relative to population with just over 740,000 residents according to recent estimates. This reflects a 7% increase over 2010 figures. DeKalb County is bordered to the west by Fulton County and contains roughly 10% of the population of the City of Atlanta. (The other 90% lies in Fulton County).



The County is included in the five-county core of the Atlanta-Sandy Springs-Marietta, Georgia, metropolitan statistical area (MSA). It is recognized as one of the most diverse counties in Georgia, and is the home to Emory University, Emory Healthcare, Centers for Disease Control (CDC), The Kroger Company, United Parcel Service, and numerous other large businesses and industries. The County's labor base is extremely diverse, and the transportation options offered by ground, air, and rail are highly desirable and contribute to economic growth.

In summary, the diversity of DeKalb County and the entire Atlanta MSA bodes extremely well for the Airport, its businesses and tenants, and the community it serves. The national economic recovery has had positive impact on the growth and investment at the Airport and contributed to the stability of the local community. As such, the long-term prospectus is positive.

## **DEKALB-PEACHTREE AIRPORT**

DeKalb-Peachtree Airport (FAA Identifier PDK) encompasses 700+ acres and is one of the busiest general aviation airports in the country. The high number of corporate operations is primarily due to its proximity to the City of Atlanta, which lies only 8 miles to the southwest. The Airport is owned and operated by DeKalb County, and is home to three fixed base operators (FBOs), Signature Flight Support, Atlantic Aviation, and Epps Aviation. In addition, PDK offers several specialized aviation businesses and private hangars. DeKalb-Peachtree Airport has been designated a reliever airport for the Hartsfield-Jackson Atlanta International Airport by the Federal Aviation Administration.



The Airport lies at an elevation of 1,003 feet and contains four active runways and one helipad. Runway 2R/20L is 6,001 feet in length and 100 feet wide with a concrete grooved surface in good condition. Weight bearing capacity is 46,000 pounds single wheel and 75,000 pounds dual wheel. This runway has high intensity runway edge lights, a 4-box VASI on 2R, and a 2-light PAPI, medium intensity approach lighting, and instrument landing system (ILS) on Runway 20L. Runway 16/34 is



In summary, the DeKalb-Peachtree Airport is one of 278 reliever airports in the United States, and offers all of the amenities necessary for general aviation activities. To meet current demand and forecasted growth, the Airport is currently planning and constructing necessary infrastructure. Overall, the Airport is poised for continued growth as the economic recovery continues in both the local economy and national general aviation environment.

## SITE AND IMPROVEMENT DESCRIPTION

The Helicopters, Inc. corporate hangar development is located at 2003 Flightway Drive at the DeKalb Peachtree Airport. The development is comprised of 0.911 acres (39,683 square feet) on the north side of the DeKalb Peachtree Airport (FAA Identifier PDK) and south side of Flightway Drive. Site is improved with a 10,692 square foot office/hangar building originally constructed in 1982 and has been partially renovated over the years.



Most recently, within the past 2 years, the hangar was substantially modified when a two-story interior office and storage area was demolished, significantly increasing the usable hangar area. This area that was demolished was originally completed without County building permits and County approval. Therefore, it needed to be removed anyway prior to any additional work being done to the facility. In addition, the development includes approximately 10,000 square feet of concrete paved aircraft ramp/apron on south side of the building, asphalt paved vehicular parking, a 10,000-gallon underground Jet fuel storage tank with dispenser, and miscellaneous site improvements such as landscaping and perimeter security fencing.

The generally level site is improved with a 10,692-square foot metal office/hangar structure, of which approximately 8,000 square feet is contained within an open bay hangar with a sealed concrete floor, insulated metal walls and ceiling, high intensity lighting, exhaust fans, accordion-style



manual door, and skylights. Door height on the hangar is approximately 20 feet. The hangar does not offer sprinklers or heating. A portion of the hangar is unusable for aircraft storage in its current state due to the construction of an interior hangar wall. While this is not a load-bearing wall and could be eliminated, the foundation support for this wall is raised and would need to be removed to create a seamless hangar floor.



In addition to the build-out in the hangar, there is a lean-to office/administrative area on the east side of the hangar. This area reflects average quality finish and condition and includes a lobby, conference room, several private offices, a kitchen, flight planning/storage room and restrooms. General finish reflects carpeting or tile floors, painted or covered drywall walls, acoustical tile ceilings with recessed fluorescent lighting and central



heating and cooling. This area was remodeled in the last 2 years and several areas of deferred maintenance were addressed, to include water damage, rusting of window casings, termite damage, and water intrusion. There is also a lean-to area on the north side of the building that is used as shop and storage area.

Site improvements include approximately 10,000 square feet of concrete paved aircraft ramp/apron, extensive asphalt paved automobile parking and landscaping, as well as perimeter

security fencing. The development also includes a 10,000-gallon underground Jet fuel storage tank with a dispenser along the west end of the ramp/apron.

**NOTE:** The building area utilized in this report is consistent with previous analyses of this property completed for the Airport. Building areas were previously provided to the appraiser by the Client and were unable to be confirmed through County records. While the total building area is deemed to be accurate, it is recommended that the Client obtain an updated survey of the property, to include all improvements, as part of any new lease agreement.



## **MARKET RENT ANALYSIS**

The focus of a Market Rent Analysis is the derivation of a market rental rate for pertinent land and facilities. In this situation, it is predicated upon an assessment of rental rates of comparable corporate office/hangar facilities derived from similar airports throughout the region, as well as on a national basis, with special attention to airports offering similar locational, physical, and operational characteristics to the DeKalb Peachtree Airport (PDK) where available. Detailed comparable data and analyses have been retained in the appraiser's files and will be made available upon request. On the following page is a summary of surveyed information, and a brief synopsis of the consultant's conclusions based upon the available data, consideration to the physical and locational characteristics of the subject property, and the infrastructure and amenities offered at PDK.

It is important to note that all comparable lease data utilized in this analysis reflects information on office/hangar developments *leased directly from the ownership entity of their airport*. Subleases have been disregarded, to include leases from an FBO, in that they typically reflect additional considerations in the form of profit to the sublessor, as well as often including ancillary services such as discount fueling, towing, ramp maintenance, etc.

<b>CORPORATE HANGAR SURVEY</b>			
<b>Airport and Location</b>	<b>Tenant</b>	<b>Building Area (Sq. Ft.)</b>	<b>Blended Annual Rent (Per Sq. Ft.)</b>
Northeast Florida Regional (SGJ) St. Augustine, FL	Ring Power	18,050	\$4.55
Savannah-Hilton Head Int'l (SAV), Savannah, GA	Southern Aviation Parts & Services	8,000	\$5.00
Orlando International (MCO), Orlando, FL	Palmer Aviation	11,500	\$5.50
DeKalb Peachtree (PDK), Atlanta, GA	Nonami Aircraft Facility Associates	16,320	\$5.50
DeKalb Peachtree (PDK), Atlanta, GA	BluEmbers Aviation	11,250	\$6.00
Pittsburgh International (PIT) Pittsburgh, PA	Corporate Air Management	21,960	\$6.60
DeKalb Peachtree (PDK), Atlanta, GA	RCM Hangar LLC	12,774	\$7.00
Chicago Executive (PWK), Chicago, IL	IPOII	10,495	\$7.38
DeKalb Peachtree (PDK), Atlanta, GA	PDK, LLC	11,306	\$7.50
DeKalb Peachtree (PDK), Atlanta, GA	Rollins	15,200	\$8.32
McKinney National (TKI), McKinney, TX	Toyota	32,745	\$11.75
McKinney National (TKI), McKinney, TX	Texas Instruments	40,750	\$13.67

As can be seen on the prior chart, rental rates for the surveyed corporate hangar facilities demonstrate a wide range from \$4.55 to \$13.67 per square foot of building area to include land. Said rates reflect blended rates between office and hangar space.

The ability for a corporate hangar tenant to retain self-fueling rights significantly impacts rental rates. This is based upon the substantial savings that can be garnered by an operator that has the ability to procure and dispense their own fuel, as opposed to having to buy retail from the airport's fixed base operator. Although most large corporate fuel users are able to negotiate pricing discounts, the margins still substantially exceed cost. The Helicopters, Inc. facility at PDK has self-fueling rights and a 10,000-gallon underground storage tank and dispenser, which must be considered in the final rent conclusion.

It is the consultant's opinion that there is sufficient data to derive a reasonable conclusion of market rent for the subject facility. The selection of a market-based rental rate is based upon the information contained herein, with consideration to the quality and condition of the subject facility, as well as the location and amenities of PDK as compared to the airports surveyed herein. Consideration is also given to the size and utility of the subject facility, which is generally smaller

than most corporate facilities with a lower door height. Given the foregoing, it is the consultant's opinion that an annual rental rate of \$5.50 per square foot of building area, to include land and site improvements, is appropriate for the Helicopters, Inc. office/hangar development in the current market. This rate considers the existing state of the economy, as well as the various non-conforming, condition, and functional obsolescence issues discussed herein.

It should be noted that the selected rental rate herein represents a "net" rent with the tenant responsible for utilities, insurance, taxes, and all repairs and maintenance. Furthermore, the selected rate reflects a rent appropriate on an "as-is" basis, with consideration to the current condition and marketability. Net rents provide for the tenant's responsibility for ongoing repairs and maintenance, as well as any capital improvements specifically required by the Lessor.

The following is a summary of the consultant's conclusions and overall annual rental rate for the Helicopters, Inc. office/hangar development.

<b>HELICOPTERS, INC. HANGAR DEVELOPMENT @ PDK</b>		
<b>Building Area (Sq. Ft.)</b>	<b>Rent Per Square Foot</b>	<b>Annual Rent</b>
10,692	\$6.00	\$64,152

## **RECONCILIATION AND FINAL RENT ESTIMATE**

Reconciliation is the process of evaluating facts, trends, observations, and conclusions developed in the valuation methods utilized to derive the final estimate of the current Market Rent of the Helicopters, Inc. corporate office/hangar development at the DeKalb Peachtree Airport. After careful analysis of the subject development and its competitive environment, as well as the local and regional aviation and real estate markets, it is our opinion that the current Market Rent of the Helicopters, Inc. office/hangar development at the DeKalb Peachtree Airport, on an “as-is” basis, as of March 27, 2017, is as follows:

### **CURRENT MARKET RENT**

***SIXTY-FOUR THOUSAND ONE HUNDRED FIFTY-TWO DOLLARS PER ANNUM***

***(\$ 64,152.00 Per Year)***

*As noted herein, the County is advised to utilize the rate prescribed herein as a guideline for rate-setting, with prospective adjustments being warranted for specific leasehold characteristics or lease conditions. More specifically, in scenarios whereby capital investments in the facility will yield a more viable long-term corporate hangar facility, it is recommended that the County be flexible in their rate negotiations, specifically by providing longer lease terms or other amended terms based upon the capital commitments offered by a Lessee. This is standard within the industry in such situations.*

**NOTE:** The building area utilized in this report is consistent with previous analyses of this property completed for the Airport. Building areas were previously provided to the appraiser by the Client and were unable to be confirmed through County records. While the total building area is deemed to be accurate, it is recommended that the Client obtain an updated survey of the property, to include all improvements, as part of any new lease agreement.

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

I have performed no services, as an appraiser or in other capacity, regarding this property within the 3 year period preceding the date of this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

I made a personal inspection of the property that is the subject of this report on March 27, 2017.

No one provided significant real property appraisal assistance to the person signing this certification.



Michael A. Hodges, MAI  
State of Georgia  
Certified General Real Property Appraiser  
License No. CG004018

**ADDENDA**

Market Rent Update  
Helicopters, Inc. Office/Hangar Development  
DeKalb Peachtree Airport  
March 27, 2017



**GENERAL ASSUMPTIONS AND  
LIMITING CONDITIONS**

## **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

1. The legal and/or metes and bounds as pointed out by the client are assumed to be correct.
2. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters.
3. No responsibility is assumed for matters of a legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable but not necessarily owned in fee by the client as of the date of this opinion.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraisers.
5. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
6. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated.
7. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated. All values stated herein are contingent upon the proper zoning, either existing or proposed, be granted by the local zoning authorities and adhered to regardless of the proposed use.
8. It is assumed that all required licenses and consents have been obtained from legislative or administrative authority for any use on which the value contained in this analysis is based.
9. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within this analysis.
10. The appraiser will not be required to give testimony or appear in court because of having made this analysis, with reference to the property in question, unless arrangements have been previously made.
11. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.



12. If there are any improvements of value, the distribution of the total valuation in this analysis between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other analysis and are invalid if so used.

13. No environmental impact studies were either requested or made in conjunction with this analysis and the appraisers hereby reserve the right to alter, amend, revise or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.

14. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraisers, firm or professional organization of which the appraisers are a member be identified without written consent of the appraiser.

15. Unless otherwise stated in this appraisal, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such materials on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

16. Current and historical market conditions have been analyzed in anticipating trends pertinent to the date of analysis. It should be noted, however, that unforeseeable changes in economic and market factors could dramatically affect the rent estimate and conclusions herein.

17. The appraiser has not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, the appraiser did not consider a possible noncompliance with the requirements of ADA in estimating the value of the property.

18. This document represents a Market Rent Analysis conveyed in a Summary Report of the property identified herein, as of March 27, 2017.

19. The building area utilized in this report is consistent with previous analyses of this property completed for the Airport. Building areas have been provided to the appraiser by the Client and were unable to be confirmed through County records. While the total building area is deemed to be accurate, it is recommended that the Client obtain an updated survey of the property, to include all improvements, as part of any new lease agreement.

Market Rent Update  
Helicopters, Inc. Office/Hangar Development  
DeKalb Peachtree Airport  
March 27, 2017



20. Acceptance of and/or use of this report constitutes acceptance of the foregoing general assumptions and limiting conditions.

Market Rent Update  
Helicopters, Inc. Office/Hangar Development  
DeKalb Peachtree Airport  
March 27, 2017



## QUALIFICATIONS OF CONSULTANT

# CURRICULUM VITAE

**NAME:** Michael A. Hodges, MAI  
**TITLE:** President/CEO  
**FIRM NAME:** ABS Aviation Consultancy, Inc. d/b/a  
Airport Business Solutions  
**ADDRESS:** 12950 Race Track Road, Suite 206  
Tampa, Florida 33626-1307  
**PHONE:** (813) 855-3600 or (813) 317-3170

## EDUCATION

Graduate of the University of Tennessee with a Bachelor of Arts Degree - Major in Philosophy.

## PROFESSIONAL AND TECHNICAL COURSES

Currently certified in the program of continuing education as required by the Appraisal Institute.

Completed requirements for MAI member designation of the Appraisal Institute to include peer review of appraisal assignments, completion of a demonstration appraisal report on an income-producing property, experience rating, and educational courses.

Attended numerous professional courses and seminars relative to real estate appraisal such as Capitalization Theory and Techniques, Case Studies in Real Estate Valuation, Real Estate Appraisal Principles, Basic Valuation, Residential Valuation, Investment Analysis, Uniform Standards of Professional Appraisal Practice, and Report Writing and Valuation Analysis, as presented by the American Institute of Real Estate Appraisers and the Appraisal Institute.

## BACKGROUND AND EXPERIENCE

President and CEO of *ABS Aviation Consultancy, Inc. d/b/a Airport Business Solutions (ABS)*, a diverse aviation valuation and consulting firm which specializes in the analysis of airports, fixed base operations, and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold and going-concern valuation, and bankruptcy, as well as providing specialized airport management consulting to include policy development, to airports of all sizes. Additional expertise offered in the area of financial self-sufficiency analysis for general aviation airports and through-the-fence access agreements and operations.



## *BACKGROUND AND EXPERIENCE (Continued)*

*ABS* has provided a myriad of services to airports throughout North and South America, Asia, and Europe. Using our extensive and diverse experience, *ABS* has assisted airports throughout the world in such areas as business plan development and implementation, concessions planning and management, air cargo assessments, airline agreement negotiation, terminal design analysis, parking assessment, rental car analysis, general aviation operations and management, non-aeronautical land development, financial modeling, and full or partial airport privatization assessments.

President and CEO of *ABS Aviation, Inc.*, an airport and FBO management services entity currently providing comprehensive airport management of the Minden-Tahoe Airport in Minden, Nevada.

Aviation President of Kompass Partners from 2005 through 2013. Kompass Partners was a Hong Kong-headquartered company specializing in creating successful partnerships between U.S. and Chinese aviation businesses.

Vice President and Part Owner in the firm of Hodges, McArthur, & Dunn, P.C. Real Estate Appraisers and Consultants from 1990 through 1995. Hodges, McArthur and Dunn, P.C. was a full-service real estate appraisal and consulting firm with offices in Knoxville, Nashville, and Memphis, Tennessee, and Atlanta, Georgia. Responsibilities included appraisals, general feasibility studies, and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

Founder and President of HMD Aviation Appraisal Group in 1994, a division of Hodges, McArthur & Dunn, P.C. HMD Aviation Appraisal Group was a real estate appraisal and consulting firm which specialized in the valuation of the real estate aspect of fixed base operations and other aviation-related properties for lease negotiation, acquisition, litigation, leasehold valuation, and bankruptcy.

Staff Appraiser with Hodges and Wallace Appraisal Associates from 1982 through 1990. Responsibilities included research, appraisals, general feasibility studies and market analyses on a variety of property types involved in financing, acquisition, condemnation, bankruptcy, litigation, and estate valuation.

## *COURT EXPERIENCE*

Qualified as an expert witness in various courts in Florida, Georgia, Tennessee, Kentucky, Arizona, Colorado, and California on various valuation, management, financial and operational issues on airports, aviation businesses and aviation-related properties.



## **TERRITORY**

*Airport Business Solutions* is based in Tampa, Florida, with satellite offices in Denver, Colorado and Minden, Nevada. The firm has completed a variety of assignments throughout the United States, Asia, Europe and Latin America, to include valuation, consultation, and miscellaneous advisory services.

## **AFFILIATIONS AND DESIGNATIONS**

Elected to Membership in the Appraisal Institute with an MAI designation on April 20, 1994 - Member No. 10,333.

State of Florida - Certified General Appraiser - License No. RZ2770

Commonwealth of Pennsylvania - Certified General Appraiser - Certificate No. GA-001626-R

State of Georgia - Certified General Real Property Appraiser - License No. CG004018

State of Texas - Certified General Real Estate Appraiser - License No. TX 1338569 G

Member of the Appraisal Institute's Young Advisory Council in 1994, 1995 and 1996

Corporate Member of the National Air Transportation Association (NATA)

Corporate Member of the American Association of Airport Executives (AAAE)

Corporate Member of the National Business Aviation Association (NBAA)

Member of AAAE's General Aviation Airports Committee

Member of NATA's Airport Business Committee



