GROUND SUBLEASE

THIS GROUND SUBLEASE made and entered into as of the Aday of Aday of Aday ..., 2011, by and between SIGNATURE FLIGHT SUPPORT CORPORATION, a Delaware corporation, of 201 S. Orange Ave., Suite 1100S, Orlando, Florida 32801 (hereinafter "Signature") and COIN TOSS LLC, a South Carolina limited liability company, with its principal offices located at 400 Buckwalter Place Blvd., Bluffton, South Carolina 29910 (hereinafter Sublessee"). Signature and Sublessee may from time to time be referred to collectively as "Parties".

WITNESSETH

WHEREAS, by agreement dated September 4, 2002, and Addendums 1 dated June 21, 2005, Addendum 2 dated June 21, 2005, Addendum 3 dated June 21, 2005, Addendum 4 dated 2006, and the Consent to Assignment dated September 28, 2007 Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina ("Authority") leased certain real property at Hilton Head Island Airport, Hilton Head island, South Carolina, ("Airport") to Signature, said lease agreement and all current and subsequent amendment(s) being incorporated by reference and a redacted copy attached to this Sublease as Exhibit A ("Master Lease");

WHEREAS, Sublessee desires to sublease a parcel of land situated on Signature's Airport leasehold parcel as described in the Master Lease and as depicted in Exhibit B (hereinafter "Premises"), incorporated by reference, which Premises is being subleased for the purposes of constructing and subleasing an aircraft storage hangar;

NOW, **THEREFORE**, in consideration of the premises and the respective undertakings of the Parties hereinafter set forth, it is hereby agreed as follows:

- 1. Definitions: As used herein, the following terms have the following meanings:
- A. <u>Premises</u> means the land described on **Exhibit B** attached hereto and all easements, licenses, privileges, rights and appurtenances related thereto, including without limitation a non-exclusive easement to transition Sublessee's Aircraft to and from the Premises to an Airport taxiway and to provide ingress and egress to and from the Premises for vehicles, including, all vehicles and other equipment required by Sublessee's employees, vendors, contractors and authorized subcontractors. The term "Premises" shall not include the "Improvements" (as hereinafter defined).
- B. <u>Improvements</u> means the aircraft storage hangar as described at **Exhibit C** hereto and all buildings, structures and improvements now or hereafter situated or erected on the Premises or any part thereof and all fixtures, machinery, equipment, all building equipment, and, without limitation, other property of every kind or nature situated thereon or pertaining thereto or used in connection therewith. excluding only the "Personal Property" (as hereinafter defined) and property owned by third persons who are not, directly or indirectly, controlled affiliates of Sublessee.
- C. <u>Personal Property</u> means the fixtures, furnishings, equipment and the systems therewith now or hereafter located on or used in connection with the Premises or Improvements,

which are movable and not attached to the Premises or the Improvements or any part thereof and not necessary for the proper and efficient operation of the Improvements, excluding any property owned by third persons who are not, directly or indirectly, controlled affiliates of Sublessee.

- D. <u>Taxes</u> means all Ad Valorem and other taxes upon the Premises, the Improvements and the Personal Property and payments in lieu of taxes, which at any time or times prior to or during the "Term" (as hereinafter defined), or at any time or times after the Term but with respect to a period or periods or event or events occurring in whole or in part during the Term, may or shall become a lien on or be assessed, levied, confirmed, imposed upon or become due or payable on or with respect to the Premises, Improvements, Personal Property or any part thereof.
- E. <u>Sublease</u> means any lease, sublease, license, permit or concession agreement involving the use or occupancy of the Premises, including Improvements or any part thereof (other than this Ground Sublease and the Master Lease). "Sublessee" means any Person (other than Sublessee) that has acquired rights to use or occupancy under a Sublease.
- F. <u>Rent</u> includes the "Base Rent" and any adjustment thereto, "Additional Rent" (as hereinafter set forth) and any other charges or payments of money due from Sublessee in connection with this Ground Sublease whether or not payable to Signature.
- G. <u>County</u> shall mean Beaufort County, South Carolina, its duly authorized subdivisions and officers.
- H. <u>Affiliates</u> means, a person controlled by, under common control with or controlling the person in question.
- I. <u>Control</u> or words of similar import mean the ability of one person to direct the affairs and business of another person.
- J. <u>Person</u> or "person" shall mean and include an individual, corporation, partnership, unincorporated organization, or government or any agency or political subdivision thereof.
 - K. Airport shall mean the Hilton Head Airport.
- L. <u>Non-Disturbance Agreement</u> shall mean that Consent to Sublease, Non-Disturbance and Attornment Agreement by and among the County, Signature and Sublessee dated Accounty, in form and substance mutually agreeable to the County, Signature and Sublessee.
- 2. <u>Sublease of the Premises:</u> Signature hereby demises and leases unto Sublessee, and Sublessee hereby takes and hires from Signature, the Premises "as is", for and in consideration of the Rents, covenants and agreements, and upon the terms and conditions set forth herein, subject to any and all encumbrances, conditions, covenants, easements, restrictions, rights-of-way, and all other matters of any nature affecting the Premises during the Term (in each case whether or not of record), such matters as may be disclosed by an inspection or survey, and all zoning, land use, subdivision, and all other laws, rules, regulations and judicial or administrative orders now or hereafter applicable to the Premises or any part thereof or any use or occupancy thereto) (herein collectively called "Restrictions"). Signature covenants and agrees that it shall take no action during the Term which would cause the Restrictions to create an unreasonable burden or encumbrance the Premises inconsistent with the Ground Sublease. This Ground

Sublease is at all times conditioned upon Signature's continuing authority to operate at the Airport, and thereafter, the terms and conditions of the Non-Disturbance Agreement, and subject to the terms of the Master Lease which terms are incorporated herein. Sublessee shall comply with the terms of the Master Lease except as specifically provided herein to the contrary. In the event of any inconsistency, Sublessee shall comply with the terms of this Ground Sublease.

3. <u>Term:</u>

- A. The initial term of this Ground Sublease ("Term") shall commence upon the date this agreement is fully executed by both Parties ("Commencement Date") and terminate on December 31, 2018, subject to earlier termination as herein set forth. The Term shall also include a Renewal Term.
- B. Provided the Sublessee is in compliance with all the terms and conditions of this Ground Sublease, and providing Signature exercises one or both of its options under the Master Lease, Sublessee shall have the option to renew this Ground Sublease upon the terms and conditions herein for two (2) additional terms of five (5) years each (each such period a "Renewal Term").
- C. Signature shall have the sole right to determine whether to exercise any of its options under the Master Lease, but shall not be required to exercise any of its options under the Master Lease, which shall be a matter within its sole judgment.
- D. If Sublessee elects to exercise either of its options, and assuming that Signature has exercised its options, Sublessee shall exercise its options by written notice to Signature no later than Ninety (90) days prior to expiration of the then existing Term. If both options are exercised by Sublessee, the expiration of this Ground Sublease shall be December 31, 2028.
 - E. In no event shall the Term extend past the expiration of the Ground Sublease
- F. Sublessee has expressed its intent to lease the Premises beyond the term of the Master Lease. In such event, Sublessee shall rely upon its rights under the Non-Disturbance Agreement and shall negotiate its own extension with the Authority and Signature shall have no obligations to continue its Master Lease with the Authority or be a party to such negotiations or any extension agreement between the Authority and Sublessee.
- G. The effective date of this Ground Sublease shall be contingent upon the execution of that certain Lease and Operating Agreement Addendum 5 by and between Signature Flight Support Corporation and Hilton Head Island Airport, a copy of which is attached hereto as **Exhibit G.**
- 4. Rent: As rental for the Premises, Sublessee shall pay the sums hereinafter set forth.
- A. <u>Base Rent:</u> Sublessee shall pay to Signature during the Term an initial Base Rent annually ("Base Rent") of Twenty-six (\$0.26) Cents per square foot for the Premises, which shall commence and become due and owing on the Commencement Date. The exact square footage shall be determined by the survey described in paragraph 10 below.
- B. <u>Base Rent Adjustments:</u> Beginning on January 1, 2012 and on each and every succeeding second (2nd) anniversary date thereafter (each such second (2nd) anniversary date being referred to herein as an "Adjustment Date") the Base Rent under Paragraph 4.A above

may be increased to an amount reflecting the fair market value of the Premises as determined by market values in Beaufort County, South Carolina pursuant to Section 3.4.2 of the Master Lease but in no event greater than fifteen (15%) percent on the initial adjustment nor five (5%) percent on any subsequent Adjustment Date. Signature shall give Sublessee written notice indicating the amount of the adjusted Base Rent and the method of computation. Failure to give such written notice shall not be deemed a waiver to give notice at a later date before the next succeeding Adjustment Date, which shall be retroactive to the date that the adjustment should have occurred.

- C. <u>Pro Rata Rent:</u> If the Commencement Date shall be a day other than the first day of a month, the Rent for that month shall be apportioned. Sublessee's obligations to pay Additional Rent and Sublessee's other obligations (including without limitation insuring and maintaining the Premises) under this Ground Sublease are effective on the Commencement Date.
- D. <u>Additional Rent:</u> Sublessee shall also pay without notice, except as may otherwise be required in this Ground Sublease, and without abatement, deduction or set-off as additional rent ("Additional Rent") all sums, impositions, costs, expenses and other payments which Sublessee is obligated to pay pursuant to any of the provisions of this Ground Sublease, and in the event of any nonpayment thereof, Signature shall have (in addition to all other rights and remedies) all the rights and remedies provided for herein or by law or in equity in the case of nonpayment of Rent.
- E. Rent Payments: All payments of Base Rent, Additional Rent and other payments required to be made to Signature shall be in lawful money of the United States of America without abatement, offset or deduction, and shall be paid to Signature at the following address: 400 Buckwalter Place Blvd., Bluffton, SC 29910 or at such other place as Signature may designate by notice in writing from time to time and may be made by check or draft payable to the order of such payee, which check or draft must be paid in full when presented. All payments of Base Rent shall be made without notice in advance on the first day of each month during the Term commencing on the Commencement Date.
- F. <u>Late Charge and Interest:</u> If Sublessee shall fail to pay any Base Rent or Additional Rent required to be paid by Sublessee hereunder within ten (10) days after the due date therefor, each such unpaid amount shall be subject to a one-time late charge equal to One and one half percent (1.5%) of such unpaid amount to cover Signature's additional administrative costs resulting from Sublessee's failure to pay. In addition, Signature shall be entitled to interest on the unpaid balance at the maximum rate allowed by applicable law. Such late charges and interest shall be paid to Signature together with such unpaid amounts, without further notice to or demand upon Sublessee. Such late charges and interest shall be Additional Rent. The payment of the sums set forth in the foregoing provisions shall in no way relieve Sublessee of the obligation to pay the installments of Base Rent on or before the first day of each month or Additional Rent when due.
- 5. <u>Use of the Premises:</u> Sublessee agrees to use the Premises for Approved Uses and shall not permit the operation of any business substantially similar to any of Signature's authorized general or commercial aviation operations at the Airport pursuant to the Master Lease. Sublessee expressly warrants and represents without limitation that it shall not at any time during the term of this Sublease undertake itself or cause to be undertaken through others,

including, but not limited to, its employees, agents, subcontractors, or invitees, any services permitted Signature under the Master Lease, including, but not limited to, the following:

- A. Installation of any fuel storage and dispensing facilities (including mobile delivery of fuel);
- B. Receipt and storage of any fuel product, including, but not limited to, aviation and motor fuels:
 - C. Into-plane or into-truck delivery of any aviation or motor fuels;
 - D. Rotorcraft or aircraft sales or rentals (Sublessee demonstration flights excluded);
- E. Aircraft charter service and flight training (Sublessee in-house flight training excluded);
 - F. Rotorcraft or aircraft radio and instrument sales and service (avionics);
 - G. Specialized rotorcraft or aircraft repair service for a third party:
 - H. Air transport of mail or cargo for hire;
 - I. Hangaring or servicing of aircraft for transient aircraft including providing hangaring or parking, fuel, deicing, ground handling, GPU, catering, limos, rental of passenger automobiles, pilot lounge and other services provided by Fixed Base Operators;
 - J. Maintenance/ avionics services for a third party;
- K. Other activity adverse or disruptive to Airport interests as may be determined by Signature in its sole reasonable judgment; and,
 - L. Commercial activities without prior written consent.

Subject to Sections 5 herein, Sublessee may sublease all or a portion of the Hangar provided Sublessee has obtained Signature's prior written consent in accordance with paragraph 20, below.

- 6. Third Party Vendors: Third Party Vendors may enter the Premises only after it has:
 - A. Executed the Vendor Release, a copy of which is attached as Exhibit D:
 - B. Provided a Certificate of Insurance for the requisite insurance coverage and;
 - C. Signature has authorized its entry in writing.

Sublessee shall bear any and all costs associated with ensuring such supplemental personnel or third party providers fully comply with any and all prevailing Airport and government regulations, including, but not limited to, those of the Federal Aviation Administration ("FAA") and the Transportation Safety Administration ("TSA") for all purposes, including, but not limited to security, identification, and clearance for access.

7. Compliance with Laws:

- Sublessee shall comply with all federal, state, county and municipal laws, regulations and ordinances affecting the Premises, including the Improvements, or any portion thereof and shall procure and maintain in force during the Term all permits, authorizations and licenses necessary for Sublessee's use or operation of or in the Premises, including the Improvements, or any portion thereof (including, without limitation, the making, placing, maintaining or altering of the Improvements or any portion thereof). Sublessee shall not use the Premises, or Improvements, or any portion thereof for any purpose or use which is in violation of any applicable certificate of occupancy, building permit, or any of the Approved Uses. Sublessee covenants that neither it nor any assignee nor any subtenant will (i) use or permit to be used any part of the Premises or Improvements for any dangerous or noxious activities, (ii) transport to or from, dispose of, use, store, handle, or generate any flammable explosives or hazardous or toxic substances on, at, in, or near, the Premises or Improvements, other than aviation fuel maintained within the fuel tanks of aircraft, or (iii) use the Premises or Improvements, for any purpose which is noxious or unreasonably offensive, considering the location of the Premises and Improvements and the intended use, because of the emission of noise, smoke, dust or odors or cause or maintain any nuisance in, at or on the Premises and Improvements.
- B. Sublessee will not suffer any act to be done or condition to exist on the Premises or Improvements, or any part thereof, or any article to be brought thereon which may be dangerous unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private. Sublessee shall not suffer or permit the Premises or Improvements or any portion thereof to be used by the public, such, without restriction or in such manner as might reasonably tend to impair the interest of Signature, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof. Sublessee agrees not to permit the accumulation (unless in concealed containers) or burning of any rubbish or garbage in, on or about any part of the Premises or Improvements. All garbage shall be maintained in a manner so that canisters are not visible from adjacent parcels or roads. Lessee shall cause and pay for all garbage or rubbish to be collected or disposed of from the Premises or Improvements. Sublessee agrees that it will comply with and observe all restrictive covenants of record or of which Sublessee has been given actual notice which affect or are applicable to the Premises and Improvements. Sublessee shall not use sidewalks, parking lots, ramps, taxiways or any other space outside the Improvements for display, sale, storage or any other similar undertaking without the prior consent of Sublessee in each instance.
- C. Sublessee may not install or maintain illuminated signs, lamps or other illumination devices, nor any loudspeaker upon the Premises or Improvements which would interfere with the navigation; approach and landing operations occurring at the Hilton Head Airport.
- D. Sublessee shall obey and observe (and compel its officers, employees, contractors, licensees, invitees, subtenants, concessionaires and all others doing business with it, to obey and observe) all reasonable rules and regulations established by the County or Signature from time to lime, in the operation of the Airport, provided Sublessee has received written notice thereof and such rules and regulations shall apply consistently to all users of the Airport.

- E. Sublessee shall have full responsibility for protecting the Premises and Improvements and all property and persons located thereon from theft and robbery, and shall keep all doors, windows and transoms securely fastened when not in use.
- F. Sublessee shall not cause a violation or do any act which may result in a violation of the Master Lease.
- 8. <u>Utilities:</u> 'Sublessee agrees to make its own arrangements, at Sublessee's sole cost and expense, for, and Sublessee shall pay or cause to be paid before delinquency all charges, impact fees, claims, or liens of water, gas, electricity, sewer, telephone service, steam, and any other commodities or services furnished to or for the Premises or the Improvements, or any part thereof, during the Term of this Lease.

9. Insurance:

- A. Sublessee shall maintain the following insurance coverage for the Premises, including, but not limited to, all Improvements from financially solvent insurance carriers acceptable to Signature and the Authority in amounts set forth in **Exhibit D** attached hereto and incorporated herein:
 - i) Workers' Compensation Insurance per statutory coverage as prescribed by the state in which the Premises is located;
 - ii) Employer's Liability Insurance Five Hundred Thousand Dollars (\$500,000.00) combined single limit, written on an occurrence basis. (Required only if Sublessee has employees);
 - iii) Commercial General Liability Insurance One Million Dollars (\$1,000,000.00) combined single limit, written on an occurrence basis, including endorsements for Aircraft Liability, Hangarkeeper's Liability, Contractual Liability;
 - iv) All-Risk Property Insurance Coverage commensurate with the value of the Premises and Improvements contents, including, but not limited to, all furnishings and equipment (excluding the Aircraft), as well as, all Premises improvements underwritten and constructed by Sublessee against fire (fire legal liability) and any other loss or damage for the full replacement value of all Sublessee property contained therein. Coverage shall, at a minimum, insure against any and all other perils included within the classification of "all risk" coverage under insurance industry practice in the state where the Leased Premises are located, together with insurance against vandalism, malicious mischief, wind, smoke, riot, civil commotion, sprinkler leakage or other sprinkler damage;
 - v) Comprehensive Automobile Liability Insurance One Million Dollars (\$1,000,000.00) coverage equivalent to a combined single limit, written on a per occurrence basis inducing all Sublessee owned, leased and for-hire vehicles, with an express acknowledgment that the policy shall be effective on the Airport;
 - vi) Environmental Liability Insurance Five Hundred Thousand Dollars (\$500,000.00);
 - vii) Hull Insurance on all Aircraft in amounts deemed appropriate by Sublessee;

- viii) Insurance required from Sublessee and its contractors and subcontractors as set forth in Paragraph 10- Improvements
- B. Signature shall conditionally waive the requirement for a products and completed operations endorsement on Sublessee's Commercial General Liability insurance requirement based upon Sublessee representations as to its operations. Should Sublessee change its operations or use of the Hangar such that in Signature's sole and reasonable judgment a products and completed operations endorsement is warranted, the waiver shall be rescinded.
- C. Sublessee shall procure insurance from one or more insurance companies licensed to do business in the state in which the Premises are located and as approved by Signature such approval not to be unreasonably withheld. Each policy shall be primary and non-contributing with any insurance maintained by Signature and shall expressly waive subrogation against Signature and its insurers. Each policy shall name Signature, its parent, subsidiary, related and affiliated companies and the Authority as additional insureds. Sublessee shall furnish duly executed certificates of all required insurance and additional insured endorsements, together with satisfactory evidence of the premium payment as of the effective date of this Sublease. Each policy shall provide at least thirty (30) days advance written notice to Signature of any material changes, cancellation, non-renewal or changes adverse to the interests of Signature. Sublessee shall provide certificates of insurance upon each renewal no less than thirty (30) days prior to coverage expiration.

Send to: Signature Insurance Department, PO Box 12010, Hemet, CA 92546-8010

- D. Signature's acceptance of such certificates is not to be construed as any waiver of Signature's rights to the insurance required under this Sublease. Further, if Signature fails for any reason to receive certificates or other evidence of insurance from Sublessee, such failure shall not be deemed a waiver of required coverage. Signature retains the right to terminate this Sublease if Sublessee fails to provide adequate and proper evidence of required insurance.
- E. SUBLESSEE ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS NOT LIMITED TO THE AMOUNT OF ANY LIABILITY INSURANCE COVERAGE OR TO INSURANCE POLICY LIMITS REQUIRED IN THIS SUBLEASE.
- F. Signature shall maintain at its own cost certain liability insurance, fire insurance with extended coverage and other insurance on the Premises with adequate coverage. Sublessee shall not act or fail to act in any way that will a) invalidate or conflict with any insurance policies covering the Premises or any part thereof; or b) increase the rate of insurance on the Premises or any property located therein. If Signature's insurance premiums increase as a direct result of Sublessee's conduct on the Premises, Sublessee shall reimburse Signature such additional cost.

10. <u>Improvements</u>:

A. Construction:

i) <u>Utility Facilities:</u> All utility connections and facilities shall be provided and installed in accordance with Sublessee's Concept and Scope Schedule, **Exhibit E** attached hereto, at Sublessee's cost and expense and without expense to Signature.

- Cost of Construction and Development Fees: The Parties expressly agree and understand that the design and construction of the Improvements shall be undertaken and completed materially and substantially in accordance with Sublessee's approved drawings and specifications and solely at Sublessee's cost and expense. All design and construction costs, including, but not limited to, drawings including as-builts; specifications; permits and approvals; insurance and bonds; financing and administration; construction labor, materials, and services; utilities and site work; and any equipment or other fixture installation, maintenance, alterations, repairs, replacement, use and removal on the Leased Premises shall be at Sublessee's sole cost, expense and liability throughout the Lease Term. Upon Sublessee's completing the Improvements, Sublessee shall provide to Signature a certified statement of any and all fixed improvement costs. Such statement shall include but not be limited to the Authority copies of complete as-built drawings, at Sublessee's sole cost and expense. As additional improvements, if any, are added by Sublessee from time to time during the Term, as the same may be extended, the requirements of this section shall be applicable to such additional improvements. Signature shall not have any liability or responsibility for the payment of development fees, impact fees or other similar fees or charges pertaining to or arising out of the development, improvements, construction, and occupation of the Hangar. Sublessee shall pay all such fees or otherwise cause payment by the proper party responsible for payment.
- iii) Performance and Payment Bonk / <u>Letter of Credit</u>: Sublessee shall require its Construction Contractor ("Contractor") to provide a construction payment and performance bond on a form acceptable to Signature and issued by a surety company acceptable to Signature. Signature (and if required, the Airport) shall be named as a co-beneficiary, or dual obligee, on all bonds required. Each such bond shall be renewed no later than thirty (30) days prior to the expiration of each such bond renewing at intervals and evidence of such renewals shall be provided to Signature thirty (30) days prior to their expiration date, to the extent that such bonds must be renewed. To the extent the bond requires riders because of changes or increases to the contract sum, Sublessee shall require that its contractors procure such bond riders. The bond shall waive notice of change, modification, or alteration and shall be in a form substantially similar to the form attached.

Alternatively, Sublessee shall require its Construction Contractor ("Contractor") to provide a letter of credit in lieu of a payment and performance bond in the full amount of all of the costs of construction of the Improvements. A copy of the letter of credit shall be provided to Signature prior to commencement of any construction.

- iv) All of the principals of Sublessee shall provide Signature with a personal Guarantee, in form and substance acceptable to Signature, in which the principals, jointly and severally, guarantee Signature payment for all of the costs of construction of the Improvements, plus interest, attorneys fees and costs in the event of collection on the Guarantee.
- v) <u>Insurance during Construction Phase of the Project:</u> Prior to commencing construction, Sublessee shall ensure that its general contractor obtain the insurance set forth below in amounts set forth in **Exhibit D** attached hereto and incorporated herein:
 - a) Builder's Risk insurance for the full replacement value of the project;
 - b) Worker's Compensation;
 - c) Employer's Liability \$500,000;
 - d) Commercial General Liability including Contractual Liability, Products Liability and Completed Operations \$500,000;

e) Automobile Liability - \$500,000.

Signature and the Authority shall be named as additional insureds on all policies and shall provide copies of such additional insured endorsements. Sublessee's general contractor and Major Subcontractors shall be required to provide Signature with certificates of insurance which evidence the coverages required set forth herein. Sublessee and Sublessee's general contractor and Major Subcontractors shall also comply with all insurance requirements set forth in the Master Lease. (For purposes hereof, "Major Subcontractors" means those subcontractors whose subcontracts exceed Fifty Thousand (\$50,000.00) Dollars).

vi) Approval of Plans and Specifications: Prior to the commencement of any construction by Sublessee, Signature and the Authority shall have the right to approve all design and architectural plans, drawings and specifications for the Improvements contemplated by Sublessee from time to time during the Term hereof, as same may be extended, and no material modification, change, or addition shall be made to any such plans and specifications nor any material alteration of any then-existing Improvements shall be made, without the prior approval of Signature and the Authority. Such approval rights of the Authority shall be in accordance with the terms of the Master Lease, but as to Signature, such approval rights shall be in Signature's reasonable discretion. Signature agrees to review and comment promptly. Sublessee agrees to provide Signature with specific deadlines for approval.

Sublessee shall perform all design and construction, and provide all material, equipment, tools and labor, necessary to construct all Improvements ("Project") in accordance with the scope of the work and solely in accordance with the Plans and Specifications approved by Signature and the Authority. Signature reserves the right to require Sublessee, at its expense, to remove and replace any deviations in the design or construction at variance from those Plans and Specifications, and to stop all construction, at Sublessee's expense, until such deviations are corrected to the reasonable satisfaction of Signature. If any construction work is stopped pending such corrections in the work, the Term of this Sublessee will not be extended.

- vii) <u>Compliance with Codes and Regulations:</u> Sublessee and its contractors shall comply with all building codes, standards, laws, regulations, and ordinances for the initial design and construction of the Improvements made by Sublessee, standards, criteria, laws, regulations and ordinances established by the Authority and any and all other local, state and federal agencies having jurisdiction over the design and construction of the Improvements, including without limitation, storm water, sanitary sewer and environmental requirements. Further, Sublessee and its contractor shall comply with Authority's Design Manuals, if any, then in effect. In addition, to the extent applicable, Sublessee shall comply with all applicable codes and regulations as set forth in the Master Lease.
- viii) Construction Impact on Signature: Sublessee, its general contractor, subcontractors, employees and agents shall take all appropriate commercially reasonable action to minimize interference with the Airport's and Signature's business operations during the construction of the Improvements, if any, undertaken by Sublessee. In furtherance of the foregoing, Sublessee, its general contractor and subcontractors and Signature shall, throughout the period of construction meet upon reasonable advance notice in order to, in good faith, coordinate all construction activities which might affect the Airport, Signature or its operations. Sublessee covenants, for itself, and shall require its general contractor and subcontractors to act diligently (a) avoid interrupting utility service to Signature's operations, and (b) provide Signature's local General Manager with at least 24 hours' written notice (except where twenty-four (24) hours' prior notice is impracticable) if any utility service will be interrupted to Signature's operations. In the event interruption to utility service to Signature's operations is unavoidable, such interruption shall be scheduled for non-peak hours, as required by Signature.

Sublessee shall designate an individual who shall serve as a single point of contact for communicating and coordinating all construction related issues with Signature. Sublessee shall also provide Signature with monthly construction updates and Sublessee shall also coordinate all construction activities with Signature and the Authority.

construction Liens: If any claims, liens or encumbrances are filed against the Premises, Sublessee shall, within thirty (30) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Notwithstanding the foregoing, however, Sublessee shall have the right to, in good faith, contest any lien by appropriate legal proceedings so long as such contest does not subject Sublessee, any of Sublessee's lenders, Signature, the Authority, the Premises to the imposition of any penalty, fine, charge, interest, cost or the like, or to civil or criminal prosecution, or cause the Hangar or any portion of the Leased Premises to be subject to foreclosure by any of Sublessee's lenders; provided, further, however, that, upon the termination of any such legal proceedings, Sublessee shall immediately cause any claim, lien or encumbrance to be discharged of record.

Sublessee shall conduct its own site investigation, at its own expense, including, but not limited to, any wetlands testing and environmental assessments, studies, reports, and remediation required in connection with the construction of the Improvements, and any additional improvements. Copies of such reports shall be provided to Signature. Sublessee shall design the Improvements consistent with the Concept Scope and Schedule as set forth on **Exhibit E**.

Notwithstanding any provision of this Sublease relating to improvements, additions, alterations, repairs and/or reconstruction of or to the Premises or Improvements, Signature and Sublessee hereby agree and confirm that (a) neither Signature nor the Authority have consented and will not consent to the furnishing of any labor or materials to the Premises that would or may result in any mechanics' or materialmen's liens attaching to Signature's or the Authority's interest in the Premises, (b) Sublessee is not the agent of the Signature or the Authority for the purposes of any such improvements, additions, alterations, repairs and/or reconstruction, and (c) except as expressly provided herein, neither Signature nor the Authority has retained any control over the manner in which any such improvements, additions, alterations, repairs and/or reconstruction are accomplished, and has made no agreement to make or be responsible for any payment to or for the benefit of any person furnishing labor and/or materials to or for the account of Sublessee shall be entitled to claim any lien against the interest of the Signature or the Authority in the Premises and such person)s) shall look solely to Sublessee and the leasehold interest of Sublessee under this Ground Sublease for satisfaction of any such claims.

B. <u>Change in Airport Operations:</u> If the Authority or the federal government ceases, limits, or modifies operations of the Airport prior to the completion of construction of the Improvements, the Authority shall have the right to request modifications to the Improvements, which modifications Signature shall be afforded the reasonable right to review and approve. In the event of an Airport shutdown or a modification to Airport operations, which would jeopardize the feasibility of or need for the Improvements, the Authority shall have the right to order Sublessee to cease construction. In any such event, the condemnation provisions contained in the Master Lease shall apply. Signature shall not be liable to Sublessee for any loss of business or revenues sustained by Sublessee as a result of any change in the operation or configuration of the Airport or any change in any procedure governing the use of the aeronautical areas of the Airport, including a complete shutdown of the Airport for security or any other reason.

- C <u>Tie-In with Signature's Premises:</u> Sublessee shall promptly coordinate with the Authority and Signature regarding all design and construction activities including, without limitation connections to utility construction, construction activities, interruption concerns, capacity issues, and traffic issues and tie ins to the existing Signature ramp, taxiways and utilities. This provision shall apply to any and all tie-ins with Signature's operations.
- D. <u>Survey of Leased Premises:</u> Sublessee, at its sole cost and expense, shall obtain within ninety (90) days from the Commencement Date a boundary survey of the Premises (the "Survey"). The Survey shall be certified to the Sublessee, Signature, the Authority and Sublessee's Lender and Title Company, if any. The Survey shall:
 - i) Be in sufficient form to satisfy the reasonable requirements of Signature.
- ii) Be prepared in accordance with the minimum technical standards (including Surveyor's Certification) required in the jurisdiction.
- iii) Set forth an accurate metes and bounds description of the Premises, the gross number of acres contained in the Premises, and the number of square feet of land contained in the Premises.
- iv) Locate all existing easements and rights of way, whether recorded or visible (setting forth the book and page number of the recorded instruments creating the easement).
- v) Show any encroachments onto the Premises from adjoining property and any encroachments onto the adjoining property.
- vi) Show all existing improvements (such as buildings, power lines, fences, roads, driveways, railroads, underground utilities) and all rivers, creeks drainage ditches or other water courses.
 - vii) Show all roads providing access to the Premises.
- viii) Identify any flood zones as defined on Federal Flood Insurance rate Maps (F.I.R.M.) for the applicable jurisdiction of the Premises.

Upon completion of the Survey, it shall be attached to this Ground Sublease as Exhibit B-1.

11. Maintenance:

- A. Sublessee is solely responsible for all maintenance and repair to the Premises, including, but not limited to, all interior maintenance and repair such as HVAC systems, trash removal, painting, cleaning and glass replacement, and structural repairs.
- B. Sublessee warrants and represents that it shall not otherwise perform or conduct any operation which in any way adversely impacts the integrity of any portion of the Premises or which accelerates its ordinary deterioration. Any repair, restoration, or rehabilitation required, and undertaken to the Premises shall be Sublessee's sole responsibility and shall be completed in a timely and proper manner at Sublessee's cost and expense, Sublessee, at its own cost and expense, shall keep and maintain the Premises, Improvements, and all landscaping, sidewalks, alleys and passages surrounding the same and each and every part thereof located on the Premises in good, orderly, clean, safe and sanitary state of repair and

condition and as otherwise required by this Ground Sublease. Sublessee shall perform all repairs and replacements necessary to accomplish the foregoing obligations, whether foreseen or unforeseen, structural or nonstructural, ordinary or extraordinary. Sublessee will not take any action or omit to take any action required of Sublessee hereunder, or take any action or omit to take any action which adversely impairs the value or usefulness of the Premises or Improvements, or causes waste with respect thereto. When used in this Sublease, the term "repairs" shall include all necessary replacements, renewals, alterations, additions and betterments.

- C. Signature shall have no obligation to make any repairs, replacements, restorations, alterations, additions or improvements whatsoever in or about the Premises or Improvements, or any part thereof, or to restore the same or any part of the same in the event of its loss, destruction or damage unless such loss, destruction or damage is due to the fault of the Signature.
- D. Sublessee is primarily responsibility for underground piping and conduits and ordinary and routine pavement repair and rehabilitation to the Vehicle Parking Space and the ramp area as part of the Leased Premises.
- 12. <u>Manner of Performance of Sublessee's Work:</u> All repairs, maintenance and construction of the Improvement or any part thereof required or permitted to be made by Sublessee under this Ground Sublease (collectively hereinafter called "Sublessee's Work"), including the initial construction of the Improvements by Sublessee, shall be made in accordance with the following:
- A. Sublessee shall comply with all applicable laws, ordinances, rules and regulations (including, but not limited to, all safety rules and regulations) relating to or governing the Sublessee's Work and, without limitation on the generality of the foregoing, shall procure and maintain all permits and authorizations required to be obtained from any governmental authority in connection therewith. Signature shall cooperate with Sublessee as reasonably requested by Sublessee to obtain such permits and authorization at no cost to Signature.
- B. All Sublessee's Work shall be performed diligently and in a good and workmanlike manner, free from defects of any kind and nature, and free from liens or claims of any kind and nature.
- C. All Sublessee's Work shall be commenced promptly after Sublessee has obtained all necessary permits and approvals. Sublessee shall perform all work in accordance with the specifications and working drawings described at **Exhibit C** and prosecute the work diligently to completion.
- D. Sublessee's Work shall be subject to Signature's inspection during construction and after completion to determine whether the work complies with the requirements of this Ground Sublease and Signature and Signature's consultant's, engineers, and architects shall have the right to attend all of Sublessee's contractor's job meetings and other meetings relating to the construction of Sublessee's Work, the times, locations and dates of such job meetings and other meetings related to the construction shall be provided to Signature well in advance.

13. Indemnification:

- Α. Sublessee's Indemnification: Sublessee shall be liable for the acts or omissions of its officers, directors, employees, agents, servants, vendors, contractors, subcontractors, and invitees (collectively, "Sublessee's Related Parties") without limitation. Further, Sublessee agrees to indemnify, defend, and forever hold harmless Signature, the Authority and their respective officers, directors, employees, agents, servants, contractors, subcontractors, vendors and, invitees from and against any and all claims, liabilities, losses, demands, fines, suits, penalties, actions, judgments or other expenses, including, but not limited to. Federal Aviation Administration ("FAA"), and Transportation Security Administration ("TSA") fines or assessments, reasonable attorneys' fees and costs (collectively, "Damages") incurred by Signature or the Authority as a result of personal injury, death (including wrongful death), or property damages to the extent such Damages arise from Sublessee's use or occupancy of the Premises or from any negligent acts or omissions of Sublessee or Sublessee's Related Parties: provided, however, that this indemnity does not apply to such Damages caused by Signature's negligence or that of its officers, directors, employees, agents, servants, contractors, subcontractors, vendors, invitees. Such indemnification is subject to Paragraph 16 Disclaimer of Liability.
- B. <u>Signature's Indemnification:</u> Signature agrees to indemnify, defend, and forever hold harmless Sublessee and Sublessee's Related Parties from and against any and all claims, liabilities, losses, demands, fines, suits, penalties, actions, judgments or other expenses, including, but not limited to, reasonable attorneys' fees and costs (collectively, "Damages") incurred by Sublessee as a result of personal injury, death (including wrongful death) or property damages to the extent such Damages arise on or about the Premises from Signature's gross negligence or willful misconduct or that of its officers, directors, employees, agents, contractors, subcontractors, vendors, and invitees; provided, however, that this indemnity does not apply to such Damages caused by Sublessee's negligence or that of Sublessee's Related Parties. Such indemnification is subject to Paragraph 16 Disclaimer of Liability.
- C. <u>Exclusion and Duration:</u> These provisions expressly exclude all Environmental Damages as set forth in this Ground Sublease. These provisions survive the termination or expiration of this Ground Sublease and shall not be construed to negate or abridge any other indemnity obligation which would exist at common law or under this Ground Sublease and are not limited by any provision of insurance.
- 14. <u>Security:</u> Sublessee shall comply at its own expense with all applicable security requirements, including, but not limited to, those of Federal Aviation Regulations ("FAR") and the TSA, the Airport Security Program, as amended from time to time, and Signature. Any such security requirements issued by Signature shall be applicable to all of Signature's subtenants and shall be uniformly enforced by Signature. Sublessee shall take all action necessary or as directed by Signature or the Authority to ensure that Sublessee's Related Parties comply with such requirements. If Signature or Authority incur any fines as a result of Sublessee's acts or omissions, Sublessee agrees to pay all such fines and penalties in accordance with its indemnification obligation set forth above and to cure any security deficiency immediately. Signature and the Authority reserve the right to take whatever action necessary to cure any

security deficiency if Sublessee fails to remedy the security deficiency promptly and to be reimbursed any and all costs and expenses associated with such action.

15. <u>Environmental Removal and Disposal:</u>

- A. Compliance with Environmental Regulation: Sublessee is solely responsible for the proper removal and disposal of all hazardous substances, hazardous wastes and petroleum products as defined and regulated under applicable local, state, or federal law (collectively, "Regulated Substances"), which Sublessee generates, or which are generated by Sublessee's Related Parties on or from the Leased Premises. Such removal and disposal shall include, but not be limited to, proper documentation of such Regulated Substances under its assigned Environmental Protection Agency ("EPA") Identification Number in Sublessee's name. Sublessee agrees to provide Signature with the required EPA identification number and copies of any and all documentation in Sublessee's name. Sublessee shall comply with Signature Tenant requirements attached as Exhibit F, and any and all applicable local, state and federal law and any and all Airport requirements in such removal and disposal. Additionally, Sublessee is solely responsible for any and all environmental contamination which impacts the Premises or any portion of Signature's leasehold premises as a result of Sublessee's or Sublessee's Related Parties in their storage or handling of any Regulated Substances on, in or at the Premises. Sublessee shall remediate such contamination to the extent required by the Authority, or any government agency exercising jurisdiction over the contamination.
- B. <u>Environmental Audits:</u> Sublessee acknowledges that Signature may enter the Premises and Improvements from time to time to conduct environmental audits. If such environmental audit reveals the presence of contaminants in excess of acceptable levels under applicable law as a result of Sublessee's use of the Premises, Signature shall serve written notice to Sublessee to correct the conditions within seven (7) days. Sublessee shall act diligently to remove any and all such contaminants and to take all such prompt action necessary to satisfy Signature and any authorities having jurisdiction over the Premises that proper remediation has occurred as described above. If Sublessee fails to act within the seven (7) day period, Signature shall act to correct the conditions and shall be entitled to reimbursement for any and all costs directly or indirectly associated with such corrective action.
- C. Indemnification by Sublessee: Sublessee shall indemnify, defend, and forever hold harmless Signature, the Authority and their respective officers, directors, employees, agents, servants, contractors, subcontractors and invitees from and against any and all environmental claims, liabilities, damages, fines, penalties, losses or impairments. including, but not limited to, any penalty or fine imposed by any governmental agency and the expense of cleaning up or disposing of any Regulated Substances, as well as any and all reasonable attorneys' fees (collectively, "Environmental Damages") resulting from the Sublessee's use and occupancy and any negligent act or omission of Sublessee or Sublessee's Related Parties. Sublessee is not responsible for any retroactive Environmental Damages including, without limitation, any type of Environmental Damages or any environmental conditions, which existed prior to Sublessee's occupancy of the Premises, which date is deemed to be the Commencement Date.
- D. <u>Indemnification by Signature:</u> Signature shall indemnify, defend and forever hold harmless Sublessee from and against any and all Environmental Damages arising from the

gross negligence or willful misconduct of Signature or Signature's officers, directors, employees, agents, servants, contractors, subcontractors, or invitees during and the occupancy of the Premises by Sublessee.

The foregoing indemnities survive termination or expiration of this Sublease.

- 16. <u>DISCLAIMER OF LIABILITY</u>: NOTWITHSTANDING ANY INDEMNITY SET FORTH IN THIS SUBLEASE, THE PARTIES HEREBY AGREE THAT UNDER NO CIRCUMSTANCES SHALL SIGNATURE BE LIABLE TO SUBLESSEE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES, WHETHER IN CONTRACT OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE, DIMINUTION OR LOSS OF VALUE, LOSS OF USE, LOSS OF ANTICIPATED PROFITS OR THE COST ASSOCIATED WITH SUBSTITUTE OR REPLACEMENT AIRCRAFT.
 - 17. Destruction or Condemnation of Leased Premises / Relocation of Improvements:
- A. <u>Destruction</u>: If any significant portion of the Premises after Beneficial Occupancy is destroyed by fire or other casualty such that the Premises can not be used for the Uses herein defined, Sublessee shall have the option upon written notice to Signature within thirty (30) days after said destruction to terminate its obligations under this Sublease provided such destruction or casualty does not arise either directly or indirectly from Sublessee's acts or omissions and all unpaid financial obligations by Sublessee to Signature to the date of destruction shall be due and payable immediately..
- B. <u>Condemnation</u>: If all or part of the Leased Premises is taken or condemned by any authority for any public use or purpose, which renders the Leased Premises untenantable or unusable, this Sublease shall terminate as of the date title vests in such authority, and the Aggregate Rent shall be apportioned as of such date. Signature shall have all claims against the condemnation proceeds except for the actual cost of it's Improvements constructed by Sublessee.
- C. Notice of Relocation: If at any time during the Term hereof, Signature receives a notice of relocation from the County pursuant to Master Lease whereby the County has determined that a relocation of the Premises and/or Improvements is required to permit development of planned long range airport improvements, then in such event. Signature shall, within five (5) days of receipt thereof, provide written notice to Sublessee. Thereafter, Signature shall, if possible, coordinate with Sublessee and the County in the selection of another location on the Airport property to relocate the Premises and the Improvements. If a location cannot be found or agreed to between the Parties or the costs and expenses of such relocation and rent are unacceptable to either Party, Sublessee shall not be required to relocate and may terminate this Ground Sublease upon sixty (60) days prior written notice. In such event, Sublessee shall look solely to the County for either reimbursement for the cost of relocation, or payment of the unamortized cost of the Improvements. In no event shall Signature be responsible for any costs or expenses associated with any relocation or reimbursement of the unamortized costs of the Improvements made by Sublessee.

- Liens: Sublessee shall at all times keep the Premises and Improvements free and 18. clear of all liens and claims for services, labor or materials supplied or claimed to have been supplied to Sublessee or to or in connection with the Premises or the Improvements, or any part thereof, and free and clear of all attachments, executions, levies, mortgages, conditional sale agreements, or chattel mortgages. In the event of the filing or levy of any such lien, claim, attachment, execution or stop notice, Sublessee shall, within thirty (30) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction, or as otherwise approved by Signature. Nothing contained in this Ground Sublease shall be deemed or construed in any way as constituting the consent or request of Signature, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or material man for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Sublessee any right, power or authority to contract for or permit the rendering of such services or the furnishing of any materials that would give rise to the filing of any lien against the Premises or any part thereof and Sublessee, for itself and Sublessee's Agents.
- 19. <u>Alterations Required by Law:</u> If any alterations, additions, improvements, repairs or renewals shall be required in or to the Premises or any part thereof by any laws, ordinances, or regulations, or by any restrictions, the same shall be done by and the cost thereof borne by Sublessee.
- 20. <u>Assignment, Subletting, Mortgage, and Sale of Sublessee's Interests:</u> Sublessee shall not assign or sublet Sublessee's interest or interest in the Improvements except as hereinafter provided.
- A. <u>Assignment:</u> Sublessee shall not assign or otherwise transfer this Ground Sublease or Improvements in whole without the prior written consent of Signature, provided however, such consent shall not be unreasonably withheld, providing, such assignee 1) has the financial capability to perform all of the terms and conditions in this Ground Sublease in the sole, but reasonable judgment of Signature, 2) executes an written agreement to be bound by all of the terms of this Ground Sublease; and 3) the Sublessee remains fully liable in the event any assignee fails to perform.
- B. <u>Subleases of Premises (the land):</u> Sublessee is hereby strictly prohibited from subletting all or any portion of the Premises without the prior written consent of the Signature in each instance, which consent may be withheld by the Signature at its sole and absolute discretion. Use of the Premises under any such Sublease must be in compliance with the use restrictions set forth herein. Each Sublease shall contain a provision satisfactory to Signature requiring the Sublessee thereunder, at the option of Signature, to attorn to Signature and to make all subsequent payments and perform its other obligations under such Sublease to Signature, if Sublessee defaults under this Ground Sublease and if such Sublessee is notified of such default and instructed to make its rental and other payments to Signature. Nothing contained herein shall prevent Sublessee from renting all or a portion of the Improvements.

21. Default:

- A. <u>Events of Default:</u> The occurrence of anyone of the following events shall constitute an event of default by Sublessee under this Ground Sublease:
- i) Sublessee shall fail to pay any installment of Rent when due and such failure shall constitute for a period of ten (10) days after written notice thereof from Signature;
- ii) Sublessee commences (by petition, application, assignment, or otherwise) a voluntary case or other proceeding under the laws of any jurisdiction seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or seeking the appointment of a trustee, self-trusteeship, receiver, assignee, custodian, or other similar official of it or any substantial part of its property; or shall consent (by answer or failure to answer, or otherwise) to any such relief or to the appointment of or taking possession by any such official in any involuntary case or other proceeding commenced against it; or shall generally not pay its debts as they become due; or admit in writing its inability to pay its debts as they become due; or shall take any corporate or other action to authorize any of the foregoing;
- iii) An involuntary case or other proceeding shall be commenced against the Sublessee under the laws of any jurisdiction seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or seeking the appointment of a trustee, receiver, custodian, or other similar official of Sublessee or any substantial part of Sublessee's property, and such involuntary case or other proceeding' shall remain undismissed and unstayed for a period of ninety (90) days or a trustee, receiver, custodian, or other official shall be appointed in such an involuntary case and is not removed within ninety (90) days of being appointed;
- iv) Sublessee shall fail to comply with any term, provision or covenant of this Ground Sublease not involving the payment of money. and shall not cure such failure within thirty (30) days after written notice thereof by Signature to Sublessee or, if such failure is not reasonably susceptible of cure within such thirty (30) day period, Sublessee shall not commence to cure such failure within such thirty (30) day period or thereafter shall not diligently prosecute such cure to completion within a reasonable period of time.
- v) In the event Sublessee does not complete the improvements within 24 months of the commencement date, Signature shall have the right to place the Sublessee in Default.
- B. Default Notice and Remedies for Default: Signature shall serve written demand upon Sublessee to cure the Default. If Sublessee fails to cure the Default within thirty (30) days (except for failure to pay Aggregate Rent in which case the cure period is ten (10) days) after receiving Signature's written demand to do so, or if such Default cannot by its nature be cured within thirty (30) days and Sublessee fails to initiate steps immediately to cure the Default and continuously take all commercially reasonable actions to cure the Default, then Sublessee shall have failed to cure the Default and Signature may seek any and all appropriate remedies to recover its loss, including, but not limited to, the following:

- i) Terminate this Sublease, and Sublessee's right to possession of the Premises, by giving to Sublessee a notice of intention to terminate this Ground Sublease specifying a day not earlier than ten (10) days after the date on which such notice of intention is given and, upon the giving of such notice, the term of this Ground Sublease and all right, title, and interest of the Sublessee hereunder, including all rights to all Improvements, shall expire as fully and completely on the day so specified as if that day were the date herein specifically fixed for the expiration of the term, whereupon Sublessee shall immediately surrender the Premises, including all Improvements, to Signature;
- ii) Enter upon and take possession of the Premises and Improvements and expel or remove Sublessee and any other person who may be occupying the Premises or Improvements in or on Sublessee's behalf with or without terminating this Sublease;
- iii) May declare all Aggregate Rent and other sums due and unpaid and all future Aggregate Rent for the balance of the Initial Term (or Renewal Term then in effect) to be immediately due and payable;
- iv) May perform Sublessee's obligations and Sublessee shall reimburse Signature for any and all costs and expenses Signature incurs, including, but not limited to, attorney's fees plus a ten percent (10%) administrative fee;
- v) May enter the Premises and Improvements and proceed to sell all goods, chattels and personal property, with the exception of aircraft, found to offset any portion of Aggregate Rent and outstanding additional payments. Such sale shall be conducted in a commercially reasonable manner. Sublessee shall pay all costs and expenses incurred or chargeable to Signature as a result of such sale;
- vi) May, at Signature's sole option, alter or repair the Premises or Improvements as necessary in order to relet the entire or any part or parts of it either in Signature's name or otherwise on terms at Signature's option which may be less than or greater than the balance of Sublessee's Term. Such new sublease may be on terms and conditions in Signature's best interest entered into at Signature's sole discretion. Upon each such reletting all rents Signature receives shall be applied: first, to Sublessee's indebtedness other than for Aggregate Rent; second, to Signature's costs to relet the Premises and/or Improvements, including, but not limited to, alterations, repairs, brokerage fees, attorneys' fees; third, to Aggregate Rent due and unpaid; and the residue, if any, shall be applied to pay future Aggregate Rent as it may become due and payable hereunder. If such rentals received from such reletting during any month shall be less than those under this Sublease, Sublessee shall pay any such deficiency to Signature monthly.

No re-entry, alteration, repairs or reletting shall be construed as Signature's election to terminate this Ground Sublease unless Signature has so indicated in the Default Notice. Sublessee for Sublessee and Sublessee's successors and assigns hereby irrevocably constitutes and appoints Signature as its agent to collect the rents due and to become due under any of Sublessee's subleases of the Premises (or any parts thereof) without in any way affecting Sublessee's obligation to pay any unpaid balance of Aggregate Rent due or to become due hereunder.

C Remedies Cumulative: Each party is entitled to all rights and remedies available to it at law or equity. Signature reserves its rights against Sublessee as would be available to the Authority against Signature under the Master Lease. Signature is further entitled to injunctive relief if Sublessee breaches or threatens breach of this Sublease. If either Party is forced to engage legal services to protect its interests under this Sublease, the prevailing party is entitled to reasonable attorney's fees and costs.

D. Waiver of Jury Trial: The parties waive their right to trial by jury.

22. <u>Vesting of Improvements and Other Property and Interests; Removal of Personal Property:</u>

- A. Sublessee shall, on the last day of the Term hereof, or upon any earlier termination of this Ground Sublease, quit and surrender the Premises into the possession and use of Signature without delay, broom clean and in good order, condition and repair (reasonable wear and tear excepted), free and clear of all lettings and occupancies and subleases. During the Term, the Improvements constructed upon the Premises by Lessee shall be the property of Sublessee, but Sublessee shall have no right to remove said Improvements from the Premises without Signature's prior written consent. However, upon the expiration or sooner termination of this Ground Sublease, Sublessee's right, title and interest in all Improvements then located on the Premises shall, without compensation to Sublessee, vest in Signature (if during the Term of the Master Lease) or the Authority (if thereafter) free and clear of all encumbrances.
- B. The Personal Property owned by Sublessee may be removed by Sublessee at any time prior to the termination of this Ground Sublease, and shall be removed by Sublessee upon such termination.
- 23. <u>Holding Over:</u> Should Sublessee hold over after the termination of this Ground Sublease, with or without the express consent of Signature, and whether or not such consent is in writing, the resulting tenancy shall be construed to be a month-to-month tenancy at an annual rental equal to One Hundred Fifty (150%) percent of the annual Base Rent payable under the terms hereof for the year immediately preceding such termination, but otherwise on the terms and conditions provided in this Ground Sublease, except as to terms and rental.
- 24. <u>Successors and Assigns:</u> Subject to the limitations hereinabove set forth, this Ground Sublease and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties.
- 25. <u>Further Documents:</u> Signature and Sublessee will, whenever and as often as it shall be reasonably requested so to do by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered any and all such further confirmation, instruments of further assurance, and any and all such further instruments and documents as may be reasonably necessary, expedient or proper, in order to evidence or complete any and all transactions or to accomplish any and all matters and things provided in this Ground Sublease.

26. Force Majeure: The period of time during which either Party is prevented or delayed in the performance or the making of any improvement or repairs or fulfilling any obligation required under this Ground Sublease, other than the payment of Rent or Additional Rent, due to unavoidable delays caused by fire, catastrophe, strikes or labor troubles, terrorism. civil commotion, Acts of God or beyond such party's reasonable control, shall be added to such party's time for performance thereof, and such party shall have no liability by reason thereof, provided, however, that in no event shall the performance of an obligation under this Ground Sublease be deemed prevented or delayed by any of the foregoing reasons (collectively, "force maieure") if performance can be (or could have been) effectuated by, or any default thereof cured by, the proper payment of money with respect to any such obligation and in no event shall the inability of either party to make available sufficient funds be deemed to be force majeure: If either Signature or Sublessee shall be able to perform any of the other party's obligations hereunder, claimed by the non-performing party to be subject to force majeure, then the non-performing party's claim of force majeure shall be ineffective against the Signature or Sublessee, as the case may be.

27. Miscellaneous:

- A. <u>Complete Agreement:</u> This Ground Sublease contains the entire agreement between the Parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters. The covenants and agreements of this Ground Sublease cannot be altered, changed, modified or added to, except in writing signed by Signature and Sublessee. This Ground Sublease may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute but one agreement. The paragraph headings herein contained are for purposes of identification only and shall not be considered in construing this Ground Sublease.
- No Implied Waiver: No waiver by Signature of any default of Sublessee or of B. any event, circumstance or condition permitting Signature to terminate this Ground Sublease shall be implied or inferred and no written waiver thereof shall constitute a waiver of any other default of Sublessee or of any other event, circumstance or condition permitting such termination, whether of the same or of any other nature or type and whether preceding, concurrent or succeeding; and no failure on the part of Signature to exercise any right it may have by the terms hereof or by law upon the default of Sublessee, and no delay in the exercise of such right, shall prevent the exercise thereof by Signature at any time when Sublessee shall continue to be so in default and no such failure or delay and no waiver of default shall operate as a waiver of any other default, or as a modification in any respect of the provisions of this Ground Sublease. The subsequent acceptance of any payment or performance pursuant to this Ground Sublease (including, but not limited to, the acceptance of Rent pursuant to this Ground Sublease) shall not constitute a waiver of any previous default by Sublessee or of any previous event, circumstance or condition or of any right of Signature to terminate this Ground Sublease on account of such default, event, circumstance or condition, No remedy conferred upon Signature in this Ground Sublease is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this Ground Sublease to Signature or to which Signature may otherwise be entitled, including actions in equity for

injunctive relief, may be exercised concurrently or independently, from time to time and as often as may be deemed expedient by Signature, and Signature may pursue inconsistent

- C. <u>Interpretation and Jurisdiction:</u> The Lease shall be construed and enforced in accordance with the laws of the State of South Carolina. In any action to enforce the terms and conditions of this Ground Sublease, the parties agree that jurisdiction and venue are proper in the courts of South Carolina. This agreement shall be not be interpreted as having been drafted by one Party versus the other.
- D. <u>Severability:</u> Any provision or provisions of this Ground Sublease which shall be to any extent in violation of any law or ordinance or which shall prove to be to any extent unenforceable, invalid, void or illegal, shall in no way affect, impair or invalidate any other provisions hereof, and the remaining provisions hereof, except those provisions which are made subject to or conditioned upon such unenforceable, invalid, void or illegal provision or provisions, shall nevertheless remain in full force and effect.
- E. <u>Memorandum of Sublease: The Parties consent to and upon request by either Party, shall join in executing a Memorandum of this Sublease, which may be recorded in the jurisdiction where the Premises are located.</u>
- 28. <u>Notices:</u> Any notice, demand or document which any Party is required or may desire to give to the other party shall be in writing, and may be personally delivered or given or made by United States registered or certified mail, return receipt requested, or by Federal Express or comparable express delivery service, addressed as follows:

To Lessee: Coin Toss, LLC Attn: Don Ryan

400 Buckwalter Pkwy, Bluffton, SC 29910

To Signature: SIGNATURE FLIGHT SUPPORT - HXD

Attn: General Manager General Aviation Terminal 52 Gateway Circle

Hilton Head Island, SC 29926

With a copy to:

Contracts
Signature Flight Support Corporation
201 S. Orange Ave., Suite 1100S
Orlando, Florida 32801

Subject to the right of either Party to designate a different address for itself by notice similarly given. Any notice, demand or document so given by United States mail shall be deemed to have been given on the fifth day after the same is deposited in the United States mail as registered or certified matter, addressed as above provided, with postage thereon fully prepaid, except that any payments of Rent shall be deemed to have been made only when actually received by Signature. Any such notice, demand or document not given by registered or certified mail as aforesaid shall be deemed to be given, delivered or made only upon receipt of the same by the party or parties to whom the same is to be given, delivered,

or made. Notice to any other office, person, or department of Signature shall not constitute notice under this Ground Sublease.

- 29. <u>Estoppel Certificates:</u> Any party hereto shall deliver to any other party hereto, within fifteen (15) days after receipt of a written request therefor, an estoppel certificate stating the date to which Rent has been paid, the amount of any prepaid Rent, and stating whether such party has any actual knowledge that this Lease is not in full force and effect, whether such party of any other party is in default hereunder, and whether this Ground Sublease has been modified or amended.
- 30. <u>Attorneys' Fees:</u> In the event that either Signature or Sublessee fails to perform any of its obligations under this Ground Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Ground Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by either party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable counsel fees.
- 31. <u>Authority Consent:</u> Sublessee acknowledges that, pursuant to the provisions of the Master Lease, Signature may be required to obtain the Authority's written consent to this Ground Sublease, and accordingly, if applicable, the obligations and commitments of the Parties are expressly subject to obtaining such Authority's consent.
- 32. <u>Broker:</u> The Parties hereto covenant, warrant and represent that there was no broker instrumental in consummating this Ground Sublease and that no conversations or prior negotiations were had with any broker concerning the renting of the Premises. Signature and Sublessee agree to indemnity and hold each other harmless against any claims for brokerage commission and other costs arising out of any conversations or negotiations had by the other party with any broker. The provisions of this paragraph shall survive expiration and termination of this Ground Sublease.

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first above written.

SUBLESSEE:

APPROVED AS TO FORM:

COIN TOSS, LLC
By: Illu Ryn
Helen Ryan Manager
By:
SIGNATURE FLIGHT SUPORT CORPORATION:
By: Mana a Sastre
'
By:

Exhibit "A" Redacted Master Lease

Signature Flight Support 201 South Orange Avenue Suite 1100-S Orlando, Florida 32801 Tel 407.648.7200 Fax 407.648.7352

6 January 2009

VIA FACSIMILIE AND EMAIL

Paul Andres Beaufort County Director of Airports Post Office Box 23739 Hilton Head, South Carolina 29925

Re: Signature Flight Support - HXD, Letter of Intent Regarding Option

Dear Mr. Andres:

Signature Flight Support seeks to exercise its option to lease additional unimproved land pursuant to Section 3.1.6. of the September 4, 2002 Lease with Beaufort County.

Pursuant to Paragraph 3.1.6 of the Lease, and contingent upon obtaining the requisite Beaufort County approvals for the proposed improvements by potential Sublessee Coin Toss, LLC, Signature Flight Support shall lease unimproved ground adjacent to its southeast border of Signature's present leasehold ("Additional Land"). The Additional Land shall be used for the purpose of subleasing space to Coin Toss, LLC who shall in turn construct two (2) aircraft hangars. The size of the hangars to be constructed by Coin Toss, LLC and the amount of Additional Land required will be conveyed under separate cover directly. The term of the Lease on the Additional Land shall commence upon the execution of an Addendum to the Lease that incorporates the Additional Land and includes a revised plat showing the specific location of the additional unimproved ground once the Town of Hilton Head has granted approval of a specific location. The ground rental rate shall be been year.

It is Signature's intent that all terms and conditions of the above referenced lease shall remain unchanged except for the additional rent generated by the exercise of this option. You can reach me at 407-206-5291 or wendy.mcdowell@bbassi.com should you have questions.

Sincerely.

Wendy McDowell Senior Legal Counsel

Cc via email:

Michael Bennett

CONSENT

This Consent ("Agreement"), made and entered into effective as of the date provided below, by and among Signature Flight Support Corporation, a Delaware corporation ("Signature"), Carolina Air Center of Hilton Head, Inc. a South Carolina corporation ("Carolina") formerly known as Carolina Air Center Inc., and Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina (the "Lessor"):

WITNESSETH:

WHEREAS, the Lessor and Carolina Air Center Inc. entered into the following agreements relating to land and improvements at the Hilton Head Island Airport (the "Airport") collectively referred to herein as the "Lease Agreement": Fixed Based Operation Lease and Operating Agreement dated September 4, 2002, the Lease and Operating Agreement – Addendum 1 dated June 21, 2005, the Lease and Operating Agreement – Addendum 2 dated June 21, 2005, the Lease and Operating Agreement – Addendum 3 dated June 21, 2005, and the 2006 Lease and Operating Agreement – Addendum 4;

WHEREAS, Carolina Air Center, Inc. changed its name to Carolina Air Center of Hilton Head. Inc.:

WHEREAS, Signature intends to acquire all of Assets of Carolina pursuant to an Asset Purchase Agreement dated August 17, 2007 (the "Purchase Agreement");

WHEREAS, Lessor has certain consent rights to an assignment of the lease pursuant to the terms of the Lease Agreement:

WHEREAS, as a condition to the consummation of the transactions contemplated by the Purchase Agreement, Signature has requested the delivery of this Agreement from the parties hereto:

NOW, THEREFORE, in consideration of the above premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Lessor consents to the assignment of the Lease Agreement to Signature.
- Consent to the assignment shall not be deemed a novation of the Lease Agreement.
- 3. The Fixed Based Operation Lease and Operating Agreement dated September 4, 2002, the Lease and Operating Agreement Addendum 1 dated June 21, 2005, the Lease and Operating Agreement Addendum 2 dated June 21, 2005, the Lease and Operating Agreement Addendum 3 dated June 21, 2005, and the

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مسکان پیگریم 2006 Lease and Operating Agreement - Addendum 4 are the complete agreements between Lessor and Carolina relating to the leased premises and the operation of Carolina's business thereon. There have been no other amendments, modifications or revisions to aforesaid agreements, and there are no further agreements of any kind between the Lessor and Carolina regarding the premises leased or Carolina's business conducted at the Airport.

IN WITNESS WHEREOF, the undersigned hereby execute this instrument effective on the last date provided below.

Carolina:

CAROLINA AIR CENTER OF HILTON HEAD,INC., a South Carolina corporation, formerly known as Carolina Air Center, Inc.

By: Edward Grisham President

Signature:

SIGNATURE FLIGHT SUPPORT CORPORATION:

By: Joseph I. Goldstein

Title: Secretary

Lessor:

Hilton Head Island Airport, an agency of Beaufort, County Council of Beaufort, South Carolina

Title: He wines

Date: September 28, 2007

CIE L.A. Of SOUTH CAROLINA BEAUFORT COUNTY

LEASE AND OPERATING AGREEMENT - ADDENDUM 4

This Addendum, entered into this _____ day of _____, 2006, serves as Addendum 4 to the Fixed Base Operation Lease and Operating Agreement by and between the Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina hereafter called "County", and Carolina Air Center, incorporated, hereafter called "CACI", dated the 4th day of September 2002;

WITNESSETH:

Whereas, the Beaufort County Council is duly empowered to operate, manage and control the Hilton Head Island Airport and all facilities located thereon under the authority of Chapter 6 of the Code of ordinances of Beaufort County; and whereas, CACI is an experienced provider of general and commercial aviation services.

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth hereafter, the parties do hereby agree to add this Addendum 4 to the existing CACI Lease and Operating Agreement to permit CACI's exercise of an option to lease additional unimproved property for construction and operation of an air craft storage hanger in accordance with Paragraph 3.18 of the Fixed Based Operation Lease and Operating Agreement of September 4, 2002 (Lease and Operating Agreement) as follows:

That CACI hereby agrees to lease unimproved property from Beaufort County identified in Exhibit A, attached herewith and made part hereof consisting of a total of 14,587 square feet.

The ground rental rate shall be \$.08 per square foot in addition to those rents and fees payable pursuant to 3.1.3, 3.1.4 and 3.1.5 of the Fixed Base Operation Lease and Operating Agreement, beginning on the date of the execution of this agreement. Beginning January 1, 2009, the ground rental rate shall increase to per square foot per year.

Rent shall be payable in accordance with Paragraph 3.1.2 of the Fixed Based Operation Lease and Operating Agreement dated September 4, 2002 (the Lease and Operating Agreement).

As additional consideration to Beaufort County for CACI's Lease of Additional Property, CACI agrees to build or cause to be built an alreaft storage hanger on the subject property in accordance with the attached contract for construction, attached herewith and made a part hereof as Exhibit B.

CACI agrees to provide Beaufort County with a Letter of Credit in the amount of Construction and payment for construction of the aforementioned storage hanger to ensure completion and payment of construction and payment for construction of the storage hanger. This Letter of Credit shall be in a form acceptable to Beaufort County, Beaufort County agrees that upon satisfactory completion and inspection of the completed hanger, and upon issuance of the Certificate of Completion and payment of all other obligations and upon receipt of contractor receipt and lien waivers that the requirement of the Letter of Credit may be withdrawn.

The parties hereto agree that the construction of the subject alreaft storage hanger will be governed by all terms and conditions of the Lease and Operation Agreement to including but not be limited to Paragraph 5 of the Lease and Operation Agreement addressing requirements of capital improvements made on the subject property.

not be limited to Paragraph 5 of the Lease and Operation Agreement addressing requirements of capital improvements made on the subject property.

All other terms and conditions not impacted by this Addendum of the CACI primary leased dated September 4, 2002 remain in effect.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by its duly authorized officers in duplicate originals, one of which is retained by each of the parties, this day and year first above written.

BEAUFORT COUNTY GOUNCIL

Bv.

Sary T. Kubic, County Administrator

ATTEST:

CAROLINA AIR CENTER, INCORPORATED

Ву: ____

(Corporate Seal) Presid

000124

EXHIBIT "A"

PROPERTY

All that certain parcel of land being situated in the Town of Hilton Head Island, County of Beaufort, State of South Carolina containing 14,587 square feet, more or less, and being shown as Lease Area, Proposed Hangar 2B by that Lease Area Plat of Hangar 2B, Parcels 108 and 81, Hilton Head Airport, Hilton Head Island, Beaufort County, South Carolina prepared by Sea Island Land Survey, LLC dated June 7, 2006, a copy of said site plat being attached hereto.

SOUTH CAROLINA
BEAUFORT COUNTY

BEAUFORT COUNTY SC - ROD BK 02178 PGS 2369-2370 FILE NUM 2005052617 07/01/2005 11:48:40 AM

LEASE AND OPERATING AGREEMENT - ADDENED ROUND FEET 1000

This Addendum, entered into this 21 Day of June, 2005, serves as Addendum 3 to the Fixed Base Operation Lease and Operating Agreement by and between the Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina hereafter called "County", and Carolina Air Center, Incorporated, hereafter called "CACI", dated the 4th day of September 2002;

WITNESSETH:

That whereas, the Beaufort County Council is duly empowered to operate, manage and control the Hilton Head Island Airport and all facilities located thereon under the authority of Chapter 6 of the Code of Ordinances of Beaufort County; and whereas, CACI is an experienced provider of general and commercial aviation services.

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth hereafter, the parties do hereby agree to add this Addendum 3 to the existing CACI Lease and Operating Agreement as follows:

Please revise the Fixed Base Operation Lease and Operating Agreement to reflect the change of our corporate ownership status. Said change is in the corporate name only, and reflects no change in ownership.

Please replace Carolina Air Center, Inc., an Arkansas corporation in good standing, with, Carolina Air Center of Hilton Head, Inc., a South Carolina corporation in good standing.

All other terms and conditions not impacted by this Addendum of the CACI primary lease dated September 4, 2002, remain in effect.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by its duly authorized officers in duplicate originals, one of which is retained by each of the parties, this the day and year first above written.

BEAUFORT COUNTY COUNCIL

(

ATTEST: (Signature on FollowingPage)

Xtocy 10 Brodohow

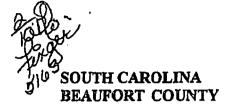
CAROLINA AIR CENTER, INCORPORATED

(Comorate Scal)

President

ATTEST:

Scoretary Otherma, fre CACI



BEAUFORT COUNTY SC - ROD BK 02178 PGS 2368-2367 FILE NUM 2006062616 07/01/2008 11:48:40 AM REC'D BY A WILLIAMS ROPTH 342626 RECORDING FEES 10.00

LEASE AND OPERATING AGREEMENT - ADDENDUM 2

This Addendum, entered into this 212 day of June, 2005, serves as Addendum 2 to the Fixed Base Operation Lease and Operating Agreement by and between the Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina hereafter called "County", and Carolina Air Center, Incorporated, hereafter called "CACI", dated the 4th day of September 2002;

WITNESSETH:

That whereas, the Beaufort County Council is duly empowered to operate, manage and control the Hilton Head Island Airport and all facilities located thereon under the authority of Chapter 6 of the Code of Ordinances of Beaufort County; and whereas, CACI is an experienced provider of general and commercial aviation services.

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth hereafter, the parties do hereby agree to add this Addendum 2 to the existing CACI Lease and Operating Agreement Section 4.1 as follows:

4.1 Covenant Not To Compete By County

In Section 4.1 of the CACI Lease, the original document incorrectly references certain subsections. The following statement shall replace Section 4.1.

Covenant Not To Compete By County. County covenants and agrees not to engage in competition with CACI at Hilton Head Island Airport and will not sell or provide any of the goods and services that CACI chooses to provide in paragraphs 4.1.1 through 4.1.10 above.

All other terms and conditions not impacted by this Addendum of the CACI primary leased dated SEPT, 4,2002 remain in effect.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by its duly authorized officers in duplicate originals, one of which is retained by each of the parties, this the day and year first above written.

BEAUFORT COUNTY COUNCIL

By:

ATTEST:

Xtacy 10. Brodohow

CAROLINA AIR CENTER, INCORPORATED

By: (Corporate Scal)

President

ATTEST:

Secretary atterney 4m CAC



BEAUFORT COUNTY 6C - ROD BK 02178 PGS 2883-2365 FILE NUM 2005052615 07/01/2005 11:48:40 AM REC'D BY A WILLIAMS ROPTE 342525 RECORDING FEES 10.00

LEASE AND OPERATING AGREEMENT - ADDENDUM 1

This Addendum, entered into this 215 day of JUNE, 2005 serves as Addendum 1 to the Fixed Base Operation Lease and Operating Agreement by and between the Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina hereafter called "County", and Carolina Air Center, Incorporated, hereafter called "CACI", dated the 4th day of September 2002;

WITNESSETH:

That whereas, the Beaufort County Council is duly empowered to operate, manage and control the Hilton Head Island Airport and all facilities located thereon under the authority of Chapter 6 of the Code of Ordinances of Beaufort County; and whereas, CACI is an experienced provider of general and commercial aviation services.

Now, therefore, in consideration of the premises and the mutual covenants and conditions set forth hereafter, the parties do hereby agree to add this Addendum 1 to the existing CACI Lease and Operating Agreement with each other as follows:

1.0 GENERAL

- 1.1 In Section 4.2 of the CACI Lease, the County agreed to not to engage in competition with CACI at Hilton Head Island Airport, and in paragraph 4.1.5, CACI was permitted to build hangars for aircraft parking, and storage, and tiedown services for both based and transient aircraft.
- 1.2 Upon mutual agreement between the County and CACI, CACI gives County permission to construct hangars adjacent to the CACI leasehold in an effort to provide lower cost hangars for Airport users. Therefore, this Addendum serves to release CACI of the obligation to build hangars in accordance with paragraph 5.12.2 and 5.12.3 of their lease. In exchange for said release of these obligations by County, and the said release of competition by CACI, the County agrees to contract for management services with CACI for any County-owned hangars at the Airport. The County further agrees to provide CACI with a minimum of an 80x80 hangar of which CACI will pay fair market rent less management fees. If a larger hangar becomes available at a later date CACI has the right of first refusal to move its operation into the larger of the two hangars. It should be noted that this said release of competition by CACI is for hangars and hangar rental only.

2.0 TERMS AND FEES

2.1 The Addendum further authorizes CACI to manage and lease the storage hangars on behalf of the County for a period concurrent with CACI's primary lease approved on September 4th, 2002.

- 2.2 CACI will market, advertise, lease, and keep the hangars in a generally neat and orderly condition. All major repairs will be the financial responsibility of the County. In order to compensate CACI for the management and operation of the hangars, the County authorizes a management fee payable to CACI in the amount of the hangars.
- 2.3 Routine maintenance activities will be identified and where appropriate, performed by CACI, paid for by County, with a 10 percent mark-up for labor and supplies. Airport Director must approve any maintanence with an estimated cost of the county has the right to perform any or all maintenance.
- 2.4 All payments due County, for individual storage hangar rentals, shall be due and payable concurrent with the lease dated September 4th, 2002.
- 2.5 The County will establish the per unit hangar rental fee(s) and determine the amount of security deposit required.
- 2.6 The County will provide the lease document(s) for the storage hangars.

3.0 FINANCIAL REPORTS AND RECORDS

- 3.1 CACI shall submit to the County a statement showing gross receipts from the leasing operations of the storage hangars for the preceding quarter. These reports shall show such reasonable detail and breakdown as may be required by County.
- 3.2 All maintenance and repairs detail for the previous month will be presented in a quarterly report to the County.
- 3.3 At the date(s) and interval(s) prescribed by County, CACI shall submit to County a list of all aircraft, by FAA registration number, that is based within the storage hangars.

4.0 ASSIGNMENT

4.1 <u>Assignment</u>. CACI may transfer this addendum in conjunction with the CACI lease dated September 4th, 2002. Said transfer must have prior written consent by County. Said written consent to transfer shall not be unreasonably withheld.

5.0 CANCELLATION

5.1 By Reaufort County. Upon the occurrence of any event of Force Majeure, or other act or event beyond the control of County, or in the event of the assumption by the United States Government or any authorized agency thereof of the operation, control or use of the Airport facilities, or any substantial part thereof, in such a manner as to substantially restrict CACI from performing the task as identified within this Addendum for a period of

ninety (90) days, County may cancel this Addendum without penalty by giving CACI ninety (90) days written notice. Notice to CACI shall be addressed to CACI and delivered by hand to the office of CACI at the Hilton Head Island Airport, or mailed , by registered or certified mail, postage to 52 LATEWAY CIR prepaid.

By CACI. CACI may cancel this Agreement and terminate its obligations hereunder at any time when CACI is not in default in the payment of any rentals, fees, or charges to County by giving minety (90) days written notice to the County. If CACI chooses to cancel this Addendum, then County has the right to pursue other management arrangements. Notice to County shall be addressed to it and delivered at the office of the Airport Director, Hilton Head Island Airport, Post Office Box 23739, Hifton Head, South Carolina 29925, either by hand or registered or certified mail, postage prepaid.

This Addendum constitutes the entire understanding between the parties with respect to the services provided by CACI in acting as the County agent in the leasing and minor maintenance of the County-owned storage hangars. Any change or modification of this Addendum must be in writing signed by both parties.

All other terms and conditions not impacted by this Addendum of the CACI primary leased dated <u>se or. 4. 1002</u> remain in effect.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed by its duly authorized officers in duplicate originals, one of which is retained by each of the parties, this the day and year first above written.

BEAUFORT COUNTY COUNCIL

ATTEST:

CAROLINA AIR CENTER, INCORPORATED

President

SOUTH CAROLINA

BEAUFORT COUNTY SC- ROD BK 01688 P 0731 IN 2002088397 DATE: 12/30/2002 02:45:06 PM REC BY B BING RCPT# 107784

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FIXED BASED OPERATION LEASE AND OPERATING AGREEMENT

BEAUFORT COUNTY

THIS LEASE AND OPERATING AGREEMENT (hereafter referred to as "Agreement"), entered into this 4th day of September 2002, by and between the Hilton Head Island Airport, an agency of Beaufort County Council of Beaufort, South Carolina, hereafter called "County," and Carolina Air Center, Inc., a business corporation authorized to transact business in the State of South Carolina, hereafter called CACI;"

WITNESSETH

THAT WHEREAS, the Beaufort County Council is duly empowered to operate, manage, and control the Hilton Head Island Airport and all facilities located thereon under the authority of Chapter 6 of the Code of Ordinances of Beaufort County; and whereas, CACl is an experienced provider of general and commercial aviation services, and proposed to provide such services at the Airport as a fixed base operator; and whereas, County has determined that fixed base operation aviation services are necessary and essential in order to accommodate the needs of the general public and persons and firms using the Airport.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth hereafter, the parties to hereby agree with each other as follows:

1. LEASED PREMISES

1.1 General. County hereby leases to CACI, and CACI hereby accepts from Beaufort County as tenant, the premises more particularly described and defined in Schedule A attached hereto and made a part hereof (hereafter referred to as the "Leased Premises"). The premises is let in its condition as of the effective date of this agreement, without representation or warranty by County, subject to any state of facts which an accurate survey or a physical inspection thereof might show, to all applicable legal requirements and any violation of any legal requirement which may exist as of the date hereof. CACI has examined and approved the premises for all purposes of this Agreement. CACI acknowledges that all existing improvements and fixtures included in the premises are in good working order.

2. TERM

- 2.1 <u>Initial Term.</u> The initial term of this Agreement shall be for a period of 15 years commencing on the 1st day of January 2004, and running through the 31st day of December 2018.
- 2.2 Option Terms. Provided it is in compliance with all the terms and conditions of this Agreement, CACI shall have the option to renew this Agreement upon all the same terms and conditions for two (2) additional terms of five (5) years each.

ر المار ا المار ال This option shall be exercised by written notice to County not later than ninety (90) days prior to expiration of the existing term. If both options are exercised by CACI, the expiration date of this Agreement will be December 31, 2028.

3. RENTALS, FEES AND CHARGES

- 3.1 Rent. As consideration for the lease of the premises and the rights and privileges granted herein, CACI agrees to pay County the rentals, fees, and charges set forth below:
 - 3.1.1 Ground rental. CACI shall pay a rental rate of per square foot per year in year six and every year thereafter for the 345,126.68 square feet of paved ramp/apron as described in Schedule A. In years one (1) through five (5), rents are to be phased-in as described below:
 - 3.1.1.1 Beginning on January 1, 2004, per year.
 - 3.1.1.2 Beginning on January 1, 2005, per year.
 - 3.1.1.3 Beginning on January 1, 2006, per year.
 - 3:1-1-4 Beginning on January 1, 2007; per year.
 - 3.1.1.5 Beginning on January 1, 2008, per year.
 - 3.1.1.6 Beginning on January 1, 2009, per year.
 - 3.1.2. The Rent is payable on a quarterly basis, calculated at the fof the indicated annual rent, commencing on the 1st day of January 2004, and payable on the 1st day of each and every successive calendar quarter thereafter, without demand. If County makes additional land available for CACI to lease, such land shall be provided at the rental rate in effect at that time, as described in this Agreement.
 - 3.1.3. Percentage rent. CACI shall pay a percentage rent of description of all gross sales revenues, excluding the following:
 - 3.1.3.1. All revenues derived from the sales of retail fuel.
 - 3.1.3.2. Sales taxes collected on retail sales and paid to the State of South Carolina.
 - 3.1.3.3. All revenues derived from the sale of new or used aircraft.

8.5.

- 3.1.3.4. All revenue earned in the first seven (7) years from the leasing of hangar space in the facilities proposed to be constructed by CACI under the terms of this Agreement. This seven-year period shall begin at the issuance of a Certificate of Occupancy from the Town of Hilton Head Island.
- 3.1.4. Percentage rent is payable on a quarterly basis commencing on the 1st day of January 2004, and payable on the 1st day of each and every successive quarter thereafter without demand.
- 3.1.5. Fuel flowage fee. CACI shall pay a fuel flowage fee equal to percent of gross revenues from the sale of retail fuel by CACI beginning on January 1, 2004. Fuel sold to U. S. Military aircraft and scheduled air carriers serving Hilton Head Island Airport shall be exempt from the fuel flowage fee. If County chooses to increase the fuel flowage fee, County shall not increase the fee more than percent per adjustment period. However, at no time during the term of this lease shall fuel flowage fee increase to a level exceeding percent of the gross retail fuel revenues. Retail fuel revenues shall exclude all Federal, State and local applicable fuel taxes. The fuel flowage fees will be paid to the County on a quarterly basis, with records maintained by CACI. Records shall be maintained at CACI, but the County shall have the right to review fuel sales records during normal business hours with a minimum 24-hour notice.
- 3.1.6. Unimproved ground rental rate. CACI shall have an option to lease an adjacent three (3) acre parcel (130,680 square feet) along the southeastern boundary of its leasehold. If CACI shall exercise this option, they shall pay an unimproved ground rental rate, which shall be used for the construction of the maintenance and aircraft storage hanger described below. Ground rent shall be paid as follows:
 - 3.1.6.1. Beginning in CY-2004 or on the issuance of a Certificate of Occupancy (whichever comes first), per square foot per year for the proposed maintenance hanger site of 1.5 acres.
 - 3.1.6.2. Beginning in CY-2004, per square afoot per year for the proposed aircraft storage hangar site of 1.5 acres.
- 3.2 Exemption From Percentage of Gross Revenue Fees for Maintenance Subtenant. County shall exempt the first subtenant selected by CACI to provide maintenance services in the new maintenance hangar from any percentage of gross revenue fees for the first two (2) years of business operation. After two years, the maintenance subtenant shall not be required to pay not more than for gross revenues to County for the privilege of operating at the airport.

3.2.1. The above exemption shall apply only to the first subtenant CACI engages during the terms of this Agreement. County may at its option charge second and subsequent subtenant(s) a percentage of gross revenue fee of not more than percent, effective upon the date such subtenant(s) sign an Operating Agreement with County.

3.2.2. Place of Payments. All payments due County from CACI shall be paid at the Airport Director's Office, unless otherwise specified in writing delivered to CACI. All payments due County, with the exception of fixed quarterly rent, which is payable in advance, shall be due and payable on the 20th day of each calendar month following the quarter during which the sale of service occurred.

3.3 Financial Reports and Records

- 3.3.1. Quarterly Reporting. With the payment of quarterly percentage fees by the twentieth (20th) day of the month as provided above, CACI shall submit to County a statement showing gross receipts from the operations of its business for the preceding calendar month. These reports shall show such reasonable detail and breakdown as may be required by County, including a separate accounting of revenues from fuel sales, on forms agreeable to County.
- 3.3.2. Fuel Flow Reporting. CACI shall submit to County, by the 20th day of the month following the most recently ending quarter, a statement showing the amount of fuel dispensed in the previous quarter from each fuel vehicle CACI operates, with such reasonable detail and breakdown as may be required by county. Such breakdown shall include the amount of fuel sold to U. S. Military aircraft and scheduled air carriers serving Hilton Head Island Airport, and therefore exempt from the fuel flowage fee.
- 3.3.3. Annual Reporting. Within ninety (90) days after the end of each calendar year during the initial and option terms of this Agreement, CACI shall submit to County a detailed statement of applicable gross receipts for the preceding year of operation. Such statement shall be reviewed by a Certified Public Accountant and shall be accompanied by CACI's payment covering any deficiency between payment made during the previous year of operation and payments due for such year of operation as set out above. In the event that CACI's payments to County for the previous year of operation exceeds the amount of payment required by this Agreement, County shall reimburse CACI the sum overpaid.

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- 3.3.4. Reporting based Aircraft. At the date(s) and interval(s) prescribed by County, CACI shall submit to County a list of all aircraft, by FAA registration number, that are based on its leasehold.
- 3.3.5. Books and Records of CACI. CACI shall maintain complete and adequate books and records for the purpose of determining the gross receipt from Fixed Base Operations for the current and immediately prior three calendar years and shall make such books and records available for inspection by County or its authorized representatives at any and all reasonable hours and times.
- 3.3.6. Audit. County shall have the right during each calendar year to authorize an audit of CACI's records pertaining to its operation on the Airport with a forty-eight hour notification. Such audits shall be undertaken by the County's properly degreed accounting staff or a firm of certified public accountants, satisfactory to County and CACI. The cost of such audit shall be paid by County, unless the results of such audit reveal a proven discrepancy of more than three percent (3%) between the gross receipts reported above and the gross receipts as determined by audit for any calendar year or pro-rata calendar year reported. In case of such discrepancy, the full cost of the audit shall be paid by CACI. CACI has the ability to challenge said audit, if the discrepancy is proven unfounded. the County will reimburse CACI for all costs incurred. Any additional auditing expense resulting from CACI's inability or refusal to provide records as required by the auditor shall be paid by CACI. CACI shall forthwith pay to County the full amount of fees and charges, including late fees, discovered to be due to County as a result of the audit. County shall forthwith refund to CACI the full amount of fees and charges overpaid by CACI that are discovered to be due to CACI as a result of the audit.
- 3.4. Adjustments to Fuel Flowage Fees and Ground Rental Rates. County reserves the right to adjust the fuel flowage fees and ground rental rates every two-year period during the initial and option terms of this Agreement.
 - 3.4.1. The first possible adjustment to the fuel flowage fee may occur on January 1, 2006, and every two years thereafter. Increases are limited to the terms and conditions set forth in Section 3.1.5 within this lease, unless otherwise changed as described in paragraph 3.4.3 below.
 - 3.4.2. The first adjustment for all ground rent rates may occur on January 1, 2010. On that date, County has the option to adjust the rates to reflect fair market value, but by not more than Subsequent increases may be made every two years thereafter and shall not amount to more than over the previous two-year period.

3.4.3. If at any point during the term of the lease, economic or aviation conditions at the Hilton Head Island Airport reflect a significant and demonstrable change, either positive or negative, either the County or CACI shall have the right to request an adjustment to the rental rates and fuel flowage fees then in effect, to account for said change. However, in no event shall the new rates and/or fees exceed the range of those charged to FBOs at competing or similar airports within the Southeastern United States.

4 RIGHTS OF CACI: MINIMUM STANDARDS FOR SERVICES TO BE PROVIDED

- 4.1 Specific Rights and Minimum Standards for Services. CACI is hereby granted the non-exclusive right and privilege to engage in business as a Fixed Base Operator at the Airport and shall be allowed but not required to provide the services listed below. By providing any of the service(s) listed, CACI agrees to provide such service(s) to standards consistent with the high quality of facilities and services provided by other operators at the Airport, and in accordance with the current edition of the Minimum Standards for Beaufort County Airports:
 - 4.1.1 Fuel Sales. The purchase, sale, and storage of aviation petroleum products, including fuel, propellants and lubricants, or any product or products incident to the use of aircraft, including the use of fueling vehicles to service aircraft. Fueling vehicles shall be constructed and equipped in accordance with all applicable Federal Aviation Administration (FAA) and National Fire Protection Association (NFPA) rules, regulations, and guidelines.
 - 4.1.2 Fuel Farm. The construction, operation, and improvement of modern state-of-the-art, fuel storage facilities for servicing aircraft and to conduct fueling operations or upgrading of existing facilities. Fuel storage facilities shall comply with all applicable FAA, NFPA, local, state, federal, and County rules, regulations, ordinances, and standards.
 - 4.1.3 Aircraft Maintenance and Repairs. The maintenance, repair, and overhaul of air frames for all types of general aviation aircraft, engines, and power plants, and to remove, install, or reinstall engines or power plants and other equipment of a general aviation nature normally used at Hilton Head Island Airport. CACI or its subtenant shall employ at least one full-time FAA certified Airframes and Powerplants mechanic and as many properly FAA certified personnel as may be required to perform aircraft maintenance and repairs to meet the public demand. CACI or its subtenant shall provide adequate shop space to house aircraft parts, equipment, and adequate machines, tools, jacks, lifts, towbars, dollies,

testing equipment, and other required equipment to perform overhauls and repair of parts, at a minimum, on single engine land and light multi-engine land general aviation aircraft. Non-airworthy aircraft shall be screened from public view.

4.1.4 Aircraft Sales. The sale and leasing of new and used aircraft, staffed by adequate sales personnel, hangar space, showroom and office space to conduct a full time, progressive business operation.

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- 4.1.5 Aircraft Storage and Tie Downs. Aircraft parking, storage, hangar, rental, and tie down services for both based and transient aircraft.
- 4.1.6 Line Service and Pilot/Passenger Services and Facilities. Ground support servicing of aircraft, including auxiliary power unit capability, ramp equipment, aircraft cleaning, and other related on-apron services by trained, uniformed personnel; courtesy transportation of passengers, crews and baggage from the FBO apron to other points on the airport; ramp equipment to two or move aircraft of a size and weight equal to or in excess of a Gulfstream IV aircraft; and waiting lounge, pilot briefing room, rest rooms, telephone facilities, and other customer services.
- 4.1.7 Flight-Instruction and Aircraft-Rental. Flight-instruction by properly certified instructors and pilots with ratings and qualifications, operating aircraft that are properly certified and maintained in accordance with applicable Federal Aviation Regulations. CACI shall provide an office, office personnel, and suitable arrangements for hangaring or parking aircraft in the performance of said services.
- 4.1.8 Aircraft Rental. Rental of aircraft that are properly certified and maintained in accordance with applicable Federal Aviation Regulations. CACI or its subtenant shall take reasonable measures to ensure that persons renting its aircraft are properly licensed and qualified to operate the aircraft they desire to rent.
- 4.1.9 Aircraft Charter Service. Provision of on-demand aircraft charter service under FAR Part 135. CACI or its subtenant shall provide at least one or more airworthy aircraft, or shall have said aircraft available on an on-call basis under written contract with an independent contractor. All aircraft charter services, if provided, shall be conducted under a valid FAA Air Carrier Certificate, in accordance with FAR Part 135 or other applicable FAR.
- 4.1.10 Operational Goods and Services. The right, but not any requirement, to engage in aerial survey, photography, mapping, sightseeing services, inspection, and licensing of aircraft; training employees or the public in

- 7.6 Alterations of Premises. In performing all repairs, maintenance, alterations, replacements, refurbishments, and construction affecting the premises, CACI shall:
 - 7.6.1 Have the work performed by qualified, responsible, and reputable contractors, subcontractors, and suppliers. Such contractors, subcontractors, and suppliers at all times shall operate in compliance with the Airport Rules and Regulations, and in a manner compatible with operations on, and other employees and tenants at the airport, so as to avoid the occurrence of disturbance, disruption, or conflict in all or any part of the airport or in connection with its operation.
 - 7.6.2 Have the work performed done in a good and workmanlike manner, using new and first quality materials, in accordance with all applicable plans and specifications previously approved by County and the Town of Hilton Head Island.
 - 7.6.3 Obtain, at its own cost and expense, all necessary building, zoning, and other permits and certificates necessary from all governmental authorities have jurisdiction. County shall not be responsible in any way for obtaining any such permits or certificates.
- 7.7 <u>Temporary Structures</u>. CACI or its contractors, subcontractors, or suppliers shall not install, maintain, operate, or permit anywhere on the Airport any mobile or temporary facilities, unless expressly authorized by County. County shall not unreasonably withhold such authorization, if requested by CACI to support the construction of capital improvements as described in this Agreement. CACI shall ensure that such structures are installed and maintained safely and in accordance with applicable ordinances and regulations, and so as to present a neat and orderly appearance at all times.
- 7.8 <u>Fuel Storage</u>. All fuel tanks, associated pumping equipment and fixtures, and related buildings and structures utilized by CACI in the storage, pumping, and dispensing of fuel shall be continuously maintained in compliance with the National Electric Code, the National Fire Code of the NFPA, applicable codes and regulations of the United States Environmental Protection Agency, all FAA regulations and advisory circulars, and all other applicable local, State, Federal fire and safety codes, standards and regulations.
- 7.9 Fuel Spill Prevention and Cleanup. CACI covenants and agrees at all times during the term of this Agreement to comply with Federal, State, local regulations. In the event CACI, its employees, or agents shall spill, leak, or otherwise discharge any fuel onto the leased premises, or any other areas of the Airport, CACI shall take immediate steps at its own expense to clean up, contain, and dispose of all spilled materials and comply fully with applicable regulations

while engaging in such clean-up operations. Failure by CACI to take immediate action to clean up any spills or leaks shall entitle County to proceed with clean-up procedures and action; the entire expense of which shall be paid in full by CACI within ten (10) days after notice and invoice from the Airport Director of the actual costs incurred in such clean-up operations.

- 7.10 Environmental Matters. CACI shall indemnify and hold County harmless from damage or injury resulting from hazardous material or petroleum product contamination or pollution of the leased premises occurring or existing after the commencement of CACI's operation on the leased premises.
- 7.11 Inspection of Premises. During the term of this Agreement, the Airport Director, FAA airport certification officials, Town of Hilton Head Island building and fire code inspection officials, and other duly authorized government officials shall be permitted to enter upon the leased premises at all times for the purpose of making inspection of said premises, or for any other purpose necessary for, incidental to, or connected with the performance of County governmental functions under federal, state, or local rules, regulations and laws, including, but not limited to, necessary and proper inspections under applicable health, mechanical, building, electrical, plumbing, fire codes, or other health, safety, and general welfare regulations enforced pursuant to County's police powers. Additionally, CACI's rights under this Agreement shall-be subject to-all-existing and future utility easements and rights-of-way for the installation, maintenance, inspection, repair, or removal of public utilities such as electric, gas, water, sewer, or other public utilities which are owned or operated by County or utility companies; CACI represents that it has inspected the leased premises with respect to the location of existing public underground utilities and necessary easements therefore, specifically including underground utilities, and CACI agrees to take all measures to avoid injury, damage, or interruption of services provided by said utilities: CACI agrees that all present utilities do not unreasonably or unnecessarily interferè with CACI's use, development, and maintenance of the leased premises: County agrees that any future utilities or easements therefore shall not be located or placed so as to unreasonably or unnecessarily interfere with CACI's use or development of the leased premises.
- Pusiness Activities on CACI Leasehold. CACI shall advise the Airport Director before entering into any agreements to allow any individuals or businesses to lease space and/or conduct business activities on CACI's leasehold, and to not allow such individuals or business to operate on its leasehold until authorized in writing by County. This stipulation does not apply to contractors that CACI may engage to provide supplies or support (such as caterers and aircraft fuel supply and delivery) that CACI purchases in the normal course of business. CACI further agrees to advise the Airport Director of any unauthorized or unapproved individuals or businesses CACI may become aware of, that are conducting business on CACI's leasehold.

8. RELOCATION OF LEASED PREMISES

- Notice of Relocation. If at any time during the term of this Agreement, the 8.1 Beaufort County Council determines that the leased premises, or any portion thereof, is required to permit development of planned long-range airport improvements proposed by County Council and approved by the Federal Aviation Administration (or its successor agency) upon twelve (12) months prior written notice to CACI (if a structure or fuel facility is involved), or six (6)months if no structure is involved, County shall coordinate with CACI in the selection of another location on the Airport which, in the judgment of County and CACI, is an appropriate and suitable location for CACI's use and operations. Such notice will specify the date upon which the proposed relocation is to become effective; the date shall not be earlier than the date of said notice as described in this paragraph. Upon issuance of such notice and without delay, County shall consult with CACI as to the location and other aspects of replacement space for its permitted operation. County Council will not give Notice of Relocation without sufficient infrastructure (taxiway, ramps, etc.) in place or planned to be in place at the time of actual relocation, for CACI to adequately perform the services required.
- Agreement to Relocate. If CACI agrees to such relocation, it shall commence 8.2 and continue to completion the construction, erection, and installation of allnecessary buildings and improvements (consistent with the quality of existing and proposed facilities), or removal and re-erection of exiting improvements upon the new locations. All costs related to and created as a result of said relocation and facility redevelopment shall be borne by the County. In either event, the plans and specifications for such new or relocated buildings and improvements shall be subject to review and approval in writing by the appropriate authorities, as otherwise described in this Agreement for Capital Improvements, prior to commencement of any construction or re-erection. Upon completion of relocation of CACI's facilities as contemplated herein, the new location shall thereupon become the "leased premises" within the definition of such term as used in this Agreement, and all rights of CACI to use any portion of the old location as described in paragraph 1. shall cease and terminate. All other provisions of this Agreement shall apply to the new location as fully and to the same extent as if the same were the original leased premises described herein.
- 8.3 Failure to Relocate. If CACI does not agree in writing to relocate the leased premises as contemplated in this Article within ninety (90) days after notice from County Council to do so, CACI's right of occupancy of the leased premises shall terminate one-hundred eighty (180) days after the date of County's notice to relocate, and County shall thereafter be under no obligation to provide any replacement site for the leased premises.

- In the Event CACI elects relocation of the leased 8.4 Payment by County. premises and construction of replacement facilities upon the new location as provided in paragraphs 8.1 and 8.2 above, County agrees to pay to CACI an amount equal to the undepreciated portion of CACI's costs of construction of buildings and improvements which are not relocated to the new location, or deduct such amount from future rents and fees owed by CACI to County, calculated by application of a straight-line method of depreciation, based upon a twenty (20) year life of such buildings and improvements, with the exception of paying, lighting, and fencing, which shall be depreciated on the basis of a ten (10) year useful life. The amount of such payment shall be determined as of the effective date of relocation, or the date of termination of CACI's occupancy of the leased premises, whichever is applicable. The costs of construction of the buildings and improvements on the leased premises shall be documented by CACI by original bills, invoices, and construction contracts; copies of which shall be provided to County Council by CACI within ninety (90) days following completion of construction of the same. Within a period of sixty (60) days after receipt of such documentation, CACI and County Council shall agree on an amount, which represents the total costs of construction for the purposed of this paragraph.
- 9. <u>SERVICES BY COUNTY</u>. Subject to CACI's requirement to provide airside security as provided in paragraph 7.4, CACI will be provided with police and fire protection in common with other tenants of premises located on the Airport.

10. INSURANCE.

- 10.1 <u>Coverages.</u> CACI shall procure and maintain in full force and effect at all times and at its sole cost and expense the insurance coverage listed below, and shall provide County with certificates of insurance evidencing the required coverages.
 - 10.1.1 Broad form fire and extended coverage to the extent of not less than 90% of the replacement value of all improvements and structures leased to, constructed by, or used by CACI.
 - 10.1.2 Comprehensive automobile liability insurance with the following minimum limits:

Bodily injury or death:

\$ 500,000.00 per person

Bodily injury or death:

\$1,000,000.00 per occurrence

• Property damage

\$ 500,000.00 per occurrence

10.1.3 Comprehensive Airport liability insurance covering premises operations, independent contractors, contractual liability, with single limits coverage of \$1.000,000.00 per occurrence.

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- 10.1.4 Aircraft Liability insurance endorsed for contractual liability coverage with single limits of \$1,000,000.00 per occurrence with no internal passenger amount restrictions.
- 10.1.5 Products liability/completed operations insurance with single limits coverage of \$1,000,000.00 per occurrence and an annual aggregate of \$1,000,000.00.
- 10.1.6 Hangar Keeper's legal liability insurance with single limits coverage of \$1,000,000.00 per occurrence. Such insurance shall not be required until such time as CACI receives Certificate of Occupancy for its first aircraft storage hangar. CACI shall increase coverage when needed to appropriately reflect the value of the aircraft stored therein.
- 10.1.7 Workers Compensation Insurance as required by South Carolina law.
- 10.1.8 Refueling liability insurance with single limits coverage of \$10,000,000.00 per occurrence. An additional insured excess liability amount on fuel supplier insurance policy is acceptable.
- 10.2 <u>Waiver of Coverages</u>. In situations where one or more of the above coverages or coverage is elearly not necessary to be maintained by CACI, County may waive such coverage(s) or limits by appropriate written letter or memorandum.
- 10.3 County as Additional Insured Named By Endorsement and Notice of Cancellation of Coverage. Each of the insurance policies and certificates required herein, except for workers compensation insurance shall, by endorsement, show County as an additional insured with respect to its contractual obligations, and shall bear the following provision:
- "This policy cannot be cancelled or not renewed, reduced in amount, or coverage eliminated in less than thirty days after the insurer mails written notice to the insured and County giving notice of such alteration, cancellation, or reduction in coverage sent by certified mail to County at the following address: Hilton Head Island Airport, Post Office Box 23739, Hilton Head Island, SC 29925."

11. INDEMNIFICATION

11.1 Indemnification by CACI. To the extent County is not indemnified by insurance proceeds by insurance carried by CACI for the County's benefit, CACI shall indemnify and hold harmless County from and against any and all legal liability, claims, demands, suits, judgments, costs, and expenses, including attorney's fees, which may be incurred by County by reason of any act or omission of CACI, its employees, agents, contractors, or customers, asserted by any person or persons for whom CACI is legally liable on account of (a) the death

of or injury to person; (b) loss of or damage to property; ©) the violation of FAA security requirements by any person using the leased premises, or gaining access to restricted areas of the airfield over or through premises leased or controlled by CACI, proximately caused by any act or omission of CACI while exercising the rights and privileges granted in this Agreement; except, however, any claims, actions, liability, or expense which may be incurred by reason of the sole negligence of County.

11.2 Indemnification From Losses Due to Fines, Penalties, or Loss of Grant Funds. CACI further contracts and agrees to indemnify and hold County harmless from and against any and all losses CACI may suffer as a result of any fines or penalties imposed against County by and Federal, State, or local agency, and nay loss of grant funds from the United States Federal Aviation Administration or the South Carolina Department of Transportation, which may be incurred by County by reason of any act or omission of County, its employees, agents, contractors, or customers, while exercising the rights and privileges granted in this Agreement. The provisions of this section shall apply regardless of whether County has received notice, actual or constructive, of any violation that results in the fines, penalties, or loss of grant funds.

12. DAMAGE TO IMPROVEMENTS

- 12.1 Partial Damage. In the event that any time during the term of this Agreement, any portion of the improvements shall be partially damaged by fire or other casualty, but not rendered untenable, CACI shall repair the same with due diligence and in reasonable time at its own cost and expense.
- 12.2 Extensive Damage. In the event that at any time during the term of this Agreement, the leased premises or any part thereof is destroyed by fire or other casualty, or damaged to such extent that the same is untenable, CACI may repair or reconstruct said premises with due diligence and in reasonable time at its own costs and expense, and the provisions of Paragraph 5.2 shall again apply to any replacement structure or improvement proposed for installations by CACI; provided, however that CACI shall have the right to reconstruct the damaged structure or improvement in accordance with previously approved plans and specifications for the original construction thereof, so long as said reconstruction complies with all governmental laws, rules, regulations, and standards applicable thereto. Should CACI elect not to repair or reconstruct the damaged structure or improvement, CACI shall remove the remains from said premises with due diligence at its own cost and expense.
- 12.3 <u>Application of Insurance Proceeds</u>. Should CACI elect not to repair or reconstruct the damaged structure or improvement, and if the damaged structure or improvement is real estate or an improvement in the nature of real property title to which reverts to County at the expiration or other termination of this

Agreement, as set forth in section 8.3, then and in that event, insurance proceeds covering said damaged structure or improvement shall be prorated between County and CACI, with County receiving an amount equal to the depreciated portion of CACI's cost of construction of the damaged improvements, calculated by application of a straight line method of depreciation, based upon a twenty (20) year life of such improvement, and CACI receiving an amount equal to the undepreciated portion of CACI's cost of construction.

13. INDEPENDENT CONTRACTOR

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13.1 CACI as an Independent Contractor. In conducting its business hereunder, CACI acts as an independent contractor and not as an agent of the County. The selection, retention (except as provided in Section 7.2 above), assignment, direction, and payment of CACI's employees shall be CACI's sole responsibility, and County shall not attempt to exercise any control over the daily performance of duties by CACI's employees.

14. ASSIGNMENT AND SUBLETTING

- Assignment. Neither the whole nor any part of this Agreement nor the leased 14.1 premises may be assigned, transferred, or sublet by CACI, either by process or operation of law, or in any other manner whatsoever without the prior-writtenconsent of County. Said assignment shall not be unreasonably withheld. Provided, however, CACI shall not execute any leasehold mortgage, leasehold deed or trust, and nothing contained in any other CACI security financing arrangement shall ever be construed to pledge, mortgage, encumber, hypothecate, alienate, or otherwise grant or convey all or any part of the fee simple title to the real property underlying the leasehold, as same is publicly owned property not subject to encumbrance or involuntary sale of divestiture. CACI shall not at any time sell its business or assets by stock or otherwise, which would result in the transfer of this Lease without permission of County. Said permission shall not be unreasonably withheld. County reserves the right to develop the Airport as it sees fit, regardless of the desires or views of CACI, and without interference or hindrance on the part of CACI.
- Subletting. All subletting agreements may be subject to approval by County. A fee of the subject of the revenues to CACI shall be paid to County. This fee applies only in the instance that CACI elects to sublease the entire premises to a third-party, and does not apply to the revenues derived by CACI solely from the subleasing of any portion thereof.
- 14.3 Operations Services Described Herein. CACI shall provide a copy of all sublease agreements to County prior to their effective date.

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15. DEFAULT AND RIGHT TO CURE

- 15.1 <u>Default</u>. The occurrence of any one or more of the following listed events (hereinafter referred to singularly as "event of default" and plurally as "events of default") shall constitute a breach of this Agreement on the part of CACI.
 - 15.1.1 The failure of CACI to pay any rent, fees, charges or other amounts pursuant to this Agreement to County within thirty (30) days of the date said rent, fees, charges or other amounts are due.
 - 15.1.2 The failure of CACI to perform any act which it is required to perform pursuant to the provisions of this Agreement, or to otherwise comply with any term or provision hereof, within twenty (20) days after receipt of written notice of any event of default from County, during which said twenty (20) days CACI shall have a right to cure said default; provided, however that CACI's right to cure a default shall not negate the penalty for late payment of rent within twenty (20) days as provided above. Provided further that CACI may be required to pay County a fine of up to for any offense of failure of CACI to comply with any fire code, safety code, security regulation, or standard or regulation of any federal, state, or local governmental agency having jurisdiction over CACI's operations or activities, including, but not limited to, all FAA rules, regulations, and advisory circulars, all EPA rules and regulations, the National Fire Code of the NFPA, or the National Electric Code, without said offense constituting an event of default as described herein. Provided further, that any subsequent third offense of failure of CACI to comply with any of the above-named codes, regulations, or standards occurring within twelve (12) months of the first offense for which CACI can be fined up to Five Hundred Dollars (\$500.00) shall constitute an event of default and a breach of this Agreement without CACI having any period of time within which to cure said default. The Airport Director or his agent shall then have the right to order CACI or CACI's employees to immediately cease such unsafe act or practice, and the Airport Director shall have the right to exercise all remedies available to County, as set forth in this Agreement.
 - 15.1.3 The commencement in any court or tribunal of any proceeding voluntary or involuntary, to declare CACI insolvent or unable to pay its debts.
 - 15.1.4 The appointment by any court or under any law, of a receiver, trustee, or other custodian of the property, assets, or business of CACI.

- 15.1.5 The assignment by CACI of all or any part of its property or assets for the benefit of creditors.
- 15.1.6 The levy of execution, attachment, or other taking of property, assets, or the leasehold interest of CACI by process of law or otherwise in satisfaction of any judgment, debt, or claim.
- 15.1.7 The abandonment of the leased premises by CACI, or failure by CACI to conduct FBO services at the leased premises on a continuing full time basis, except for reasons giving CACI the right to cancel this Agreement as provided by paragraph 17.2, hereafter.
- No Waiver. No waiver by County of default by CACI of any of the terms, covenants or conditions hereof to be performed, kept, and observed by CACI shall be construed to be a waiver of any subsequent default. The acceptance of rental or the performance of all or any part of this Lease Agreement by County for or during any period or periods after a default of any of the terms, covenants, and conditions herein contained to be performed, kept, and observed by CACI shall not be deemed a waiver of any right on the part of the County to declare a default or cancel this Lease Agreement for a subsequent breach thereof. However, all notices affecting the aforementioned default provisions shall be provided to CACI in-writing.
- 15.3 Effect of Default. Upon the happening of any event of default as defined in paragraph 16.1 above, this Lease shall automatically terminate, and County may, at its option: (1) terminate this Lease Agreement, and/or (2) terminate CACI's right to possession and occupancy of the premises, without terminating this Agreement, and re-enter and take possession of the leased premises and summarily eject CACI.
- 15.4 <u>Termination of Agreement</u>. In the event County shall terminate this Agreement or CACI's right to possession or occupancy of the leased premises as provided herein, CACI shall promptly vacate the premises, surrender and delivery possession thereof to County, and not remove from the leased premises any furnishings, personal property, equipment, or materials which CACI was permitted to install and maintain under the rights granted herein without the written consent of County.
- 15.5 <u>Termination of Possession</u>. In the event County shall elect to terminate CACI's right to possession and occupancy of the premises only, without terminating the term of this Agreement, County may at its option enter into the premises, remove CACI's property and other evidences of tenancy, and take and hold possession thereof without such entry and possession terminating the term of this Lease of otherwise releasing CACI in whole or in part from its obligation to pay the rent called for in this Agreement for the full term hereof. In any such case, County

may lease or relet the premises, or any part thereof, to any other tenant or tenants who may be satisfactory to County and for such terms and for such rent as County may deem advisable. Upon any such repossession and reletting of the leased premises, County shall apply the rents from the same to the account of rent due by CACI as such rent accrues; and in any such event, CACI covenants and agrees to pay County the difference or deficit between the rent due according to the terms and provisions of this Agreement and the actual amount received from any new tenant or tenants to whom the premises have been relet, together with the cost of any repairs, alterations, or redecorations necessary for such reletting. In the event of any reletting as provided in this paragraph, County agrees and binds itself to undertake to lease or relet the leased premises to the best advantage and for the highest rent reasonably obtainable under the circumstances at the time.

16. DELINOUENT PAYMENTS

- 16.1 Late Charge. Upon failure by CACI to pay all or any part of any rentals, fees, or charges within thirty (30) days after the same becomes due and payable, notwithstanding any fines levied on or paid by CACI, each delinquent amount shall be subject to a late charge at the rate of one and care in the per month from the due date thereof until paid, with a minimum charge for one month. CACI covenants and agrees to pay such interest promptly on demand and in any event not later than the next payment date after which the late charge is imposed.
 - 16.1.1 <u>Conditions for Imposing Late Charge</u>. CACI further covenants and agrees that the imposition of any late charge by County or the payment thereof by CACI:
 - 16.1.1.1 shall not constitute an extension of time for the payment of any amount to be paid by CACI;
 - 16.1.1.2 shall not be considered as, or interpreted to be a loan by County to CACI of any amount due to be paid by CACI pursuant to this Agreement;
 - 16.1.1.3 shall not relieve CACI of any default in the payment of any amount to be paid hereunder or constitute a waiver by County of any such default; and
 - 16.1.1.4 shall not affect in any manner the right of County Council to exercise any and all rights available to it pursuant to the terms of this Agreement by reason of such default.
- 16.2 No Waiver. CACI covenants and agrees that county may accept late payments or partial payments, even though marked or designated as payment in full or words of similar import, without being treated as having accepted such payment as

payment in full, or having agreed to so do, and without having waived, compromised, or settled any of its rights pursuant to the provisions of this Agreement.

17. CANCELLATION

- 17.1 By Beaufort County. Upon the occurrence of any event of Force Majeure, or other act or event beyond the control of County, or in the event of the assumption by the United States Government or any authorized agency thereof of the operation, control or use of the Airport facilities, or any substantial part thereof, in such a manner as to substantially restrict CACI from operating its business at the Airport for a period of ninety (90) days, County may cancel this Agreement without penalty by given CACI written notice to be served as hereinafter provided.
- 17.2 <u>By CACI</u>. CACI may cancel this Agreement and terminate its obligations hereunder at any time when CACI is not in default in the payment of any rentals, fees, or charges to County by giving written notice to be served as hereinafter provided, upon or after the happening of any one of the following events:
 - 17.2.1 Upon the occurrence of any event of Force Majeure, or other act or event beyond the control of CACI which prevents CACI's use of premises for a period in excess of ninety (90) days, or the issuance of any order, rule, or regulation by the Federal Aviation Administration or any other competent governmental authority which prevents CACI from operating at the premises for a period in excess of ninety (90) days.
 - 17.2.2 Default by County in the performance of any covenant or agreement herein required to be performed by County and the failure by County to commence remedial action to correct such default within a period of sixty (60) days after service of written notice to remedy same; provided, however that no notice of cancellation, as above provided, shall be of any force or effect if County shall have remedied the default prior to receipt of CACI's notice of cancellation.
 - 17.2.3 Assumption by the United States government or any authorized agency thereof, of the operation, control or use of the Airport and facilities, or a substantial part thereof, to such an extent as to substantially restrict CACI from operating its business at the Airport for a period of not less than ninety (90) days.
 - 17.2.4 Voluntary closure of the Airport by County. In the event that County voluntarily and on its own initiative closes the Airport, County agrees to pay to CACI an amount equal to the undepreciated portion of CACI's costs of construction of buildings and improvements which are not

relocated to the new location, or deduct such amount from future rents and fees owed by CACI to County, calculated by application of a straight-line method of depreciation, based upon a twenty (20) year life of such buildings and improvements, with the exception of paving, lighting, and fencing, which shall be depreciated on the basis of a ten (10) year useful life. The amount of such payment shall be determined as of the effective date of relocation, or the date of termination of CACI's occupancy of the leased premises, whichever is applicable. The costs of construction of the buildings and improvements on the leased premises shall be documented by CACI by original bills, invoices, and construction contracts, copies of which shall be provided to County Council by CACI within ninety (90) days following completion of construction of the same. Within a period of sixty (60) days after receipt of such documentation, CACI and County Council shall agree on an amount, which represents the total costs of construction for the purposes of this paragraph.

No Waiver. CACI's performance of all or any part of this Agreement during any period of time after a default by County shall not be deemed a waiver of any right on the part of CACI to cancel this Agreement for failure by county to perform any of the terms, covenants, or conditions of this Agreement. No waiver of default by CACI shall be construed or interpreted to be a waiver by CACI of any subsequent default by County.

18. SURRENDER OF POSSESSION

18.1 <u>Surrender Upon Expiration or Termination</u>. Upon the expiration or other termination of this Agreement, CACI's right to occupancy and use of the leased premises and exercise the rights herein granted shall cease. CACI shall thereupon promptly surrender the leased premises to County in good condition, reasonable wear and tear excepted.

19. HOLDING OVER

19.1 Month to Month Tenant. In the event CACI shall continue to occupy the leased premises after the expiration of this agreement without any agreement in writing with County as to the term or conditions of such continued occupancy, such tenancy shall be on a month-to-month basis under the same terms and conditions as provided in this Agreement, except that the rentals, fees, and charges for such tenancy shall be such as are established from time to time by County. The month-to-month tenancy created by CACI's continued occupancy may be terminated and cancelled by County or by CACI upon giving written notice to the other party thirty (30) days in advance of said cancellation or termination.

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20. NOTICES

- 20.1 Forms of Notice. All notices, consents, and approvals required or authorized by this Agreement to be given by or on behalf of either party to the other, shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given at the time a registered or certified letter, properly addressed, postage prepaid, is deposited with the United States Postal Service, or is delivery by hand to the local office of either party.
- 20.2 Notice to Beaufort County. Notice to County shall be addressed to it and delivered at the office of the Airport Director, Hilton Head Island Airport, Post Office Box 23739, Hilton Head Island, SC 29925, either by hand or registered or certified mail, postage prepaid.
- 20.3 Notice to CACI. Notice to CACI shall be addressed to CACI and delivered by hand to the office of CACI at the Hilton Head Island Airport, or mailed to PO box 22719, Hilton Head Island, SC 29925 by registered mail, postage prepaid.

21. FEDERAL AGREEMENTS

21.1 Federal Aviation Administration Agreements. County hereby advised GAGIthat County has entered into an agreement with the United States Government (Federal Aviation Administration) regarding the improvements at the Airport. County further represents that it intends from time to time hereafter to enter into additional agreements with Governmental agencies with respect to applications for funds for improvements to be made at said Airport, as required by pertinent statutes, rules, and regulations of duly constituted governmental authorities having jurisdiction thereof. This Agreement is expressly made subject to all of said agreements now existing or hereafter made. This Agreement shall be subordinate to the provision of any existing or future agreements entered into between County and the United States Government to obtain federal aid for the improvement and maintenance of the airport.

22. NON-DISCRIMINATION

- 22.1 Non-Discrimination. Notwithstanding any other or inconsistent provision of this Agreement, CACI, for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration for this Agreement, hereby covenants and agrees:
 - 22.1.1 That no person shall be excluded from participation in, denied the benefits of, or otherwise subject to discrimination in the use of the leased premises on the grounds of race, color, religion, sex, age, or national origin. 63.

- 22.1.2 That in the construction of any improvements on, over, or under the leased premises, and the furnishings of services therein or thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, color, religion, sex, age, or national origin.
- 22.1.3 That CACI shall use the leased premises in full compliance with all other requirements imposed by Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, entitled Non-Discrimination in Federally Assisted Programs of the Department of Transportation and Title VI of the Civil Rights Act of 1964, as said regulations may be amended.

23. MISCELLANEOUS PROVISIONS

- 23.1 Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the leased premises and the subject matter hereof. Any change of modification of this Lease Agreement must be in writing signed by both parties, and shall be subject of all FBO minimum standards now in existence or adopted hereafter by Beaufort County Council.
- 23.2 <u>Severability</u>. In the event any provisions hereof shall be declared void or illegal by any court or administrative agency having jurisdiction, the remaining provisions shall continue in full force and effect, as nearly as possible, in accordance with the original intent of the parties.
- 23.3 <u>Headings</u>. The headings used in this Agreement are intended for convenience of reference only and do not define, expand, or limit the scope or meaning of any provision of this Agreement.
- 23.4 Governing Law. This Agreement is to be construed in accordance with the laws of the State of South Carolina.
- 23.5 <u>Venue</u>. The venue for the trial of any civil action pertaining to this Agreement shall be Beaufort County, South Carolina.
- Written Correspondence. All communications regarding lease terms shall be in writing, and any item requiring or causing an action shall be at a minimum sixty (60) days in advance of said action.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by its duly authorized officers in duplicate originals, one of which is retained by each of the parties, this the day and year first above written.

BEAUFORT COUNTY COUNCIL

John J. Kachmar, Administrator Beaufort County, Beaufort, South Carolina

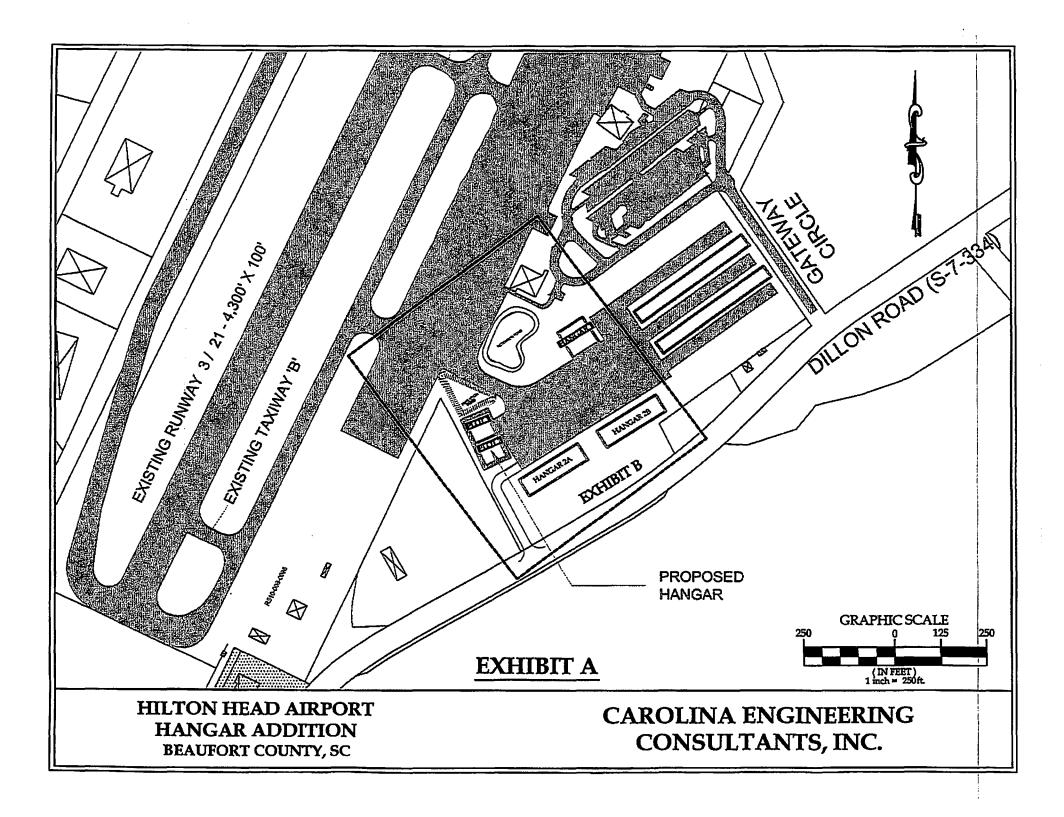
WITNESS:

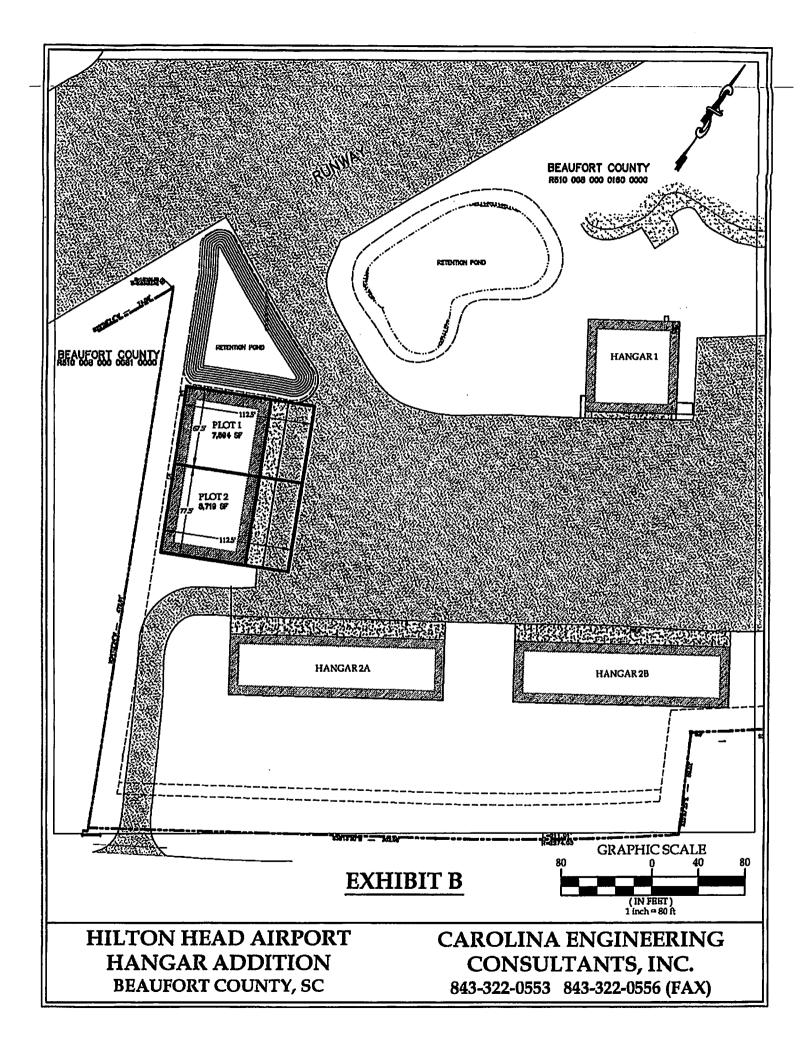
Carolina Air Center, INCORPORATED

Ed Grisham, President

STATE OF SOUTH CAROLINA)	PROBATE
COUNTY OF BEAUFORT)	FRODATE
saw the within member of t Administrator sign, seal and	he Beau I as his a	fort County Council, by John J. Kachmar, its act and deed the within written instrument; and that by witnessed the execution thereof.
		Xledoelfe
SWORN to before me this day of <u>Soytember</u> , 200	(12) 2.	
Notary Public for South Carolina My Commission Expires:	SEAL)	2011

STATE OF SOUTH CAROLINA COUNTY OF BEAUFORT) PROBATE
PERSONALLY appeared before me	Bandra I. Shieldsand made oath that ., by Ed Grisham, its President sign, seal and as his and that s/he with Terry L. Wynn Andra W. Shulds.
SWORN to before me this 13 day of September, 2002.	
Notary Public for South Carolina My Commission Expires: Oard 26, 2	<u>011</u>





Composite Exhibit B

Leasehold Parcel

ALL that certain parcel of land being situated in the Town of Hilton Head Island, County of Beaufort, State of South Carolina containing 8719 square feet, more or less, and being shown as **Plot 2**, Hilton Head Airport, Hilton Head Island, Beaufort County, South Carolina, on a drawing prepared by Carolina Engineering Consultants, a copy of said Plat being attached hereto.

any art, science, craft, or skill pertaining directly or indirectly to aviation, including navigation, aircraft design, theory and construction; providing services to scheduled and non-scheduled airlines serving the airport to include ground handling, cleaning, into-plane fueling, aircraft maintenance, and ground support equipment maintenance; the loading and unloading of aircraft incidental to the conduct of any services or operations described herein; the right to sell pilot supplies, tobacco, candy, sandwiches, soft drinks, notions, and refreshments over the counter or from coin-operated vending machines on the leased premises only; the right to sell, lease, and repair aircraft instruments, electronic equipment, radio equipment, and avionics.

- 4.2 Covenant Not To Compete By County. County covenants and agrees not to engage in competition with CACI at Hilton Head Island Airport and will not sell or provide any of the goods and services that CACI chooses to provide in paragraphs 3.1.1 through 3.1.10 above. However, if CACI chooses to discontinue the sale or provision of any of the above listed goods or services, then County's covenant not to compete shall not be applicable, and County shall have the right to provide, in any manner, those discontinued goods and services. This covenant not to compete by County shall not be construed to grant to CACI an exclusive right and privilege to engage in business free from competition from other fixed base operators at the Airport. Additionally, this covenant not to compete by County shall not be applicable to other leased facilities owned by County, or other buildings which may become the property of County at the expiration of other existing leases, and the parties understand and agree that County shall have the right to rent said facilities to an existing tenant or any new tenant in the future. notwithstanding this covenant not to compete. As facilities become available, they may, upon negotiation, be rented to CACI.
- 4.3 <u>Prohibited Uses.</u> CACI is authorized to conduct only the business operations described in this Agreement, unless otherwise authorized in writing by County. Without limited the generality of such prohibition, the following uses are specifically prohibited, unless prior written consent is secured:
 - 4.3.1 Sale of alcoholic beverages, except for those included in catering packages for aircraft.
 - 4.3.2 Rental of passenger automobiles, except that CACI may continue existing agreements or enter into new agreements with rental car agencies already authorized by County to do business on the airport, to provide rental cars for its customers. Any new such agreement(s) must be approved in writing by the Airport Director. CACI has the option to rent specialty vehicles not otherwise provided by the on airport rental companies.
 - 4.3.3 Any activities prohibited by law or regulation.

- 4.4 <u>Subcontracting of Services</u>. CACI has the right to subcontract for the provision of any of the services it is authorized to provide, provided that such subcontractors are required, in writing, to provide those services in accordance with this Agreement and to the same standards, guidelines, rules, regulations, and other documents as though CACI were providing the service itself. Subcontractors who must establish a physical presence on airport property in order to provide their services (such as aircraft maintenance activities), or who must otherwise operate at the airport as a principal aspect of their business (such as flight instructors) shall be required to execute an Operating Agreement with the County before they are allowed to commence operations at the airport and perform work for CACI.
 - 4.4.1. Appurtenant Rights. In addition to the rights herein specifically granted, CACI shall have the following appurtenant rights:
 - 4.4.1.1. Use of Public Areas. The non-exclusive right in common with others to use the Hilton Head Island Airport Unicom, and public portions of the Airport and the appurtenances thereto, subject to all ordinances, rules, and regulations in effect and hereafter promulgated by County from time to time. All public facilities and improvements may be changed or altered by County from time to time in its discretion. County shall make all efforts to not cause a disturbance in CACI business activities when and if improvements or alterations to public use areas are made. If the potential exists to create a disruption in normal CACI business activities, the County will make every effort to work with CACI management to minimize the effect.
 - 4.4.1.2. Ingress and Egress. The right in common with others of free ingress and egress from the leased premises over Airport roads, driveways, and common vehicular areas as designated from time to time by County.
 - 4.4.1.3. Signs. The right to install and operate, at its own expense, signs denoting its occupancy of the leased premises; provided, however that the number, size, type, design, and location of all signs displayed or maintained in view of the general public shall be subject to the prior written approval of the Airport Director. Any signs not approved in writing in advance may be removed by County at the expense of CACI. The total costs of such removal shall be paid by CACI to County, upon receipt of County's invoice for the same.
 - 4.5 <u>Discontinuance</u>. In the event CACI elects to discontinue any goods or services that CACI is authorized to provide in Paragraph 4.1 through 4.10, CACI shall

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notify the Airport Director in writing to describe the service or services being discontinued and shall provide said written notice no less than 15 days prior to discontinuing said service or services.

- 4.6 <u>Unauthorized Activities</u>. CACI shall not engage in any business not authorized in this Agreement and shall not engage in any aeronautical activities at the airport until specific authorization is granted by the FAA or any other governmental agency having jurisdiction over CACI's operations, including, but not limited to, 14 CFR Part 135.
- 4.7 <u>Rights Reserved</u>. All rights and activities not herein expressly granted to CACI, or reasonably incidental and necessary to the exercise of the rights specifically granted to CACI as a Fixed Base Operator are hereby reserved and retained by County.
- 4.8 Exclusive Rights. It is specifically understood and agreed that nothing in this Agreement shall be construed as granting or authorizing of an exclusive right within the meaning of the current edition of FAA Order 5190.6, Airport Compliance Requirements, current Advisory Circulars, and the current version of Federal Grant Assurances. County reserved the right to grant similar privileges to another operation or operators on other parts of the Airport.

5. CAPITAL IMPROVEMENTS

- 5.1 General. Subject to the conditions and provisions of this Agreement, CACI shall, at its sole cost and expense, construct the Capital Improvements listed below. The Improvements shall be constructed in accordance with Federal, State, and local regulations, ordinances, building codes, The Airport Master Plan/Airport Layout Plan, the Airport Minimum Standards for Construction of Hangars, and other applicable documents as deemed necessary by governmental authorities having jurisdiction.
- Contractors, Subcontractors, and Suppliers. The construction of the improvements shall be performed by qualified, responsible, and reputable contractors, subcontractors, and suppliers, all of who shall be subject to County's approval in advance of the commencement of work. Such contractors, subcontractors, and suppliers at all times shall operate in compliance with the Airport Rules and Regulations, and in a manner compatible with operations on, and other employees and tenants at the Airport, so as to avoid the occurrence of disturbance, disruption, or conflict in all or any part of the Airport or in connection with its operation.
- 5.3 <u>Permits, Certificates, and Approvals.</u> Prior to the commencement of the construction of any capital improvements, CACI shall obtain, at its own cost and expense, from all governmental authorities have jurisdiction, all building, zoning,

and other permits and certificates necessary for the construction of the improvements, in accordance with the Airport Master Plan/Airport Layout Plan and Final Plans which have been approved by the County and the Town of Hilton Head Island, to include (but not limited to) FAA Form 7460-1 (Notice of Proposed Construction) and any other permits or certificates required by Federal, state, or local authorities. County shall not be responsible in any way for obtaining any such permits or certificates.

- Ouality of Work and Conformance to Plans. All construction shall be done in good and workmanlike manner using new and first-quality materials, strictly in accordance with the Final Plans and in accordance with all requisite certificates and permits from governmental authorities having jurisdiction. CACI shall make no changes in the Final Plans without the prior written approval of County; such approval may be granted or withheld at County's sole discretion; however, any notice of disapproval from County shall state the specific reasons for such disapproval, with approval not unjustly withheld.
- 5.5 Inspections. During the construction of the improvements, County, its architects and engineers, and any authorized representative may (but shall not be obligated to) inspect the construction of the improvements and all construction plans, drawings and documents, change orders, addenda, shop drawings, and samples in the possession of CACI and it contractors for the purpose of confirming that such construction is being performed in accordance with the Final Plans, the requirements of all public authorities having jurisdiction, and the other requirements of this Agreement. Any such inspection shall be performed solely for the benefit of County and shall not be relied upon in any manner by CACI or any third party. At County's request, CACI shall promptly furnish County with one copy of all construction plans, drawings and documents, change orders, addenda, shop drawings, and samples not previously delivered to County. In the event that County, its architects, or its engineers notify CACI that the construction of the improvements is not being done in accordance with the Final Plans, with the requirements of public authorities having jurisdiction, or with some other requirement of this Agreement, CACI shall promptly take such steps as are necessary to cause such construction or installation to conform with the Final Plans and such requirements. Nothing contained herein shall be deemed to obligate County to inform CACI of any problem, deficiency, or omission as described above, nor shall County's failure to so notify CACI be deemed a waiver of any of CACI's rights hereunder.
- 5.6 <u>Completion of Improvements</u>. As required, CACI shall substantially complete (as defined herein) the improvements no later than the last day of the month of the period or Calendar Year indicated for each improvement. However, the completion date shall be extended for a period of time equal to the duration of any delay caused by Force Majeure, subject to the limitations described below. The term "Force Majeure" as used herein shall mean causes beyond the control of

CACI, including without limitation, strike, lockout, action of labor unions, malicious mischief, inability (in spite of good faith and diligent efforts) to procure, or general shortages of labor, equipment, facilities, materials or supplies on the open market, failure of transportation, files, epidemics, quarantine restrictions, freight embargoes, unusually sever weather, delays occasioned by or excavation efforts to uncover archaeological artifacts, and delays of contractors or subcontractors due to such causes and not caused by the act, or failure to act, by the party thereby delayed in such performance. Lack of financial credit or liquidity of CACI or any contractor or subcontractor, or unavailability of financing shall not constitute "Force Majeure." If there occurs any event or series of events which CACI believes constitutes Force Majeure, CACI shall give notice to County of such event or series of events (with adequate identification and documentation) within a reasonable period of time (not to exceed thirty (30) days after CACI becomes aware) of the occurrence of such event or series of events. Failure to provide such notice shall constitute a waiver by CACI of any claim that such event or series of events resulted in a delay caused by Force Majeure. Notwithstanding, anything contained in this Agreement to the contrary, under no circumstances shall the Completion Date extend beyond one year after the original Completion Date first set forth below, unless such extension is deemed to be solely in the best interest of County. Any such extension granted by County to CACI shall not be constituted as a waiver of any of County's rights contained in this Agreement, nor shall-any such extension-obligate-it-to-grant similar extensionfor any other improvement with similar or different circumstances.

- 5.7 <u>Failure to Complete Capital Improvements</u>. In the event that CACI fails to substantially complete construction of the Capital Improvements by the agreed Completion Date, County may pursue other remedies in order to complete the construction.
- 5.8 <u>Documents.</u> Promptly upon the completion of the construction of the improvements, CACI shall deliver to the County:
 - 5.8.1 A certificate signed by CACI's architect or engineer stating that the improvements have been completed in accordance with the Final Plans, in accordance with the requirements of public authorities having jurisdiction, and in accordance with all other requirements of this Agreement;
 - 5.8.2 Copies of such Certificates of Occupancy and other certificates, permits, and licenses as shall be necessary for the use, occupancy, and operation of the improvements.
 - 5.8.3 Copies of final and complete releases, executed by CACI's general contractors and their subcontractors and suppliers, of their respective rights to file or assert a mechanic's lien against all or any portion of the premises, including an acknowledgment that they have been paid in full;

- 5.8.4 Two (2) complete sets of reproducible "as built" or record drawings of the premises showing the additional improvements; and
- 5.8.5 A statement, certified by CACI and an architect licensed to practice in the State of South Carolina or a certified public accountant, showing a total expenditure for the improvements, with appropriate detail reasonably satisfactory to County. Such amount shall include only actual out-of-pocket expenses paid to contractors, subcontractors, suppliers, and other unrelated third parties.
- 5.9 Responsibility for Utilities Construction. CACI shall undertake whatever construction is necessary to extend water and sewer utility lines from existing lines to the improvements. Such construction shall be at CACI's sole cost and expense.
- 5.10 Certificate of Occupancy. Improvements shall be deemed "Substantially Completed" when CACI has been granted a Certificate of Occupancy by the governmental jurisdiction possessing the authority to issue such Certificate. Minor punch list items that do not materially interfere with the occupancy and use of the improvements shall not be reason to deem an improvement as not "Substantially Completed."
- 5.11 <u>Title</u>. Title to the Improvements shall at all time during the initial and option terms be and remain with CACI or its successor. Upon expiration of the initial and option terms of this Agreement, or earlier termination of this Agreement, title to all Improvements shall pass immediately to County, and CACI shall not remove any Improvements from the Premises upon the surrender thereof.
- 5.12 <u>Capital Improvements Described</u>. CACI shall, at its sole expense, construct the following capital improvements:
 - 5.12.1 Fuel Storage. A state-of-the-art fuel storage facility that shall store a minimum of 30,000 gallons of Jet-A fuel and 12,000 gallons of 100-octane low-lead aviation gasoline. The facility shall be put into operation no later than two (2) years after the effective date of this Agreement.
 - 5.12.2 General Aviation Maintenance Hangar. A general aviation maintenance hangar facility of at least 7,500 square feet in size. The facility shall be completed and ready for occupancy no later than Calendar Year 2006, if demand can be identified. As a part of the ground lease for the facility, CACI shall have the option to rent sufficient land area to facilitate expansion of the structure in order to accommodate demand for additional or improved maintenance services.

5.12.3 Multi-Aircraft Storage Hangar. A multi-aircraft storage hangar of at least 12,000 square feet in size. The facility shall be completed and ready for occupancy in CY-2007, if demand can be identified. CACI shall have the option to rent sufficient land area to facilitate expansion of the structure in order to accommodate demand for additional hangar storage.

6. USE OF PREMISES

- 6.1 <u>Use by CACI</u>. During the term of this Agreement, the leased premises shall be used and occupied by CACI solely for the purposes set forth and enumerated in Article 4. CACI shall not use or permit the leased premises to be used for any other purpose whatsoever, without the prior written consent of County Council.
- 6.2 <u>Licensed Personnel</u>. CACI shall employ or contract with trained personnel who hold valid and current certificates, ratings and licenses to perform all services which CACI is authorized by this Agreement to offer to the public, including, but not limited to, licenses required and issued by the Federal Aviation Administration and all Federal, State, and local agencies having jurisdiction and control over the activities engaged in by CACI.
- 6.3 Hours of Operation. CACI shall remain open for business to provide the sale of fuel and propellants and other essential ramp services to the public between the hours of 0600 and 2000, or as demand indicates. Additional services shall be provided twenty-four (24) hours per day, seven (7) days per week on an on-call basis. County may waive the requirements for twenty-four (24) hours per day provision of those services in the event that the requirement therefore is not necessary to meet public demand, and said requirement is deemed waived for the first year of this agreement, provided the requirements herein are met fourteen (14) hours a day, seven (7) days a week. CACI shall remain open for business to provide all other permitted or required services to the public at a minimum of forty (40) hours per week, excepting public holidays and weekends.

7. OPERATING STANDARDS AND OBLIGATIONS

7.1 Operating Standards. CACI represents to County that it, or its affiliate organizations, are experienced fixed base operators possessing the financial capability and technical experience and knowledge in the field of fixed base operation. CACI shall provide services adequate to meet all reasonable demands for the services authorized herein, on a fair, reasonable, and nondiscriminatory basis to all users at the Airport. CACI shall charge fair, reasonable, and not unjustly discriminatory prices for its services; provided, however, that CACI may make reasonable and nondiscriminatory discounts, rebates, or other types of price reductions to volume purchasers.

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- 7.2 Control. CACI shall control the conduct, demeanor, and work activities of its employees, and shall be responsible for the safety of persons and property that may in any way be affected by CACI's business as a Fixed Base Operator at the Airport. CACI shall not maintain in its employ any person who is objectionable to Airport Management on account of said person's character, reputation, appearance, dress, or conduct. CACI will adopt and implement a substance abuse policy in accordance with FAA requirements.
- 7.3 Compliance with Laws. During the term of this Agreement and CACI's occupancy of the leased premises, CACI covenants and agrees to at all times observe, obey, and comply fully with al laws, ordinances, rules, regulations, and requirements now in effect and hereafter promulgated by County Council and any Federal, State, local, or other governmental entity having jurisdiction over the leased premises or activities of CACI including, but not limited to, NFPA 407, FAR Part 139, and FAA Advisory Circular 150/5230-4 with respect to fueling procedures. CACI shall take all measures to prevent contamination of pollution of the leased premises by petroleum products or other contaminants, and shall pay all costs for the treatment of storm water rupoff from leased premises, which can be determined by have been caused by CACI, now required or which may in the future be required by any local, state, or federal agency. CACI shall pay all taxes, licenses, costs of building permits for improvements required or authorized by this Agreement, and any other charges levied or imposed upon the rights, leasehold interests, or other property of CACI.
- 7.4 Air Operating Area Security. CACI covenants and agrees to assume full responsibility for providing and maintaining airside security within the leased premises, and at all times control vehicle and person access from the leased premises to restricted areas on the Airport, in full compliance with the Airports Security Plan and Parts 107 and 108 of the Federal Aviation Regulations.
- Maintenance, Utilities, and Cleanliness. During the term of this Agreement and it occupancy of the leased premises, CACI shall continuously keep and maintain the same in good condition, repair at its own sole cost and expense, make all repairs as necessary, keep the premises in safe, neat, and clean condition at all times, free and clear of trash and debris, furnish its own janitorial and trash removal service, bear the cost of all utilities, and deliver up the premises to County at the termination of this Agreement in good condition, reasonable wear and tear excepted. CACI shall be responsible for correcting discrepancies in maintenance, cleanliness, and safety to its facilities that are identified by the Airport Director, FAA airport certification officials, Town of Hilton Head Island building and fire code inspection officials, and other duly authorized governmental officials. No outside storage of aircraft being repaired shall be permitted.

Exhibit "C"
Improvements



BUILDINGS DIVISION

233 N. 8th St., Ste. 210 Lincoln, NE 68508 Phone 402-323-5600 - Fax 402-474-1482

April 10, 2009

Re:

Chief Order No.

CO94082

Description:

145'-0" x 75'-0" x 32'-0"

Builders Name:

Arnold Building Systems, Inc.

Building Owners Name: Carecore National

Jobsite City, State:

Hilton Head Island, SC

Gentlemen:

Please accept this letter as certification that the Chief components, produced by an AISC certified manufacturer, for the above described project to be furnished to Arnold Building Systems, Inc, Hilton Head Island, SC, for Carecore National, have been designed for the following criteria as specified by Purchaser in the order documents:

2002 MBMA Occupancy Category	Standard Buildings	Seismic	
Roof Live Load	20 psf	Spectral Response Short Periods (S ₁)	56.5%
(Tributary Area Reduction Allowed)	•	Spectral Response 1 s Period (S ₁)	15.7%
Collateral Load	0 psf	Seismic Importance Factor	1.0
Ground Snow Load (Pg)	5 psf	Design Category	D .
Exposure Factor (C _e)	0.9	Site Class	D
Thermal Factor (C _I)	1.0	Seismic Resisting System	
Importance Factor (i)	1.0	Longitudinal Direction	Steel OMF (R≈3.5)
Flat Roof Snow Load (Pt)	3.15 psf	Lateral Direction	Steel CBF (R=3.25)
Minimum Roof Snow	5 psf	Seismic Response Coefficient (C _s)	0.145
Building Enclosure	Enclosed	Spectral Response Parameter Short Period (Sps)	0.508
Wind Speed	130 mph (GCpl ± 0.18)	Spectral Response Parameter 1 s Period (Sp1)	0.227
Exposure Category	В	Analysis Procedure	ELF
Importance Factor (I)	1.0	Base Shear	12,590 lbs.
Wind Pressure (q)	27.95 psf	Other Loads:	
		None	

and applied in accordance with the IBC 2006 Building Code.

The design of Chief structural steel components is in accordance with the provisions of the NASPEC 2001 AISI Standard and the 13th Edition of AISC.

These Chief components as supplied, when properly erected as furnished, on an adequate foundation, will meet the loading requirements supplied to Chief by Purchaser in accordance with good engineering practices.

This certification does not cover field modifications nor does it cover materials furnished by someone other than Chief Industries, Inc.; nor the connection between Chief components and those manufactured or supplied by someone other than Chief Industries, Inc.

Certified Chief design and detailing facilities: Grand Island, NE, Lincoln, NE, and Janesville, WI. Certified Chief Fabrication facilities: Grand Island, NE and Rensselaer, IN. Non-Certified facilities: None. Other Certified Fabrication Facilities: None.

Sincerely.

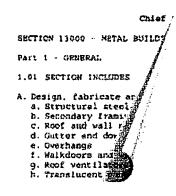
Dwaine J. Voboril, P.E. Sr. Design Engineer

Chief Industries, Inc. - Buildings Division

DV/nm



Home Page > Design Professionals > Guida Spactications



Adobe Acrobat - specs.pdf MS Word - specs.doc

Text - specs_txt

Guide Specifications

Use of this Specification is totally voluntary. Each building designer retains the prerogative to choose their own design and commercial practices and the responsibility to design and specify building systems to comply with applicable state and local codes, specifications and safety considerations.

Although every effort has been made to present accurate and sound information, Chief Industries, Inc., assumes no responsibility whatsoever for the application of this information to the design, specification or construction of any specific building. CHIEF INDUSTRIES, INC., EXPRESSLY DISCLAIMS ALL LIABILITY FOR DAMAGES OF ANY SORT WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, ARISING OUT OF THE USE, REFERENCE TO OR RELIANCE ON THIS GUIDE SPECIFICATION OR ANY OF ITS CONTENTS.

This specification covers the design, material, fabrication, shipment and erection of metal building systems. For the material, erection and other field work included and excluded in the metal building system refer to MBMA Common Industry Practices.

Guide Specifications are provided in four formats. Choose the format that best suits your needs.

Profile | Thinking About Building | Design Professionals | Builderships | Contact Us

MOMA (







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Date: 05/08/2008 Supercedes: 05/19/08

Guide Specification

This Guide Specification is intended to be used in the preparation of specifications for a particular project. The Guide Specification must be edited to fit the conditions of use. Particular attention should be given to the deletion of inapplicable provisions, choosing appropriate options where indicated, and including necessary items related to a particular project.

The latest version of this Guide Specification can be downloaded from www.chiefbuildings.com.

SECTION 13000 - METAL BUILDING

Part 1 - GENERAL

1.01 SECTION INCLUDES

- A. Design, fabricate and erect the metal building, including
- a. Structural steel main building frames
- b. Secondary framing including purlins and girts
- c. Roof and wall panels and trims
- d. Gutter and downspouts
- e. Overhangs
- f. Walkdoors and windows
- q. Roof ventilators
- h. Translucent panels
- i. Insulation

1.02 RELATED SECTIONS

1.03 REFERENCES

- A. AISI North American Specification for the Design of Cold-Formed Steel Structural Members $2001\ \text{Edition}$
- B. ANSI/AISC 360-05 Specification for Structural Steel Buildings, ASD 2005, 13th Edition, and Steel Design Guide Series 3 Serviceability Design Considerations for Low-Rise Building second edition 2003
- C. ASTM A36 Specification for Carbon Structural Steel
- D. ASTM A325 Specification for Structural Bolts, Steel, Heat Treated
- E. ASTM A475 Specification for Zinc-Coated Steel Wire Strand
- F. ASTM A529 Specification for High-Strength Carbon-Manganese Steel of Structural Quality
- G. ASTM A572 Specification for High Strength Low-Alloy Columbium-Vanadium Steel
- H. ASTM A1011 SS or ASTM A1011HSLAS Specification for Steel, Sheet and Strip, Hot-Rolled, Carbon, Structural, High-Strength Low-Alloy and High-Strength Low-Alloy with Improved Formability
- I. ASTM A792 Specification for Steel Sheet, 55% Aluminum-Zinc Alloy-Coated by the Hot Dip Process
- J. ASTM A992 Specification for Structural Steel Shapes
- K. ASTM D1494 Test Method for Diffuse Light Transmission Factor of Reinforced Plastic Panels
- L. ASTM D2244 Practice for Calculation of Color Differences from Instrumentally Measured Color Coordinates
- M. ASTM D4214 Test Method for Evaluating the Degree of Chalking of Exterior Paint Films
- N. ASTM E84 Test Method for Surface Burning Characteristics of Building Materials

- O. ASTM E283 Test Method for Determining Rate of Air Leakage Through Exterior Windows, Curtain Walls, and Doors Under Specified Pressure Differences Across the Specimen
- P. ASTM E331 Test Method for Water Penetration of Exterior Windows, Skylights, Doors and Curtain Walls by Uniform Static Air Pressure Difference
- Q. ASTM E1592 Test Method for Structural Performance of Sheet Metal Roof and Siding Systems by Uniform Static Air Pressure Difference
- R. ASTM E1646 Test Method for Water Penetration of Exterior Metal Roof Panel Systems by Uniform Static Air Pressure Difference
- S. ASTM ${\tt E1680}$ Test Method for Rate of Air Leakage through Exterior Metal Roof Panel Systems
- T. AWS A2.4 Standard Welding Symbols
- U. AWS D1.1 Structural Welding Code Steel
- V. AWS D1.3 Structural Welding Code Sheet Steel
- W. FM4471 Factory Mutual Research Corporation Standard 4471 Class 1
- X. IAS International Accreditation Service, Inc.
- Y. MBMA Metal Building Systems Manual 2006 Edition
- Z. NAIMA 202 Standard for Flexible Fiberglass Insulation Systems in Metal Buildings
- AA. UL 580 Underwriters Laboratory -Tests for Uplift Resistance of Roof Assemblies BB. UL 790 Underwriters Laboratory Test Methods for Fire Tests of Roof Coverings CC. UL 2218 Underwriters Laboratory Impact Resistance of Prepared Roof Covering Material
- DD. SSPC-SP2 Steel Structures Painting Council, Surface Preparation Specification No. 2, Hand Tool Cleaning

1.04 SYSTEM DESCRIPTION

The building shall include all primary and secondary structural framing members, connection bolts, roof and wall covering, trim, fasteners, closures, sealer, canopies, roof extensions, windows, doors, skylights, insulation, gutters, downspouts, louvers, ventilators and other miscellaneous items as stated in the specifications and/or shown or called for on the drawings.

- A. Primary framing shall consist of transverse rigid frames of rafters and columns with solid webs. The rigid frame shall be fabricated of shop-welded steel plate and designed for erection by field bolting. Frames shall be:
- a. clear span or modular with intermediate columns
- b. gabled or single sloped
- c. with tapered or uniform depth exterior columns.
- B. Secondary framing shall consist of purlins, girts, eave struts, flange braces and sag angles as required by design.
- C. Horizontal loads not resisted by main frame action shall be resisted by
- a. standard cable or rod x-bracing in the roof
- b. standard cable or rod x-bracing, rigid portal frames, or shearwall by others in the sidewalls
- c. panel diaphragm, standard cable or rod x-bracing, rigid portal frames, or shearwall by others in the endwalls
- D. Roof and Wall System consists of preformed steel panels, trim, and accessories as required for a complete installation.
- E. Building overall dimensions, bay spacing, post spacing, eave height, clear dimensions and roof pitch shall be as indicated on the drawings and as defined here.
- a. The building "Width" shall be the measurement from outside face to outside face
- of the sidewall girts.
- b. The building $^{\circ}$ Length" shall be the measurement from outside face to outside face of the endwall girts.
- c. "Eave" to be determined as the line along the sidewall formed by the intersection of the planes of the roof and sidewall.

- d. "Eave Height" is defined as the vertical dimensions as measured from the finished floor to the top of the eave strut.
- e. The "Bay Spacing" shall be the distance between the centerlines of frames for interior bays and the distance from the outside face of endwall girt to the centerline of the adjacent interior frame for end bays.
- f. The "Module Spacing" shall be measured between the centerlines of interior columns for interior modules and the distance from the outside face of sidewall girts to the centerline of the adjacent interior column
- g. "Roof Pitch" shall be the inches of vertical rise per inches of horizontal run, expressed as inches of rise per 12 inches of run.

1.05 DESIGN REQUIREMENTS

- A. Design primary and secondary structural members and exterior covering materials for applicable load and combinations of loads in accordance with the building code requested. Design loads shall be combined to produce maximum stresses within the structure in accordance with AISC and/or AISI as they apply.
- B. The design loads plus Dead Load shall be used in the structure design.
- a. Roof Live Load shall be applied on the horizontal projection of the roof. Live Load reduction shall be applied according to the code specified above.
- b. Wind Load shall be applied as pressure and suction in accordance with standard design criteria.
- c. The Roof Snow Load shall be applied on the horizontal projection of the roof.
- d. The Ground Snow Load shall be used with the exposure factor, thermal factor, slope factor and importance factor to determine the Roof Snow Load.
- e. The metal building system shall be designed for snowdrift conditions if required based on location of the facility.
- f. Collateral loads shall be those other than the basic design loads for which the building must be adequately designed. Loads of this type include, but shall not be limited to, suspended ceilings, sprinkler, electrical or mechanical systems, or any suspended or roof mounted EVAC units.
- C. The building components shall be designed to the following minimum deflection requirements, unless a specific deflection is required by the building code. Deflection based on wind shall be based on a 10 year map, or 75% or the design pressure for a 50 year map.
- a. Frame rafters L/180
- b. Frame sidesway H/60
- c. Purlins L/150
- d. Girts L/120
- e. Endwall posts L/120
- f. Roof panel L/150
- g. Wall panel L/120

1.06 SUBMITTALS

- A. Erection Drawings including:
- a. Anchor bolt setting plan, base plate details and column reactions
- b. Roof framing plan
- c. Wall framing elevations
- d. Transverse cross sections
- e. Panel layout
- f. Exact location of factory located openings
- g. Approximate location of field located openings
- h. Framing details
- i. Flashing details
- j. Accessory details
- B. Design calculations, stamped by a Professional Engineer registered in the state where building will be erected, including:
- a. Stress analysis
- b. Deflection analysis

- c. Foundation loads for each loading case
- C. Letter of Certification, prepared and signed by a Professional Engineer, verifying that building design meets indicated loading requirements and building code as requested.

1.07 QUALIFICATIONS

- A. The company manufacturing the products specified in this Section shall:
- a. be a member of MBMA
- b. be AISC Certified Category MB
- c. be accredited by IAS
- d. have a minimum of 20 years experience in the manufacture of steel building systems
- B. Acceptable Manufacturers
- a. Chief Buildings
- C. Erector's Qualifications
- a. Minimum of 5 years experience in this or similar trade
- b. Five similar installation references in past 3 years

1.08 WARRANTY

- A. The metal building manufacturer shall warrant for 5 years that components were free from defects in composition of material and workmanship and in accordance with industry standard for such components.
- B. Unpainted Galvalume® panels shall be warranted by the metal building manufacturer for 25 years against rupture, perforation, or structural failure as a result of corrosion caused by exposure to normal atmospheric conditions.
- C. The exterior color finish of factory coated roof panels shall be warranted by the metal building manufacturer for 30 years against peeling, cracking, checking, and flaking. The panel shall not color change more than 7 NES units as per ASTM D2244. Chalking shall not exceed a number 6 rating when measured per ASTM D 4214, method A.
- D. The exterior color finish of factory coated wall panels shall be warranted by the metal building manufacture: for 30 years against peeling, cracking, checking, and flaking. The panel shall not color change more than 5 NBS units as per ASTM D 2244. Chalking shall not exceed a number 8 rating during years 1-20 and a number 6 rating during years 21-25 when measured per ASTM D 4214, method A.
- E. Provide the owner with a copy of all warranties.

PART 2 PRODUCTS

2.01 MATERIALS - STRUCTURAL FRAMING

A. General

- a. Structural steel members shall be sheared, plasma cut, formed, punched, welded and painted in the plant of the manufacturer. All shop connections shall be welded in accordance with the AWS "Standard Code for Welding in Building Construction". b. All structural framing members shall be prepared according to SSPC-SP2 and given one shop coat of KMAA148: "VectroCoat 300 Gray" modified acrylic paint applied by Anodic Electrocoat process.
- d. All framing members shall carry an easily visible identifying mark to aid the erector in the erection of the building.
- e. Field connections shall be bolted with high strength bolts and nuts.
- B. Primary Structural Members

- a. The primary structural members shall be rigid framing manufactured of solid web members having tapered or uniform depth rafters rigidly connected to tapered or uniform depth columns.
- b. Steel used to fabricate built up framing members shall be 55,000 PSI minimum yield point material and shall conform to the physical characteristics of ASTM A1011, ASTM A572 or ASTM A529, Grade 55.
- c. Steel used for interior pipe columns, if required, shall be 35,000 PSI minimum yield point material.
- d. The building manufacturer shall have on file certified mill test reports that verify that these requirements have been met.

C. Secondary Structural Members

- a. Secondary structural framing shall distribute the loads to the primary structural system and shall include endwall columns and rafters, purlins, girts, eave struts, base support, headers, jamus, flange bracing, clips, and other miscellaneous structural framing.
- b. Steel used for cold-formed members shall be 55,000 PSI minimum yield point material and shall conform to the physical characteristics of ASTM A1011 Grade 55. c. Light gauge cold-formed sections shall be manufactured by precision roll or brake forming. All dimensions shall be true, and the formed member shall be free of fluting, buckling or waviness.
- d. Endwall rafters shall be manufactured from built-up sections of adequate size and thickness as determined by the design criteria.
- e. Endwall columns shall consist of built-up sections or cold formed "C" sections of adequate size and thickness as determined by the design criteria.
- f. Purlins and girts shall be precision roll-formed 8" or 10" deep "C" sections or "Z" sections of adequate size and thickness as determined by the design criteria, minimum 16 gauge. Purlins and girts shall be either simple span or continuous span members.
- g. Eave struts shall be precision roll-formed and/or press brake formed "C" sections, minimum 14 gauge. The upper flange shall slope with the normal roof slope, and the web shall be vertical and free to receive the sidewall covering. h. Base support shall consist of a continuous base angle, base "C", or an 18 gauge one piece base member to which the base of the wall covering shall be attached. The base support shall be securely fastened into the concrete by the erector.
- i. Headers and jambs shall be precision roll-formed "C" sections of the same depth as the girts.
- j. Flange bracing shall consist of angle or tube members connected to the web of the purlin or girt and to the compression flange of the primary structural member. k. Clips shall be fabricated from 55,000 PSI minimum yield point material and be factory punched for field noited connections.

D. Bracing

- a. Horizontal load resisting bracing shall be accomplished by diagonal cable bracing, rod bracing, portal frames, and/or diaphragm action of the roof and wall covering.
- b. All cables for diagonal bracing shall be fabricated from extra high strength Grade-7 wire Class A coating, left hand lay, galvanized steel strand, conforming to the provisions of ASTM A475. Adjustment shall be provided by an eyebolt assemble. c. Rod bracing shall be fabricated from minimum 5/8" diameter steel rod conforming to the provisions of ASTM A36.
- d. Portal frames shall be fabricated of built-up sections and conform to the same specifications as primary framing.

2.02 MATERIALS - ROOF SYSTEM

Roof panel shall be one of the following types.

A. Ribbed roof panel

a. Rollformed profile shall be CS (Chief Standard) configuration as manufactured by Chief Buildings. Panels shall have 1 1/8" deep major ribs spaced at 12" on center,

- with minor ribs between major ribs. Each panel shall provide a net coverage width of 36".
- b. Panels shall be manufactured from 26 gauge or 24 gauge, 80,000 PSI material.
- c. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than 0.005 cfm/sf of fixed roof area when tested according to ASTM E1680 at a static pressure differential of 6.24 psf.
- d. Provide roof panel assemblies with no water penetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.
- e. Provide roof panel assemblies with UL Class 30, 60, or 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- f. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- g. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- h. Panels shall be one piece for slope lengths less than 35'-9". Endlaps, if required, shall be 8" and occur at a purlin.
- i. Panel finish shall be acrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.

OR

- i. Substrate shall be Galvalume® AZ50 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester. Exterior color to be selected from Chief standard color choices.
- B. Standing seam roof system
- a. Rollformed profile shall be LTC (Lock Tight Construction) as manufactured by Chief Buildings. Panels shall have an interlocking seam 2 1/2" deep spaced at 18" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 18".
- b. High ribs shall have factory applied non-skinning, non-shrinking mastic in female rib. Panels shall not require field machine seaming.
- c. Panels shall be manufactured from 24 gauge, 80,000 PSI material.
- d. The LTC roof system shall have concealed clips that allow for total movement of 3 1/4".
- e. Panels shall be one piece for slope lengths less than 50'-0". The panel endlap, if required, shall have high grade caulk sandwiched between the top and bottom panel with a heavy gauge factory applied backer plate.
- f. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- g. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- h. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- i. Roof system must have been tested according to the procedures in ASTM E 1592 (structural performance by uniform static air pressure differential).
- j. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than $0.008~\rm cfm/sf$ of fixed roof area when tested according to ASTM E1680 at a static pressure differential of 6.25 psf.
- k. Provide roof panel assemblies with no water penetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.
- 1. Panel finish shall be acrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.

OR

- 1. Substrate shall be Galvalume® AZ55 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester. Exterior color to be selected from Chief standard color choices.
- C. Standing seam roof system

- a. Rollformed profile shall be STC (Snap Tight Construction) as manufactured by Chief Buildings. Panels shall have an interlocking seam 3" deep spaced at 24" or 18" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 24" or 18".
- b. High ribs shall be sealed with factory-applied hot melt mastic and shall not require field seaming.
- c. Panels shall be manufactured from 24 gauge or 22 gauge, 50,000 PSI material.
- d. The STC roof system shall have concealed clips. Clips shall be floating (sliding) to allow for thermal movement, when required by design.
- e. Panels shall be one piece for slope lengths less than 50'-0". The panel endlap, if required, shall have tape sealer sandwiched between the top and bottom panel with a rigid metal backer plate.
- f. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- g. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- h. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- i. Roof system must have been tested according to the procedures in ASTM E 1592 (structural performance by uniform static air pressure differential).
- Panels shall be reversible end for end and no field notching shall be required.
- k. Panel finish shall be acrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.

OR

- k. Substrate shall be Galvalume® AZ50 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester.
- D. Standing seam roof system
- a. Rollformed profile shall be MSC (Mechanically Seamed Construction) as manufactured by Chief Buildings. Panels shall have an interlocking seam 3" deep spaced at 24" or 18" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 24" or 18".
- b. High ribs shall be sealed with factory-applied hot melt mastic. The side laps shall be field seamed using a mechanical seaming device provided by the manufacturer.
- c. Panels shall be manufactured from 24 gauge or 22 gauge, 50,000 PSI material.
- d. The MSC roof system shall have concealed clips. Clips shall be floating (sliding) to allow for thermal movement.
- e. Panels shall be one piece for slope lengths less than 50'-0". The panel endlap, if required, shall have tape sealer sandwiched between the top and bottom panel with a rigid metal backer plate.
- f. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- g. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- h. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- i. Roof system must have been tested according to the procedures in ASTM E 1592 (structural performance by uniform static air pressure differential).
- j. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than 0.008 cfm/sf of fixed roof area when tested according to ASTM E1680 at a static pressure differential of 6.25 psf.
- k. Provide roof panel assemblies with no water penetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.
- 1. Panels shall be reversible end for end and no field notching shall be required. m. The roof system shall carry a Factory Mutual Class 1 rating (Optional. Only for projects required to meet Factory Mutual wind uplift design requirements).
- n. Panel finish shall be acrylic coated Galvalume@ AZ55 coating in accordance with ASTM A792.

n. Substrate shall be Galvaiume® AZ50 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FWDF) over primer with total DFT of 0.8-1.0. The reverse side shall be coated with pigmented polyester.

E. Standing seam roof system

- a. Rollformed profile shall be MVF (Mechanically seamed Vertical leg Flat panel) as manufactured by Chief Buildings. Panels shall have an interlocking 2" deep vertical leg spaced at 16" center. Each panel shall provide a net coverage width of 16".
- b. Side laps shall be sealed with factory-applied non-skinning, non-hardening mastic. The side laps shall be field seamed using a mechanical seaming device provided by the manufacturer.
- c. Panels shall be manufactured from 24 gauge or 22 gauge, 50,000 PSI material.
- d. The MVF roof system shall have concealed clips. Clips shall be floating (sliding) to allow for thermal movement.
- e. Panels shall be one piece for slope lengths less than 52'-0". The panel endlap, if required, shall have butyl sealant sandwiched between the top and bottom panel with a heavy gage factory applied metal backer plate.
- f. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 590 "Tests for Uplift Resistance of Roof Assemblies".
- g. Roof system shall have been tested in accordance with the procedures in ASTM E1592 (Structural Performance by Uniform Static Air Pressure Differential).
- h. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than 0.0026 cfm/sf of fixed roof area when tested according to ASTM Ele80 at a static pressure differential of 6.25 psf.
- Provide roof panel assemblies with no water ponetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.
- j. No field notching of panels shall be required.
- k. Panel finish shall be acrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.

OR

k. Substrate shall be Galvalume® AZ50 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8 - 1.0. The reverse side shall be coated with pigmented polyester.

F. Standing seam roof system

- a. Rollformed profile shall be MVP (Mechanically seamed Vertical leg Pencil-rib panel) as manufactured by Chief Buildings. Panels shall have an interlocking 2" deep vertical leg spaced at 16" center, with 3 minor pencil ribs evenly spaced between the vertical legs. Each panel shall provide a net coverage width of 16".
- b. Side laps shall be sealed with factory-applied non-skinning, non-hardening mastic. The side laps shall be field seamed using a mechanical seaming device provided by the manufacturer.
- c. Panels shall be manufactured from 24 gauge or 22 gauge, 50,000 PSI material.
- d. The MVP roof system shall have concealed clips. Clips shall be floating (sliding) to allow for thermal movement.
- e. Panels shall be one piece for slope lengths less than 52'-0". The panel endlap, if required, shall have butyl sealant sandwiched between the top and bottom panel with a neavy gage factory applied metal backer plate.
- f. Provide roof panel assemblies with UL Class 30, 60, or 90 uplift rating in accordance with UL 560 "Tests for Uplift Resistance of Roof Assemblies".
- g. Roof system shall have been tested in accordance with the procedures in ASTM £1592 (Structural Performance by Uniform Static Air Pressure Differential).
- h. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than 0.0026 cfm/sf of fixed roof area when tested according to ASTM E1680 at a static pressure differential of 6.25 psf.
- Provide roof panel assemblies with no water penetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.

- j. No field notching of panels shall be required.
- k. Panel finish shall be acrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.

OR

- k. Substrate shall be Galvalume® AZ50 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester.
- G. Composite roof system, consisting of standing seam panel, bearing plates, rigid board insulation, and optional liner installed over roof purlins, as follows:
 a. Roof panel
- 1. Rollformed profile shall be LTC (Lock Tight Construction) as manufactured by Chief Buildings. Panels shall have an interlocking seam 2 1/2" deep spaced at 18" on Center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 18".
- 2. High ribs shall have factory applied non-skinning, non-shrinking mastic in female rib. Panels shall not require field machine seaming.
- 3. Panels shall be manufactured from 24 gauge, 80,000 PSI material.
- 4. The LTC roof system shall have concealed clips that allow for total movement of $3 \frac{1}{4}$ ".
- 5. Panels shall be one piece for slope lengths less than 52'-0". The panel endlap, if required, shall have high grade caulk sandwiched between the top and bottom panel with a heavy gauge factory applied backer plate.
- 6. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- 7. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- 8. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- 9. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than 0.008 cfm/sf of fixed roof area when tested according to ASTM E1680 at a static pressure differential of 6.25 psf.
- 10. Provide roof panel assemblies with no water penetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.
- 11. Panel finish shall be acrylic coated Galvalume \emptyset AZ55 coating in accordance with ASTM A792.

OR

- 12. Substrate shall be Galvalume® AZ55 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FVDF) over primer with total DFT of 0.8-1.0. The reverse side shall be coated with pigmented polyester. Exterior color to be selected from Chief standard color choices.
- b. Bearing plates of minimum 16 gauge steel shall be installed over rigid insulation. Bearing plates shall be attached to purlins using a minimum of two screws.
- c. Rigid insulation shall be minimum 1" and maximum 3" thickness.
- d. Liner panel, if used, shall be 28 gauge galvanized coated steel, 9/16" panel depth, 30" cover width, with corrugations 3" c.c.
- H. Composite roof system, consisting of standing seam panel, bearing plates, rigid board insulation, and optional liner installed over roof purlins, as follows:
- a. Roof panel
- 1. Rollformed profile shall be STC (Snap Tight Construction) as manufactured by Chief Buildings. Panels shall have an interlocking seam 3" deep spaced at 24" or 18" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 24" or 18".
- 2. High ribs shall be sealed with factory-applied hot melt mastic and shall not require field seaming.
- 3. Panels shall be manufactured from 24 gauge or 22 gauge, 50,000 PSI material.
- 4. The STC roof system shall have concealed clips. Clips shall be floating (sliding) to allow for thermal movement, when required by design.

- 5. Panels shall be one piece for slope lengths less than 52'-0". The panel endlap, if required, shall have tape sealer sandwiched between the top and bottom panel with a rigid metal backer plate.
- 6. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- 7. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- 8. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- 9. Panels shall be reversible end for end and no field notching shall be required.
- 10. Panel finish shall be acrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.

OR

- 10. Substrate shall be Galvalume@ AZ50 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester.
- b. Bearing plates of minimum 16 gauge steel shall be installed over rigid insulation.
- c. Rigid insulation shall be minimum 1" and maximum 4.4" thickness.
- d. Liner panel, if used, shall be 22 gauge steel, 1 1/2" panel depth, with corrugations 6" c.c., galvanized or primed gray. OR
- d. Liner panel, if used, shall be 29 gauge steel, galvanized or painted. Ribs to be 9/16" deep with a 3/4" wide crest and spaced 2.67" c.c.
- I. Composite roof system, consisting of standing seam panel, bearing plates, rigid board insulation, and optional liner installed over roof purlins, as follows:
- a. Roof panel
- 1. Rollformed profile shall be MSC (Mechanically Seamed Construction) as manufactured by Chief Buildings. Panels shall have an interlocking seam 3" deep spaced at 24" or 18" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 24" or 18".
- 2. High ribs shall be sealed with factory-applied hot melt mastic. The side laps shall be field seamed using a mechanical seaming device provided by the manufacturer.
- 3. Panels shall be manufactured from 24 gauge or 22 gauge, 50,000 PSI material.
- 4. The MSC roof system shall have concealed clips. Clips shall be floating (sliding) to allow for thermal movement.
- 5. Panels shall be one piece for slope lengths less than 52'-0". The panel endlap, if required, shall have tape sealer sandwiched between the top and bottom panel with a rigid metal backer plate.
- 6. Provide roof panel assemblies with UL Class 90 uplift rating in accordance with UL 580 "Tests for Uplift Resistance of Roof Assemblies".
- 7. Provide roof panel assemblies with UL Class A Fire Rating in accordance with UL 790 "Test Methods for Fire Tests of Roof Coverings".
- 8. Provide roof panel assemblies with UL Class 4 Impact Rating in accordance with UL 2218 "Impact Resistance of Prepared Roof Covering Material".
- 9. Provide roof panel assemblies with permanent resistance to air leakage through assembly of not more than 0.008 cfm/sf of fixed roof area when tested according to ASTM E1680 at a static pressure differential of 6.25 psf.
- 10. Provide roof panel assemblies with no water penetration as defined in the test method when tested according to ASTM E1646 at a static pressure differential of 12.0 psf.
- 11. Panels shall be reversible end for end and no field notching shall be required.
 12. Panel finish shall be decrylic coated Galvalume® AZ55 coating in accordance with ASTM A792.
- OR
 12. Substrate shall be Galvalume@ A250 coating in accordance with ASTM A792. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester.

- b. Bearing plates of minimum 16 gauge steel shall be installed over rigid insulation.
- c. Rigid insulation shall be minimum 1" and maximum 4.4" thickness.
- d. Liner panel, if used, shall be 22 gauge steel, 1 1/2" panel depth, with corrugations 6" c.c., galvanized or primed gray.
- d. Liner panel, if used, shall be 29 gauge steel, galvanized or painted. Ribs to be 9/16" deep with a 3/4" wide crest and spaced 2.67" c.c.

2.03 MATERIALS - WALL SYSTEMS

A. Exterior wall panel

- a. Rollformed profile shall be CS (Chief Standard) or AP (Architectural Panel) configuration as manufactured by Chief Buildings. Panels shall have 1 1/8" deep major ribs spaced at 12" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 36".
- b. Manufactured from 26 gauge or 24 gauge, 50,000 PSI or 80,000 PSI material.
- c. Provide wall panel assemblies (when installed with mastic in the walls) with permanent resistance to air leakage through assembly of not more than 0.006 cfm/sf of fixed wall area when tested according to ASTM E283 at a static pressure differential of 6.24 psf.
- d. Provide wall panel assemblies (when installed with mastic in the walls) with no water penetration as defined in the test method when tested according to ASTM E331 at a static pressure differential of 12.0 psf
- e. Substrate shall be Galvalume® AZ50 coating in accordance with ASTM A792.
- f. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester. Exterior color to be selected from Chief standard color choices.
- g. Panels shall be one piece from base to eave for lengths less than 35'-9". Endlaps, if required, shall be 6" and occur at a girt.

A. Exterior wall panel

- a. Rollformed profile shall be CFW (Concealed Fastener Wall) configuration as manufactured by Chief Buildings. The trapezoidal-faced panel shall be 16" wide with interlocking 3" ribs and shall provide net 16" coverage.
- b. The wall panels shall be attached to framing with the interlocking ribs toward the interior, eliminating fasteners exposed to the exterior.
- c. Manufactured from 24 gauge, 50,000 PSI material. The panels shall have an embossed finish.
- d. Provide wall panel assemblies (when installed with caulk in the sidelaps) with permanent resistance to air leakage through assembly of not more than 0.0046 cfm/sf of fixed wall area when texted according to ASTM E283 at a static pressure differential of 6.24 psf.
- e. Provide wall panel assemblies (when installed with caulk in the sidelaps) with no water penetration as defined in the test method when tested according to ASTM E331 at a static pressure differential of 12.0 psf.
- f. Substrate shall be Galvalume@ AZ50 coating in accordance with ASTM A792.
- g. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester. Exterior color to be selected from Chief standard color choices.
- h. Panels shall be one piece from base to eave for lengths less than 45'-0".
- B. Liner panel, if required, shall be of same material, configuration and finish as exterior wall panel.

 OR
- B. Liner panel, if requires, shall be 29 gauge with a white polyester finish, rollformed to Chief's standard CS or AP profile.

2.04 MATERIALS - SOFFIT

- A. Soffit Panel
- a. Rollformed profile shall be CS (Chief Standard) or AP (Architectural Panel) configuration as manufactured by Chief Buildings. Panels shall have 1 1/8" deep major ribs spaced at 12" on center, with minor ribs between major ribs. Each panel shall provide a net coverage width of 36".
- b. Manufactured from 26 gauge or 24 gauge, 50,000 PSI or 80,000 PSI material.
- c. Substrate shall be Galvalume@ AZ50 coating in accordance with ASTM A792.
- d. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (FVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester. Exterior color to be selected from Chief standard color choices.

OR A. Soffit Panel

- a. Rollformed profile shall be FSP-12 (Flat Soffit Panel) configuration as manufactured by Chief Buildings. Panels shall attach to framing members using concealed fasteners. Each panel shall provide a net coverage width of 12" and have one stiffening rib.
- b. Manufactured from 24 gauge, 50,000 PSI material.
- c. Substrate shall be Galvalume@ AZ50 coating in accordance with ASTM A792.
- d. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8-1.0. The reverse side shall be coated with pigmented polyester. Exterior color shall be Polar White. OR

A. Soffit Panel

- a. Rollformed profile shall be FSP-12 (Flat Soffit Panel) configuration as manufactured by Chief Buildings. Panels shall attach to framing members using concealed fasteners. Each panel shall provide a net coverage width of 12" and have one stiffening rib.
- b. Manufactured from 26 gauge, 50,000 PSI material having a maximum length of 6'-0".
- c. Substrate shall be Galvalume® AZ50 coating in accordance with ASTM A792.
- d. Sheets shall be coated with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) over primer with total DFT of 0.8 1.0. The reverse side shall be coated with pigmented polyester. Exterior color shall be Chief's standard colors.

2.05 MATERIALS . TRIM

- A. Trim shall be 26 gauge with a fluoropolymer topcoat containing not less than 70% polyvinylidine fluoride (PVDF) typical to wall panels. Color to be selected from manufacturers full range of standard colors.
- B. Provide all trim pieces necessary to achieve a finished appearance. Gable trim and eave trim or gutter shall have a roll formed face to maintain uniformity. Provide corner boxes to transition from gable trim to eave trim or gutter. Gutter, if required, shall have a norizontal bottom leg and the front leg shall not project above the bottom of roof panel.
- C. Provide trim at all corners of the building and for all sides of framed openings. Provide trim for base of building if required.
- D. Downspouts, if required, shall be 26 gauge with a fluoropolymer finish and shall have a minimum cross sectional area of 15.85 square inches. Downspouts shall terminate with an elbow at approximately 75° or transition to an underground drainage system.

2.06 INSULATION

- A. Roof and wall insulation shall be fiberglass rolls with 0.6 lb. per cu. ft. density, thickness as indicated, with a flame spread rating of 25 or less in accordance with ASTM E84. Insulation shall comply with NAIMA 202 Standards.
- 2.07 METAL PERSONNEL DOORS AND FRAMES

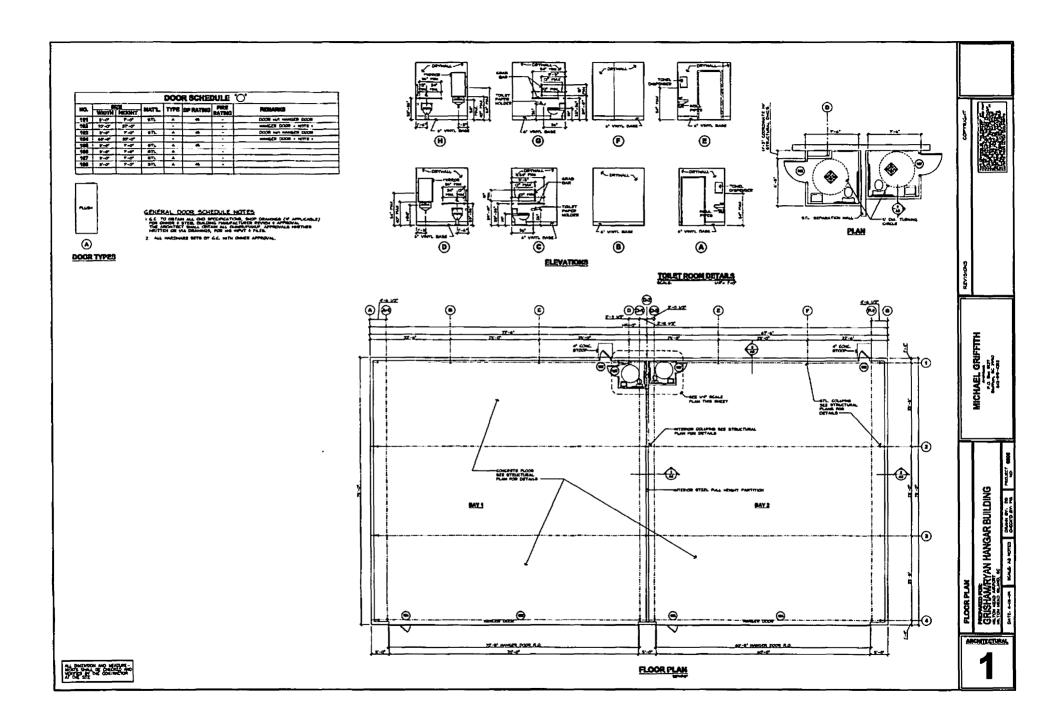
- A. Provide personnel doors and frame, knocked down for field assembly, as follows:
- a. Frames shall be fabricated from 16 gauge galvanized steel, 5 3/4" depth, non-handed and reversible, with weather stripping.
- b. Doors shall be manufactured from 18 gauge galvanized steel, 1-3/4" thick, full flush or half glass type.
- c. Lock edge shall be square with vertical seam mechanically interlocked and have 12 gauge reinforcement for strike preparation.
- d. Hinge edge shall be square with vertical seam mechanically interlocked and have 7 gauge reinforcing plates at 3 locations with hinge preparations.
- e. Doors shall have 16 gauge steel, flush-mounted, top channel and inverted bottom channel.
- f. Doors shall be prepared for cylindrical lockset (2-3/4" backset)
- g. Door core shall be a rigid cell, foamed-in-place polyurethane with 1.8 lbs. per cubic foot density. Insulation core shall be chemically bonded to all interior surfaces, completely seal unit and produce total surface support.
- h. Half glass doors, if required, shall have glass cutout with removable glazing bead and accommodate glass up to 1/4" thick. Glass and wet glazing are not provided.
- i. Paint finish shall be white.
- j. Hinges shall be 4-1/2" $ext{ } ext{ } 4-1/2$ " full mortise with non-removable pin, dull chrome finish.
- k. Lockset shall have dull chrome finish. Entry function is key outside with turn button inside.
- 1. Threshold shall be provided in one-piece unit.
- m. An Astragal Kit shall be provided to reduce the opening between a pair of doors and to protect the lock from tampering. A filler plate shall be provided to cover the lock preparation on the inactive leaf.
- n. Surface Bolts shall be provided for use on inactive leaf of double doors.
- o. Closer shall be completely non-handed with parallel arms and be UL listed.
- p. Panic Device shall be a low profile rim-type with horizontal push bar and be UL rated. Outside handle is lever type with key entry function. Finishes shall be baked enamel for the push par and dull chrome for the outside lever handle and trim.
- B. Provide pre-assembled personnel doors and frame as follows:
- a. Standard doors shall be made of electrogalvanized steel sheets, 20 gauge, with smooth finish. All doors to be 1 3/4" thick with a patented two-panel design to insure structural integrity.
- b. Doors will be fabricated rigid, neat in appearance, and free from defects, warpage, and buckle. Exposed welds to be made smooth, flush and invisible. Core is a rigid-cell, foamed-in-place polyurethane with 1.8 lbs/ft density conforming to ASTM D-1622. Insulating core is chemically bonded to all interior surfaces, completely seals unit, and provides total support. Door core has an "R" factor of 14.97.
- c. The lock edge shall be non-beveled with a mechanical interlocking edge seam. An 18 gauge lock ring reinforcement shall be installed in the standard provision for Gov. Series 160/161 cylindrical lock sets, and in accordance with ANSI standard A 115.2.
- d. The hinge edge is non-beyeled, non-handed, and reinforced with a 7 gauge hinge reinforcement attached at each hinge location. The doors are prepared for 4 1/2" full-mortise template hinges per ANSI/SDI 100.
- e. All doors shall have 1ε gauge flush mounted top and bottom channels to prevent water penetration.
- f. All doors shall be factory prepared with a 6 5/16" x 16" 12 gauge galvanized steel reinforcement for closer installation.
- g. Standard frames shall be made from electrogalvanized steel sheets of 16 gauge material. Frames shall be souble rabbeted. Frame stops shall be a minimum of 5/8". Standard frames shall be 4 3/4" in width with a throat size of 3 3/4".
- h. The hinge jamb shall be reinforced with a 7 gauge plate, and prepared for a full mortise 4 1/2" template hinge. The strike jamb shall be prepared for a 4 7/8" ASA universal strike per ANST mandard A 115.2.
- i. All doors, frame headers and frame jambs shall be thoroughly cleaned, prime coated and then top coated with a smooth, durable finish capable of passing a 200 hour salt spray test in accordance with ASTM specifications B-117 and a 500 hour

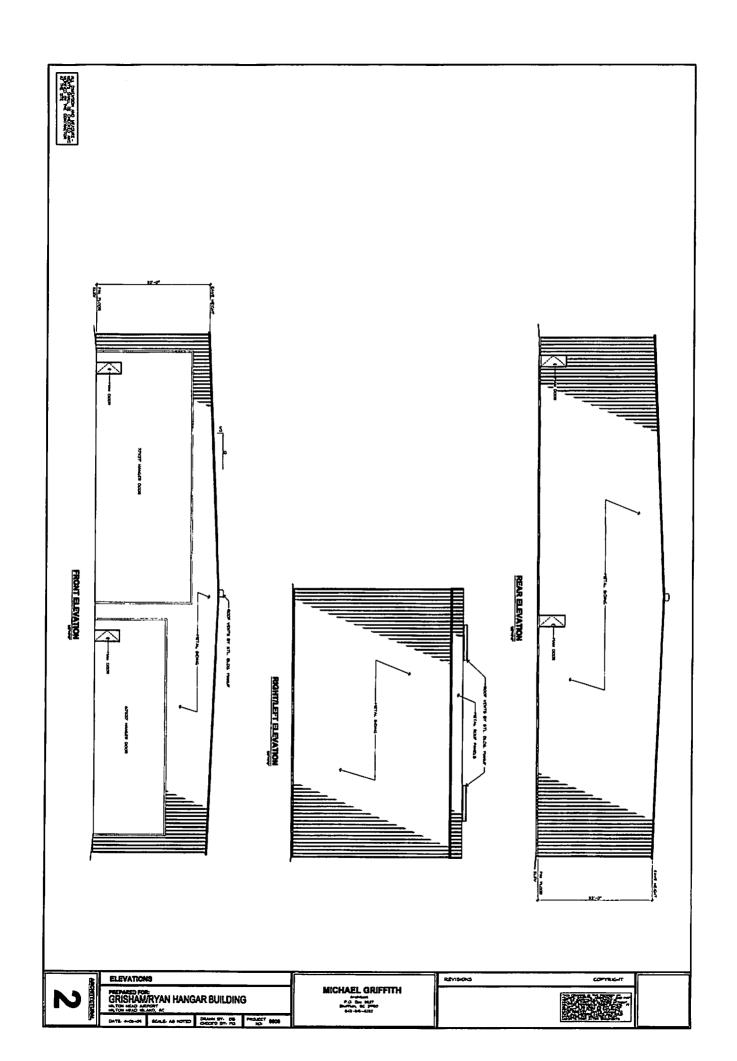
- A. Fasteners to be manufacturers standard long life fasteners. Exposed fastener heads to be factory painted to match the panel color. Self-drilling fasteners shall be used for panel to structural connections. Lapteks shall be used for panel to panel connections. Pop rivets shall be used at endlaps of eave and gable trims.
- B. Closed cell foam closure strips, die cut to match CS, AP, or LTC panel configuration. Metal closures shall be used with STC or MSC panel.
- C. Mastic for roof sidelaps, endlaps, and flashings to be a non-hardening butyl tape, non-corrosive to the substrate, of 100% solids. Tape size to be minimum 3/32" x 3/4", supplied in rolls.
- D. Caulk shall be manufacturers standard product as appropriate for the application.
- E. Thermal blocks of expansied polystyrene shall be supplied with standing seam roof systems when required for the requested insulation thickness. The thickness of the thermal block shall be compatible with the clip height and insulation thickness.
- F. Louvers shall be 3' x 3' self-framing and self-flashing units with insect screen. Louver frame to be minimum 18 gauge galvanized and blades to be minimum 20 gauge galvanized. Finish to be electrostatically applied polyester paint. Operator to be either hand crank or chain operator.
- G. Continuous gravity ventilators shall have 9" or 12" throat, supplied in 10' lengths, with birdscreen. Ventilators to be of low profile design to provide gravity type ventilation. Include flashing for either single unit or continuous-run installation. 9" x 10' unit shall have a base ventilating capacity of 2700 and the 12" x 10' unit shall have a base ventilating capacity of 3600 CFM, assuming 10 degree temperature differential and 5 mph wind speed. Exterior parts to be minimum 26 gauge in Galvalume or painted galvanized. Interior parts to be G90 galvanized.
- H. Roof curbs shall be used at all roof penetrations except pipes 13" diameter and less. Roof curb shall have a structural subframe. Curb and subframe shall be designed to support the weight of the unit. Curb shall be designed specifically for the model number of the roof top unit. Curb shall be supplied with rib covers and all necessary fasteners and mastic for a weathertight installation. The roof curb shall be a two piece floating curb when required by building conditions.

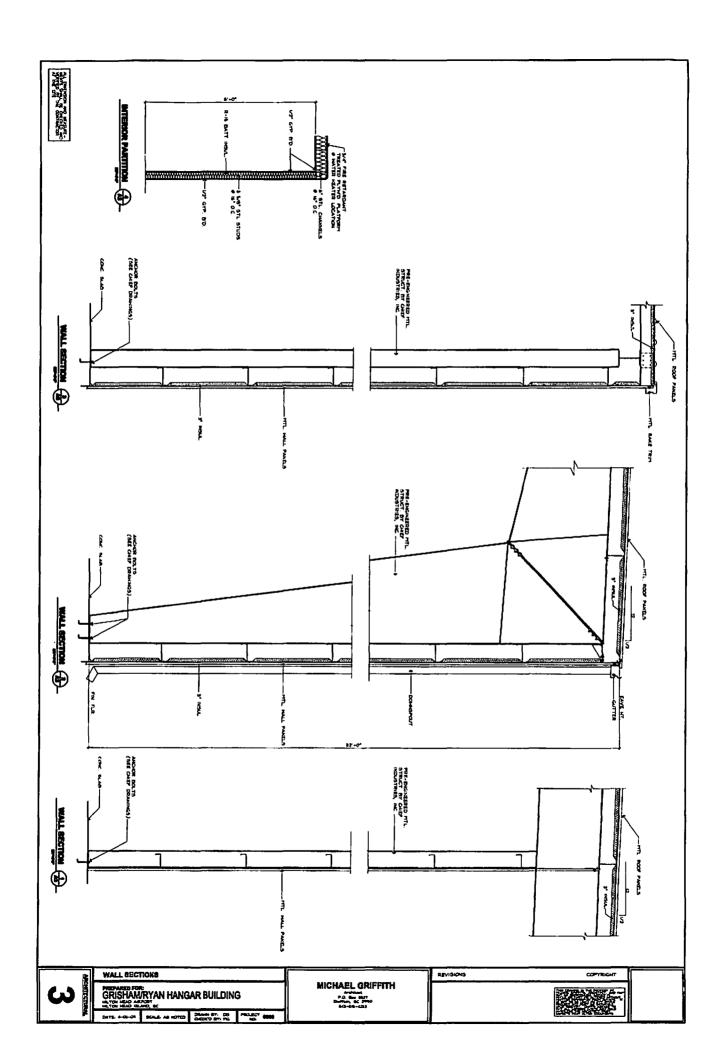
2.11 FABRICATION

- A. Fabricate built-up members in accordance with MBMA Low Rise Building Systems Manual, Common Industry Practices.
- B. Fabricate hot rolled members in accordance with AISC Specification for pipe, tube, and rolled structural shapes.
- C. Fabricate cold formed members in accordance with MBMA Low Rise Building Systems Manual, Common Industry Practices.
- D. Provide factory drilled or punched framing members for field bolted connections.
- E. All framing members shall be prepared according to SSPC-SP2 and given one shop coat of KMAA104: "VectroCoat 300 Gray" modified acrylic paint applied by Anodic Electrocoat process.
- F. Clearly and legibly $\max k$ each piece to correspond with previously prepared erection drawings.

PART 3 EXECUTION







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PREPARED FOR: GRISHAM/RYAN HANGAR BUILDING **HILTON HEAD AIRPORT**

HILTON HEAD ISLAND, SC

MICHAEL GRIFFITH

JAMERYAN HANGAR BUILDING

LEGEND





















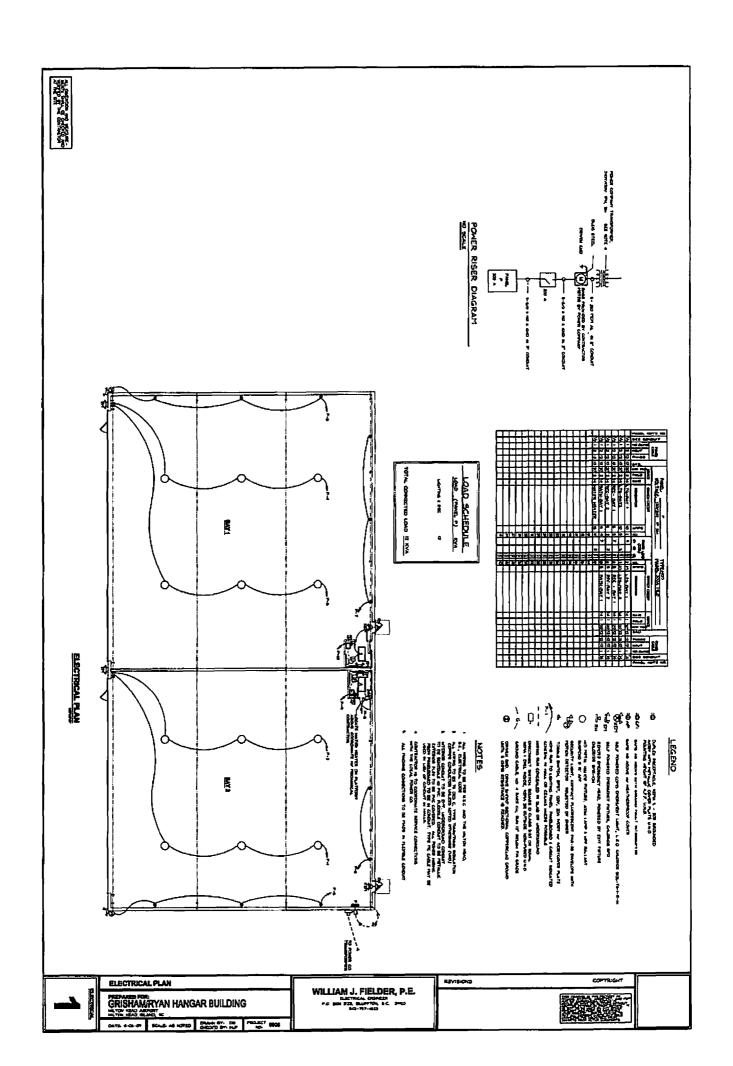
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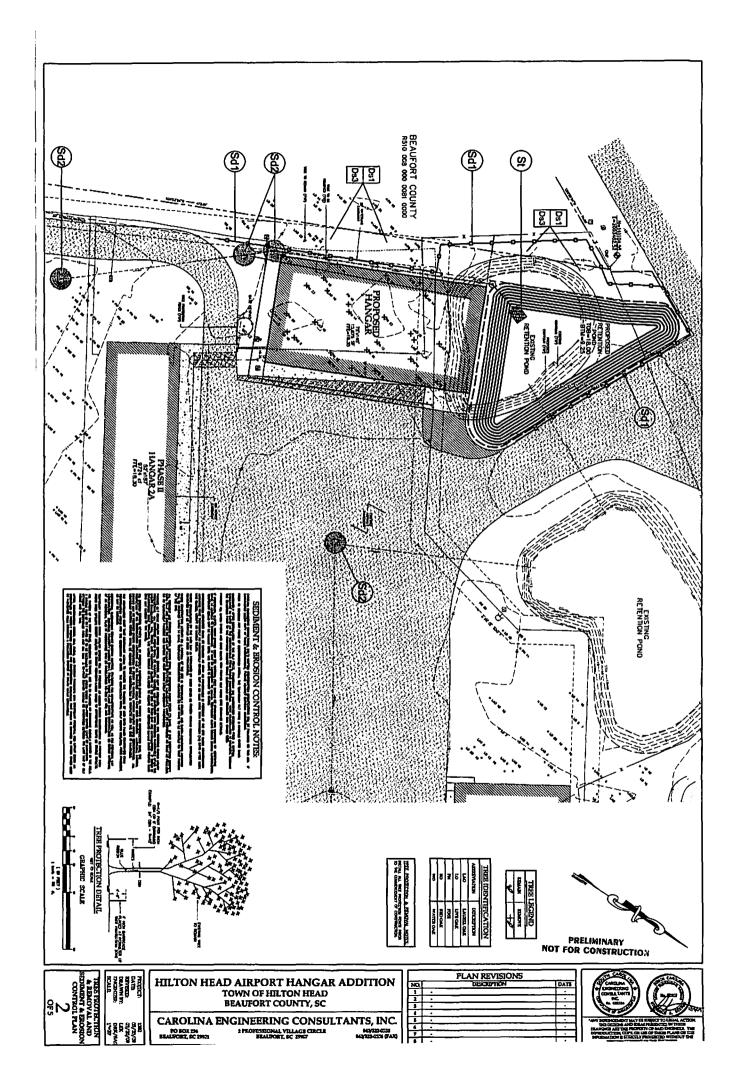


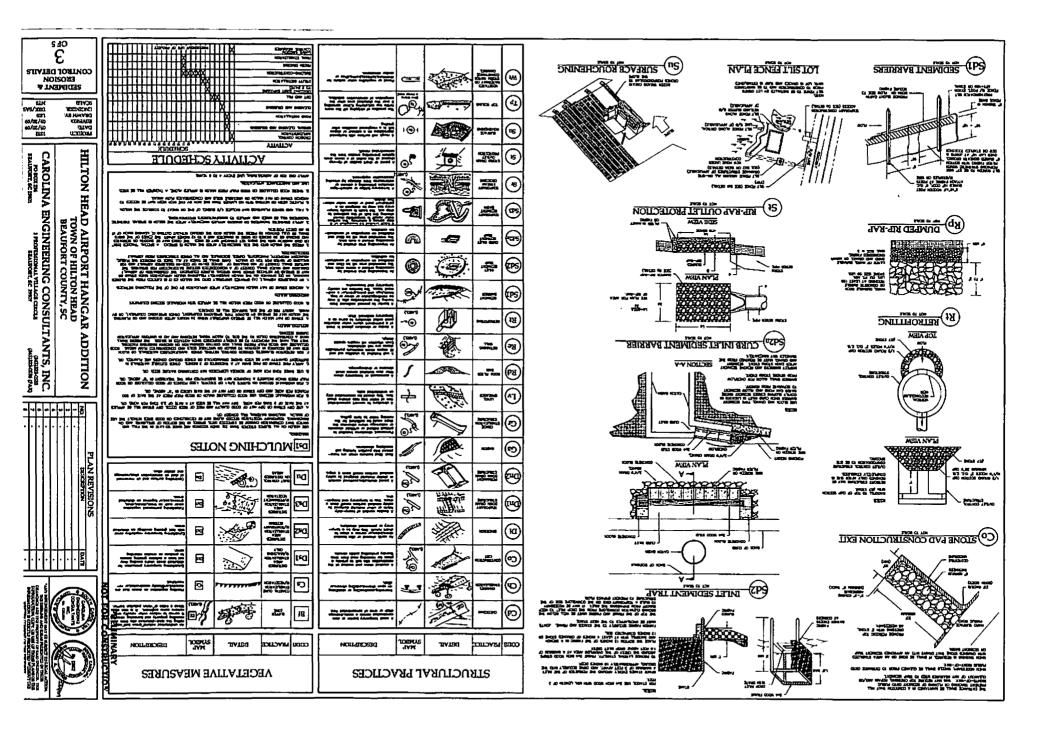
1 HOUR FIRE RATED PARTITION

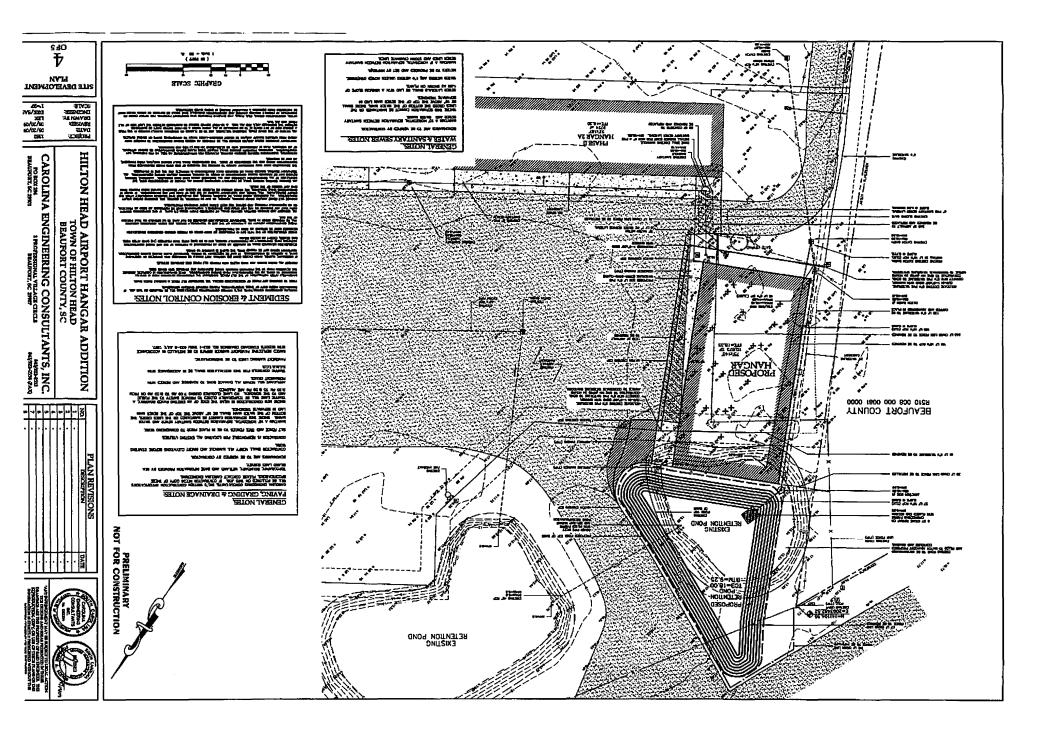
INDEX OF DRAWINGS

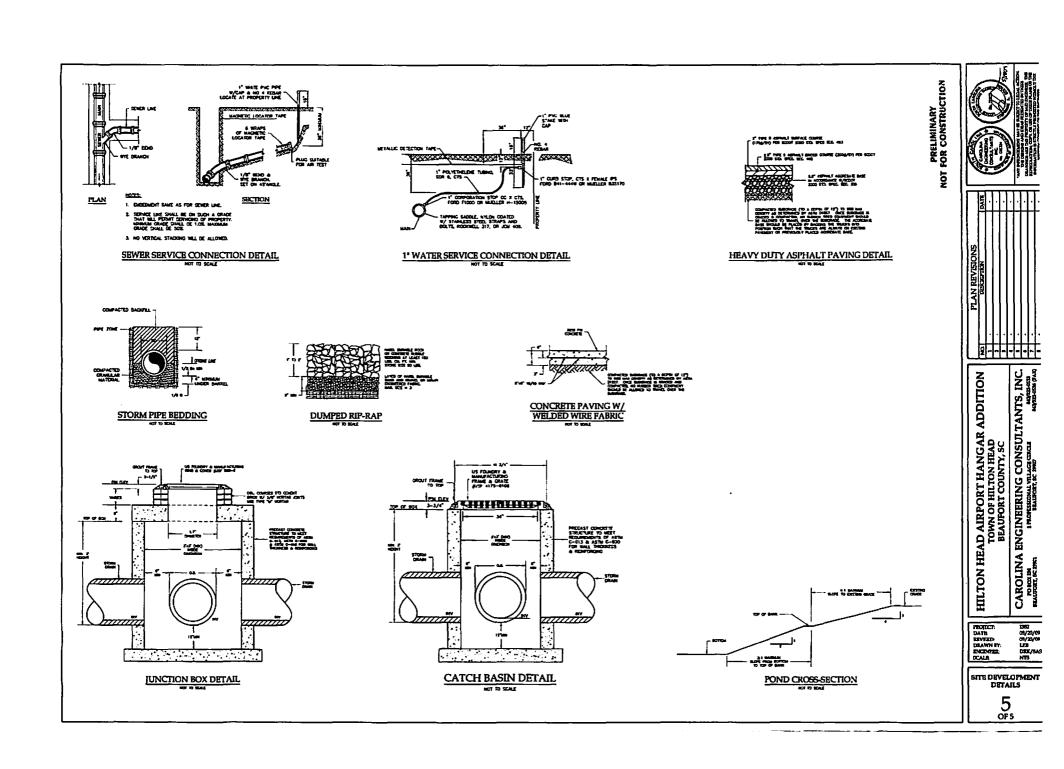
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A2	CLEVATIONS
A3	WALL SECTIONS
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E1	ELECTRICAL PLAN











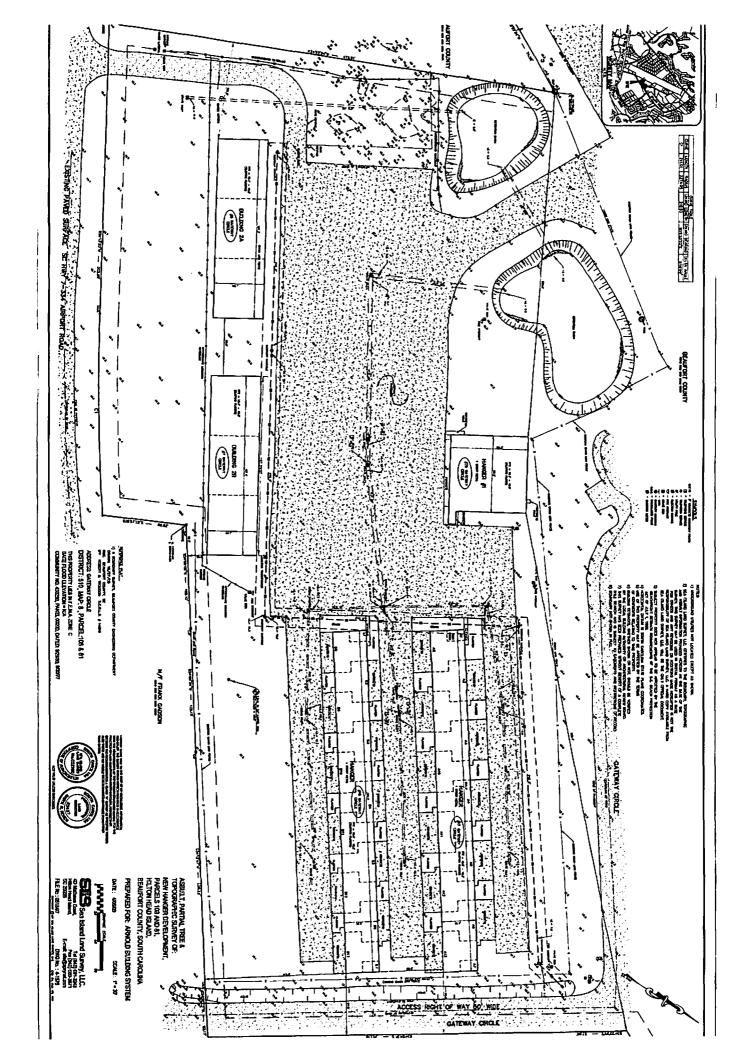


Exhibit "D"

Vendor Release

Third Party Vendor Release ("Release")

/#ED \ @\	SIGNATURE FLIGHT SUPPO	ORT CORPORATION, a De	elaware corporation, ("Signature"), which maintains a Fixed Base Operation
or entity,	at Airport, , ("Vendor"), to enter the FBO pre	emises on a temporary basis	("Airport"), by its execution hereof, hereby authorizes the following person , consistent with the terms and conditions hereinafter stated.
1.	Vendor. The name, address,		
Name:		Address:	
	provided ("Service"):		
Service shall its	e or its customer, Permittee, ten noted above and only in the are	ant, Aircraft owner, pilot or o a(s) designated for such Se re's or its customers' ability	ure's Premises for the sole purpose of performing Service at the request on other designated representative. Vendor shall be authorized only to perform the rivice by local Signature management. Vendor expressly agrees that at no time to operate aircraft or use Signature's leasehold, including, but not limited to ts.
3. Administ	Compliance With Laws. Vertration ("FAA"), and the Transpor		adhere to the prevailing and applicable rules of the Airport, Federal Aviation ("TSA").
losses, c and expe or death	and employees and Signature's p claims, fines, penalties or judgm enses incidental thereto, which n of any person arising out of o ors, subcontractors, licensees or	parent, subsidiary, related an ents, of any kind whatsoeve nay be suffered by, or charg or by reason of any breach,	Id hold harmless Signature and the Airport, their respective officers, directors diffiliated companies from and against any and all liabilities, damages, injuries reflicted in the first parties, including all costs, attorneys' fees ed to, Signature by reason of any loss of or damage to any property or injury to violation or non-performance by Vendor or its agents, servants, consultants or condition of this Release or by any act or failure to act or negligence of such
_			dence the following types and amounts of insurance:
i.	Liability - Airport Premises (1) Commercial general Cor		0 per occurrence, products and completed operations
	(2) Motor vehicle Cor (a) This coverage is condit on Signature's ramp.	nbined single limit \$1,000,00 ionally waived if Vendor doe	0 per occurrence s not have a motor vehicle that is both (1) registered in its name and (2) driver pisters a vehicle in its name and drives on the ramp, the waiver shall be
	(3) Environmental / pollution	Combined Single Limit \$50	0,000 per occurrence.
ii.	Worker's Compensation & Worker's compensation Employer's liability	Statutory \$500,000 each occurrence	for bodily injury by accident for bodily injury by disease limit
companions shall be employed Authority of any castated shall prove the company of any castated shall port, in	sation, and (3) employer's liabilities and the Authority" as additional endorsed to provide cross liability's liability shall contain a waive ". All required insurance policies ancellation or changes adverse hall not be lowered without express which case, the Airport's limits all TED TO THE AMOUNT OF A	ty shall name (exactly as so hal insureds. If the required ity coverage. All required in er of subrogation in favor of shall be evidenced by certif to the interests of Signatur less written consent of Signat shall supersede the limits sta	tce: All such required liability insurance, except (1) motor vehicle, (2) worker's et forth in quotations) "Signature, its parent, subsidiary, related, and affiliated liability polices do not contain a standard separation of insured provision, they surance policies, except (1) motor vehicle, (2) worker's compensation, and (3) f "Signature, its parent, subsidiary, related, and affiliated companies and the ficates of insurance that provide at least thirty (30) days advance written notice e Flight Support Corporation or its subsidiaries. Minimum insurance amounts the Flight Support Corporation. Higher insurance limits may be required by the lated above. VENDOR ACKNOWLEDGES THAT ITS POTENTIAL LIABILITY IS ECOVERAGE OR TO INSURANCE POLICY LIMITS REQUIRED IN THIS
	Signature Flight Support Corp	oration	Vendor:
	Ву:		By:
	Title:		
	Date:		- Date:

Exhibit "E" Sublessee's Concept and Scope Schedule

ATA Document A107™ – 1997

Abbreviated Standard Form of Agreement Between Owner and Contractor for Construction Projects of Limited Scope

where the basis of payment is a STIPULATED SUM

AGREEMENT made as of the

· third ...

in the year 2009

(In words, indicate day, month and year)

BETWEEN the Owner:

(Name, address and other information)

COIN TOSS LLC

DONALD R. RYAN

ED GRISHAM

C/O CARECORE NATIONAL

400 BUCKWALTER PLACE BLVD.

BLUFFION, SC 29910

(843) 301 ± 6370

and the Contractor.

(Name, address and other information)

ARNOLD BUILDING SYSTEMS, INC.

P.O. BOX 21303

HILTON HEAD, SC 29925

(843) 208-6626

This document has important legal consequences. Consultation with an attorney is encouraged with respect to

its completion or modification.

This Document includes abbreviated General Conditions and should not be used with other general conditions.

This document has been approved and endorsed by The Associated General Contractors

the Project is: (Name and location)

HILTON HEAD ISLAND ATRPORT HANGAR

HILTON HEAD, SC

(41 DILLON ROAD - BUILDING 400)

the Architect is:

(Name, address and other information) MICHAEL GRIFFITH, ARCHITECT

P.O. BOX 3527

BLUFFTON, SC 29910

(843) 815-4282

WHEN REFERENCE IS MADE TO THE ARCHITECT IN THIS AGREEMENT, ARCHITECT AND NOTE: OWNER ARE ONE IN SAME.

The Owner and Contractor agree as follows.
STEEL DELIVERY C.O.D.

AIA Document A1D7111 - 1997. Copyright © 1936, 1951, 1958, 1961, 1963, 1966, 1970, 1974, 1978, 1987 and 1997 by The American Institute of Architects. All rights reserved. WASNING: This AIA⁹ Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction of 4 stribution of this AIA. Document, or any portion of it, may result in severa civil and criminal panalities, and will be presented to the maximum extent possible under the law. Purchasers are permitted to reproduce ten (10) copies of this document when completed. To report copyright violations of AIA Contract Documents, o-mail The American Institute of Architects' legal counsel, copyright@aia.org.

ARTICLE 1 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 2.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

Date of commencement of engineering design phase, Town approval, and architectural design phase to be within five (5) days after receipt of deposit.

§ 2.2 The Contract Time shall be measured from the date of commencement.

§ 2.3 The Contractor shall achieve Substantial Completion of the entire Work not later than days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

Engineering design phase, Town approval phase, and architectural design phase should be completed within 100 days. However, issues that may arise from the Town of HH, beyond our control, may extend this time frame. Every effort will be made to secure all necessary permits on or before the estimated 100-day time frame. Actual construction time not later than 135 days, plus Town of HH's final approvals.

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)

N/A

ARTICLE 3 CONTRACT SUM

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itract

to be made by showing the

§ 3.3 Unit prices, if any, are as follows:

N/A

ARTICLE 4 PAYMENTS 6 4.1 PROGRESS PAYMENTS

Owner

§ 4.1.1 Based upon Applications for Payment submitted to the ARCHROST by the Contractor and Certificates for Payment shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

Owner to be invoiced the 25th day of the month with payment due on or before the 5th of the following month. Owner to pay Contractor a deposit of \$31,000.00 (5%) upon signing of this Agreement. (Deposit for engineering and architectural startup.) §4.1.2 Provided that an Application for Payment is received by the Association that the Contractor not later than the 25th day of a month, the Owner shall make payment to the Contractor not later than the fifth (5th) day of the following month if an Application for Payment is received by the Application to Payment than ten (10) days after the Associate receives the Application for Payment.

§ 4.1.3 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

Rate of Interest: Seven Percent (7%)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

§ 4.2 FINAL PAYMENT

- § 4.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:
 - the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 172, and to satisfy other requirements, if any, which extend beyond final payment; and
 - x2cx x n fund Contificate Configuration the sheet is specificate for the configuration of the

§ 4.2.2 The Owner's final payment to the Contractor shall be made no later than days after the issuance of the Architectic final Contractor Spanners and Contractor shall be made no later than days after the issuance of the Architectic final Contractor Spanners and Contractor shall be made no later than days after the issuance of the Architectic final payment to the Contractor shall be made no later than days after the issuance of the Architectic final payment to the Contractor shall be made no later than the days after the issuance of the Architectic final payment to the Contractor shall be made no later than the days after the issuance of the Architectic final payment to the Contractor shall be made no later than the days after the issuance of the Architectic final payment to the Contractor shall be made no later than the days after the issuance of the Architectic final payment to the Contractor shall be made no later than the days after the issuance of the Architectic final payment to the Contractor shall be made no later than the days after the issuance of the Contractor shall be made no later than the days after the instance of the Contractor shall be made no later than the days after the issuance of the Contractor shall be made no later than the days after the days after

§ 5.1 The Con	IUMERATION OF CONTRACT Dract Documents are listed in A		Modifications issued	l after execution of this
Agreement, ar	e enumerated as follows:	n/a		
	reement is this executed 1997 ntractor, AIA Document A107		ed Standard Form o	f Agreement Between
§ 5.1.2 The Sup	plementary and other Conditi ,	ons of the Contract are than are as follows:	hose contained in th	e Project Manual dated
Document		Title		Pages
	•	n/a		
	· ·			•
	cifications are those contained Specifications here or refer to			.1.2, and are as follows
Section		Ťide		Pages
	SEE AT	TACHED EXHIBIT "	A "	
	·			
zbowa bolow:	wingscare xx tolkxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx		greement.)	THE STATES OF TH
Number		Title 💮		Pages
Architectu of work sh	cal and Site engineer own on these crawings	ced drawings are will become a p	included in teart of this	this Contract All items
deviate fr	m the specified line nary site plan show	items contained	in Exhibits	"A" and "B", as well as
rue hterrun	mary Site prantishow			

§ 5.1.5 The Addenda, if any, are as follows:

Number

Date

Pages

N/A

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 5.

§ 5.1.6 Other documents, if any, forming part of the Contract Documents are as follows: (List any additional documents which are intended to form part of the Contract Documents.)

SEE ATTACHED EXHIBIT "B"

GENERAL CONDITIONS ARTICLE 6 GENERAL PROVISIONS § 6.1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement with Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement. Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the individual results.

§ 6.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or sub-subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Owner and Contractor.

§ 6.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 6.4 EXECUTION OF THE CONTRACT

Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 6.5 OWNERSHIP AND USE OF ARCHITECT'S DRAWINGS, SPECIFICATIONS:AND OTHER INSTRUMENTS OF SERVICE The Drawings, Specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service through which the Work to be executed by the Contractor is described. The Contractor may retain one record set. Neither the Contractor nor any Subcontractor, subsubcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Architect or the Architect's consultants, and unless otherwise indicated the Architect and the Architect's consultants shall be deemed the authors of them and will retain all common law, statutory and other reserved rights, in addition to the copyrights. All copies of them, except the Contractor's record set, shall be returned or suitably accounted for to the Architect, on request, upon completion of the Work. The Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants, and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor, sub-subcontractor or material or equipment supplier on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants. The Contractor, Subcontractors, sub-subcontractors and material or equipment suppliers are authorized to use and reproduce applicable positions of the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' copyrights or other reserved rights.

ARTICLE 7 OWNER

§ 7.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 7.1.1 The Owner shall furnish and pay for surveys and a legal description of the site.

§ 7.1.2 The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

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§ 7.1.3 Except for printer and pay for other necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or permanent changes in existing facilities.

§ 7.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents, or persistently fails to carry out the Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof until the cause for such order is eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person of entity.

§ 7.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or persistently fails or neglects to carry out the Work in accordance with the Contract Documents, or fails to perform a provision of the Contract, the Owner, after 10 days' written notice to the Contractor and without prejudice to any other remedy the Owner may have, may make good such deficiencies and may deduct the reasonable cost thereof, including Owner's expenses and compensation for the Architect's services made necessary thereby, from the payment then or thereafter due the Contractor.

ARTICLE 8 CONTRACTOR

§ 8.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 8.1.1 Since the Contract Documents are complementary; before starting each portion of the Work, the Contractor shall carefully study and compare the various Drawings and other Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 7.1.1, shall take field measurements of any existing conditions related to that portion of the Work and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions or inconsistencies in the Contract Documents; however, any errors, omissions or inconsistencies discovered by the Contractor shall be reported promptly to the Architect as a request for information in such form as the Architect may require.

§ 8.1.2 Any design arrors or omissions noted by the Contractor during this review shall be reported promptly to the Architect, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents.

§ 8.2 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 8.2.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

§ 8.3 LABOR AND MATERIALS

§ 8.3.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 8.3.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 8.3.3 The Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions.

§ 8.3.4 The Contractor may make substitutions only with the consent of the Owner, after a business with a Change Order.

§ 8.4 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear and normal usage.

§ 8.5 TAXES

The Contractor shall pay sales, consumer, use and other similar taxes which are legally enacted when bids are received or negotiations concluded.

§ 8.6 PERMITS FEES AND NOTICES

§ 8.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other provided in the Contractor Documents, the Contractor shall secure and pay for the building permit and the Contractor shall be a secure and pay for the building permit and the Contractor shall be a secure and the

§ 8.6.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work. The Contractor shall promptly notify the Architect and Owner if the Drawings and Specifications are observed by the Contractor to be at variance therewith. If the Contractor performs Work knowing at to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the Architect and Owner, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 8.7 SUBMITTALS

§ 8.7.1 The Contractor shall review for compliance with the Contract Documents, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness. The Work shall be in accordance with approved submittals.

§ 8.7.2 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.

§ 8.8 USE OF S(TE

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 8.9 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 8.10 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. Ar completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material.

§ 8.11 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees; shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect, unless the Contractor has reason to believe that there is an infringement of patent or copyright and fails to promptly furnish such information to the Architect.

§'8.12 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 8.13 INDEMNIFICATION

§ 8.13.1 To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by the Contractor in accordance with Section 16.3, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 8.13.

§ 8.13.2 In claims against any person or entity indemnified under this Section 8.13 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 8.13.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 9 ARCHITECT'S ADMINISTRATION OF THE CONTRACT

§ 9.1 The Architect will provide administration of the Contract and will be an Owner's representative (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the one-year period for correction of Work described in Section 17.2.

§ 9.2 The Architect, as a representative of the Owner, will visit the site at intervals appropriate to the stage of the Contractor's operations (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 8.2.1.

§ 9.3 The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 9.4 Based on the Architect's evaluations of the Work and of the Contractor's Applications for Payment, the Architect will seview and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 9.5 The Architect will have authority to reject. Work that does not conform to the Contract Documents.

§ 9.6 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 9.7 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect will make initial decisions on all claims, disputes and other matters in question between the Owner and Contractor but will not be liable for results of any interpretations or decisions so rendered in good faith.

§ 9.8 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 9.9 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect Consent shall not be unreasonably withheld.

§ 9.10 CLAIMS AND DISPUTES

§ 9.10.1 Claims, disputes and other matters in question arising out of or relating to this Contract, including those alleging an error or omission by the Architect but excluding those arising under Section 15.2, shall be referred initially to the Architect for decision. Such matters, except those relating to aesthetic effect and except those waived as provided for in Section 9.11 and Sections 14.5.3 and 14.5.4, shall after mittal decision by the Architect or 30 days after submission of the matter to the Architect, be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party.

§ 9.10.2 If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by the Architect, by mediation or by arbitration.

§ 9.10.3 The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The request made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

§ 9.10.4 Claims, disputes and other matters in question arising out of or relating to the Contract that are not resolved by mediation, except matters relating to aesthetic effect and except those waived as provided for in Section 9.11 and Sections 14.5.3 and 14.5.4, shall be decided by arbitration which, unless the parties murually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Contract Documents shall include, by consolidation, joinder or in any other manner, any person or entity not a party to the Agreement under which such arbitration arises, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law, (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration, (3) the interest or responsibility of such person or entity in the matter is not insubstantial, and (4) such person or entity is not the Architect or any of the Architect's employees or consultants. The agreement herein among the parties to the Agreement and any other written agreement to arbitrate referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 9.11 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Contract. This nutual waiver includes:

- damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 19. Nothing contained in this Section 9.11 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.

ARTICLE 10 SUBCONTRACTORS

§ 10.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site.

§ 10.2 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner throughsthe workings the names of the Subcontractors for each of the principal portions of the Work. The Contractor shall not contract with any Subcontractor to whom the Owner was washingst has made reasonable and timely objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work? The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 10.3 Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by the Contract Documents, assumes toward the Owner and Architect, and (2) allow the Subcontractor the benefit of all rights, remedies and redress afforded to the Contractor by these Contract Documents.

ARTICLE 11 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 11.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to these, including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such claim as provided in Section 9.10.

§ 11.2 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's activities with theirs as required by the Contract Documents.

§ 11.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

ARTICLE 12 CHANGES IN THE WORK

§ 12.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Such changes in the Work shall be authorized by written Change Order signed by the Owner, and Contractors and the Contractors of the

§ 12.2 The cost or credit to the Owner from a change in the Work shall be determined by mutual agreement of the parties or, in the case of a Construction Change Directive, by the Contractor's cost of labor, material, equipment, and reasonable overhead and profit.

§ 12.3 The Architect will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

§ 12.4 If conceeled or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist; the Contract Sum and Contract Time shall be equitably adjusted.

ARTICLE 13 TIME

§ 13.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contract confirms that the Contract Time is a reasonable period for performing the Work.

the Certificate of Occupancy has been issued.

§ 13.2 The date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of Substantial Completion is the date continues of the date of

§ 13.3 If the Contractor is delayed at any time in the commencement or progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties or any causes beyond the Contractor's control, or by other causes which the Contractor Architect determines may justify delay, then the Contract Time shall be extended by Changes Office for such reasonable time as the processor of the Work by changes ordered in the Work by changes or the Wo

ARTICLE 14 PAYMENTS AND COMPLETION

§ 14.1 APPLICATIONS FOR PAYMENT

§ 14.1.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Experiences for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

§ 14:2-GERTIFICATES FOR PAYMENT

§ 14.2.1 The Architect with, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 14.2.3.

Application
§ 14.2.2 The issuance of accessions for Payment will constitute a representation by the Architect to the Owner, burst such accessions of the Work and the Mark accessions of the Work has progressed to the point indicated and that, to the best of the Architect Rhowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and substantial accordance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and the contract of the Contract of the Contract of Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of the Contract of Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 14.2.3 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 14.2.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 14.2.1. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may multify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 8.2.2, because of:

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor,
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the taxonaid balance of the Contract Sum;
- 5 damage to the Owner or another contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

persistent failure to carry out the Work in accordance with the Contract Documents.

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§ 14.3 PAYMENTS TO THE CONTRACTOR

§ 14.3.1 The Contractor shall promptly pay each Subcontractor, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to sub-subcontractors in similar manner.

§ 14.3.2 Neither the Owner nor Architect shall have an obligation to pay or see to the payment of money to a Subcontractor except as may otherwise be required by law.

§ 14.3.3 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 14.4 SUBSTANTIAL COMPLETION

§ 14.4.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 14.2 When the Architect determines that the Work or designated portion thereof is substantially complete, the Architect will issue a Certificate of Substantial Completion which shall establish the date of Substantial Completion, establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Desintents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion. Upon the issuance of the Certificate of Substantial Completion, the Architect will substite it to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate.

§44.5 FINAL COMPLETION AND FINAL PAYMENT

§ 14.5.1 Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be the Contractor and noted in the final Certificate is due and payeble. The Architect's final Certificate for Payment will constitute a further representation that conditions stated in Section 14.5.2 as precedent to the Contractor's being entitled to final-payment have been fulfilled.

§ 14.5.2 Final payment shall not become due until the Contractor has delivered to the Owner a complete release of all liens arising out of this Contract successive full-socreties all labors contestions and successive full-socreties full-socreties and successive full-socreties and successive full-socreties full-socreties and successive full-socreties full-socreties and successive full-socreties full-socreties and successive full-socreties full-socreties and successive full-socreties full-socreties

§ 14.5.3 The making of final payment shall constitute a waiver of claims by the Owner except those arising from:

- .1 liens, claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 | failure of the Work to comply with the requirements of the Contract Documents; or
- .3 terms of special warranties required by the Contract Documents.

§ 14.5.4 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 15 PROTECTION OF PERSONS AND PROPERTY § 15.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- .1 employees on the Work and other persons who may be affected thereby;
- 2 the Work and materials and equipment to be incorporated therein; and
- .3 other property at the site or adjacent thereto.

The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 15.1.2 and 15.1.3, except for damage or loss attributable to acts or omissions of the Owner or Architect or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 8.13.

§ 15.2 HAZARDOUS MATERIALS

§ 15.2.1 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Katakitantin waiting. When the material or substance has been rundered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. The Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shutdown, delay and start-up, which adjustments shall be accomplished as provided in Article 12 of this Agreement.

§ 15.2.2 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the V/ork in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 15.2.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), and provided that such damage, loss or expense is not due to the sole negligence of a party seeking indemnity.

§ 15.2.3 If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

ARTICLE 16 INSURANCE

§ 16.2 OWNER'S LIAEILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

§ 16.3 PROJECT MANAGEMENT PROTECTIVE LIABILITY INSURANCE

§ 16.3.1 Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vications liability for construction operations under the Contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage, and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability insurance under Section 16.1.

§ 16.3.2 To the extent damages are covered by Project Management Protective Liability insurance, the Owner, Contractor and Architect waive all rights against each other for damages, except such rights as they may have to the proceeds of such insurance. The policy shall provide for such waivers of subrogation by endorsement or otherwise.

§ 16.3.3 The Owner shall not require the Contractor to include the Owner, Architect or other persons or entities as additional insureds on the Contractor's Liability insurance under Section 16.1.

§ 16.4 PROPERTY INSURANCE

§ 16.4.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance on an "all-risk" policy form, including builder's risk, in the amount of the initial Contract Sum, plus the value of subsequent modifications and cost of materials supplied and installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 14.5 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 16.4 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and subsubcontractors in the Project.

§ 16.4.2 The Owner shall file a copy of each policy with the Contractor before an exposure to loss may occur. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

§ 16.5 WAIVERS OF SUBROGATION

§ 16.5.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, subsubcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 11, if any, and any of their subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Section 16.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 11, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 16.5.2 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgaged clause. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their sub-subcontractors in similar manner.

ARTICLE 17 CORRECTION OF WORK

§ 17.1 The Contractor shall promptly correct Work rejected by the characteristics failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and

inspections and compensation for the Property of the Analysis and the Recessary thereby, shall be at the Contractor's expense.

§ 17.2 In addition to the Contractor's obligations under Section 8.4, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 14.4.2, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty.

§ 17.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 7.3.

§ 17.4 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

§ 17.5 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Article 17.

ARTICLE 18 MISCELLANEOUS PROVISIONS § 18.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract without written consent of the other.

§ 18.2 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

§ 18.3 TESTS AND INSPECTIONS

Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor testes and inspections are to be another testes and inspections are to be another the Contractor testes and inspections are to be another the Contractor and the Co

§ 18.4 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

As between Owner and Contractor, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued:

- .1 not later than the date of Substantial Completion for acts or failures to act occurring prior to the relevant date of Substantial Completion;
- not later than the date of issuance of the final Certificate for Payment for acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to the issuance of the final Certificate for Payment; and
- not later than the date of the relevant act or failure to act by the Contractor for acts or failures to act occurring after the date of the final Certificate for Payment.

ARTICLE 19 TERMINATION OF THE CONTRACT § 19.1 TERMINATION BY THE CONTRACTOR

With the Contractor, or if the Owner fails to make payment thereon for a period of 30 days, the Contractor may, aparts contractor may apart contractor may be contracted and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including reasonable overhead, profit and damages applicable to the Project.

§ 19.2 TERMINATION BY THE OWNER

§ 19.2.1 The Owner may terminate the Contract if the Contractor:

- .1 persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 19.2.2 When any of the above reasons exists, the Owner, upon certification by the Architect that sufficient cause exists to justify such action, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 19.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 19.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 19.2.4 If the impaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect, upon application, and this obligation for payment shall survive termination of the Contract.

ARTICLE 20 OTHER CONDITIONS OF PROVISIONS

ITEMS NOT INCLUDED IN CONTRACT:

Water and sewer tap/capacity fees; water/irrigation meter fees; any costs related to Town of HH approval fees, except building permit cost; phone, computer, security systems; fire sprinkler system, if required; any fire hydrant work, if required; signage; landscaping; tree mitigation; special inspections as required by the Town of HH; and any other items of work not specifically mentioned in this Contract document.

*This Contract is based upon a fixed price of \$620,000.00 for all items of work described in this document. However, any additional costs that may be incurred resulting from special requirements of the building department or site engineering changes, as required by the engineer or Town, will be paid by Owner. (Examples: flood elevation certificate; foundation survey; as-built survey)

Owner to carry Builder's Risk insurance on said project with proof of said insurance provided to Contractor.

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	in the second se
This Agreement entered into as of the day and year first writt	en above.
	ARNOLD BUILDING SYSTEMS, INC.
Ashell Thulu	By: Till Oliver
OWNER (Signature)	CONTRACTOR (Signature)
Downld RRyon /Ed Grisham	Kevin S. Arnold, President
(Printed name and title)	(Printed name and title)

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

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EXHIBIT "A"

HILTON HEAD AIRPORT HANGAR

ITEMS OF WORK:

Steel Building by Chief Buildings - 145' Wide x 75' Long x 32' High

Steel Building Labor

Steel Building Insulation - 4" White Vinyl

Concrete Slab - 6" Thick (10,875 sq.ft.)

Concrete Footings

Termite Pretreat

6" Concrete Apron (10' x 145')

Epoxy Coat Interior Floor with MegaSeal

Hangar Doors by Hydroswing (one 70' Wide x 27' High) (one 60' Wide x 20' High)

Plumbing for Two Bathrooms (ADA Accessible)

Heat & Air for Two Bathrooms

Electrical

Two Hour Fire Rated Assembly Walls (220 L.F.)

Painting (Drywall)

Remove and Tie Back Fence

Architectural Drawings

Engineering Drawings & Town Approvals

Building Permit Cost

Overhead & Profit

Site Work:

- *Remove Asphalt for Concrete Apron
- *Remove Existing RCP
- *Excavate, Fill, and Reconfigure Existing Pond
- *Install Two Storm Water Junction Boxes and New 18" RCP into Existing Pond with Rip Rap
- *Install Two 1" Service Laterals from Owner Supplied Water Meter
- *Directionally Bore New 6" Sewer into Existing Manhole
- *SEE ATTACHMENT "C" SITE WORK ESTIMATES BASED ON PRELIMINARY SITE SKETCHES PROVIDED BY OWNER.

EXHIBIT "B" Page Two

BATHROOMS:

- A. Both meet ADA requirements
- B. Steel stud construction
- C. Sheetrock walls and ceilings
- D. Instant hot water heater
- E. Mirrors
- F. 4" vinyl cove base
- G. Storage above ceiling

EPOXY FLOOR - PPG PROTECTIVE & MARINE COATINGS

- A. Acid wash
- B. Prime coat
- C. Top coat
- D. Concrete to cure for at least 28 days
- E. Color selection by Owner

EXTERIOR FIREWALLS - TWO HOUR RATED

- A. 75' of side wall
- B. 145' of end wall
- C. Steel stud framing
- D 5/8" sheetrock two layers each side
- E Painted

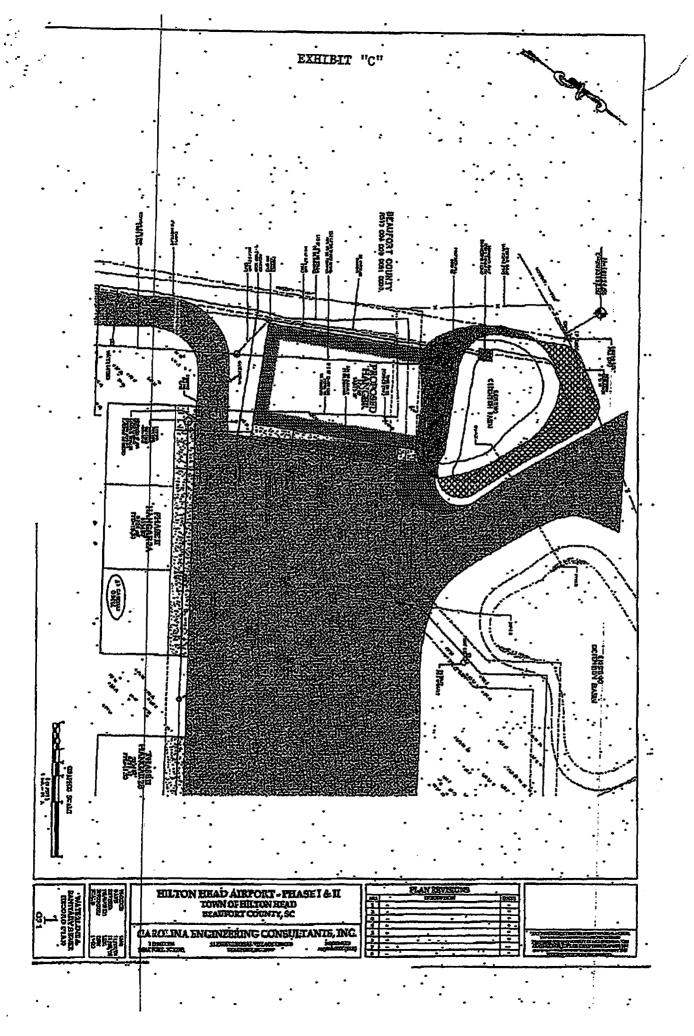


Exhibit "F"

Signature Flight Support Corporation Requirements

ENVIRONMENTAL PROTECTION PROCEDURES

ENVIRONMENTAL ASSESSMENT

- 1. Environmental Protection Procedures - Sublessee shall conduct its operations to meet or exceed requirements set forth in applicable Authority local, state, and federal laws and in accordance with safe and proper industry practices in order to prevent environmental accidents. Such practices include but are not limited to the following:
 - a. Sublessee shall provide Signature copies of Material Safety Data Sheets for each and every Regulated Substance used or stored on the Leased Premises stating the name, location, description, and quantify of any Regulated Substance in, on, or at the Leased Premises:
 - b. Sublessee shall provide Signature written notice and copies of documents verifying that Sublessee has removed and disposed of any and all Regulated Substance safely, properly, and in a manner which meets or exceeds applicable law;
 - c. Sublessee shall not wash or clean its equipment, including, but not limited to aircraft on the Leased Premises. Sublessee shall at all times protect the drain from spills of Regulated Substances and agrees to instruct all its employees, agents, servants, contractors, subcontractors, invitees, and other representatives in writing regarding such requirement and the proper operation and maintenance of this drainage system:
 - d. Sublessee shall not place or maintain open containers outside the Hangar during inclement weather:
 - Sublessee shall cover any and all trash containers placed or maintained outside the

	e.	Hangar.
		Initial here
Dated:		

Exhibit G Lease and Operating Agreement – Addendum 5

STATE OF SOUTH CAROLINA)	LEASE AND OPERATING
)	AGREEMENT ADDENDUM 5
COUNTY OF BEAUFORT)	

August

This Addendum, entered into this 12.1 day of 12.2 and of 12.2 and

WITNESSETH:

WHEREAS, the Beaufort County Council is duly empowered to operate, manage and control the Hilton Head Island Airport and all facilities located thereon under the authority of Chapter 6 of the Code of Ordinances of Beaufort County; and

WHEREAS, Signature is an experienced provider of general and commercial aviation services.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and conditions set forth hereafter, the parties do hereby agree to add this Addendum 5 to the existing Lease to permit Signature's exercise of an option to lease additional unimproved property for construction and operation of two aircraft storage hangars in accordance with Paragraph 3.16 of the Lease as follows:

- 1. That Signature hereby agrees to lease unimproved property from County located at Hilton Head Airport, being shown and depicted as Plot 1, containing 7,594 square feet, and Plot 2, containing 8,719 square feet, on a drawing prepared by Carolina Engineering Consultants as depicted on **Exhibits "A" and "B"**, attached hereto and made part hereof.
- 2. The ground rental rate shall be \$0.1248 per square foot in addition to those rents and fees payable pursuant to 3.1.3, 3.1.4 and 3.1.5 of the Lease, beginning on the date of the execution of this Addendum. Beginning January 1, 2012 and every two (2) years thereafter, the ground rental rate may increase no more than five (5%) percent over the previous two (2) year period rate.
- 3. Rent shall be payable in accordance with Paragraph 3.1.2 of the Lease.
- 4. As additional consideration to Beaufort County for Signature's Lease of additional Property, Signature agrees to build or cause to be built two aircraft storage hangars on the subject property in accordance with the attached contract for construction, attached hereto and made a part hereof as **Exhibit "C"**.

- 5. Signature will prepare a letter of assurance to County indicating that they have obtained the proper performance and/or construction bond in connection with the construction of the hangars.
- 6. The parties hereto agree that the construction of the subject aircraft storage hangars will be governed by all terms and conditions of the Lease, including, but not be limited to, Paragraph 5 of the Lease addressing requirements of capital improvements made on the subject property.
- 7. All other terms and conditions not impacted by this Addendum 5 of the Lease remain in effect.

IN WITNESS WHEREOF, the parties have caused this Addendum 5 of be executed by its duly authorized officers in duplicate originals, one of which is to be retained by each of the parties on the day and year first above written.

WITNESSES:

BEAUFORT COUNTY COUNCIL

3y:_____

Gary Kubic, County Administrator

Date:

WITNESSES:

SIGNATURE FLIGHT SUPPORT CORPORATION

By: man

Name: MARIA A. SASTRE

Title: VICE PRESIDENT

Date: 8/12/11

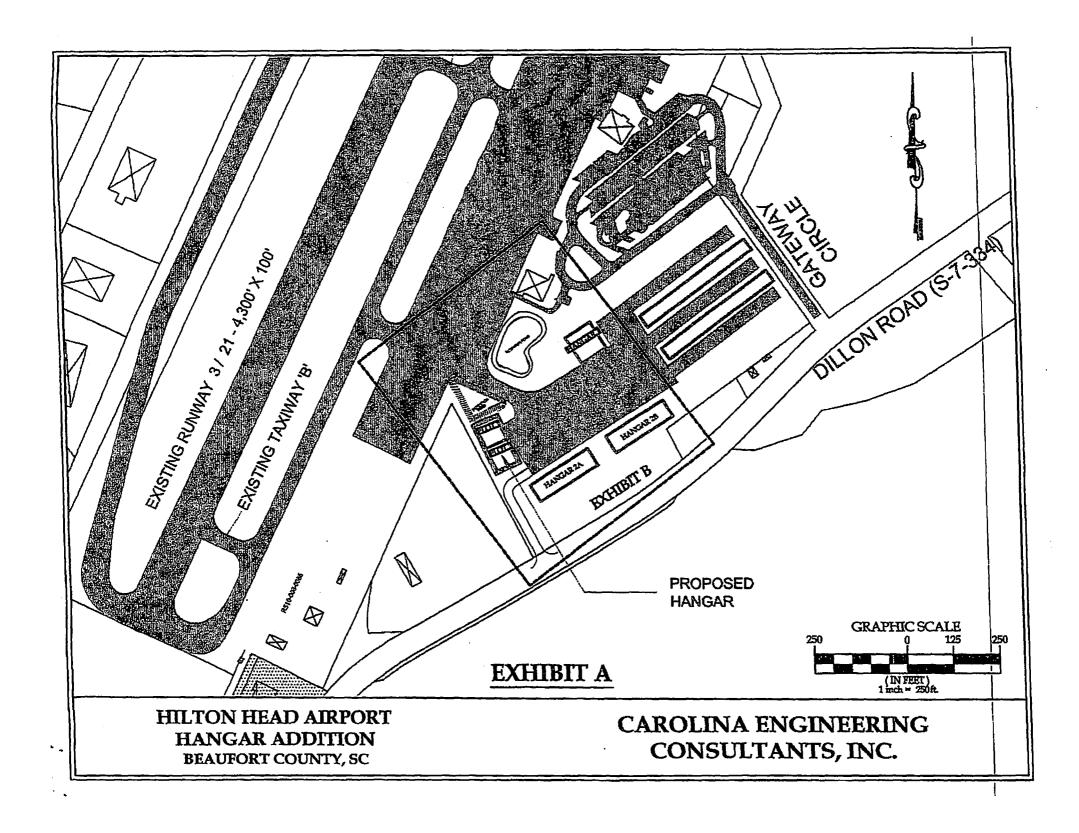
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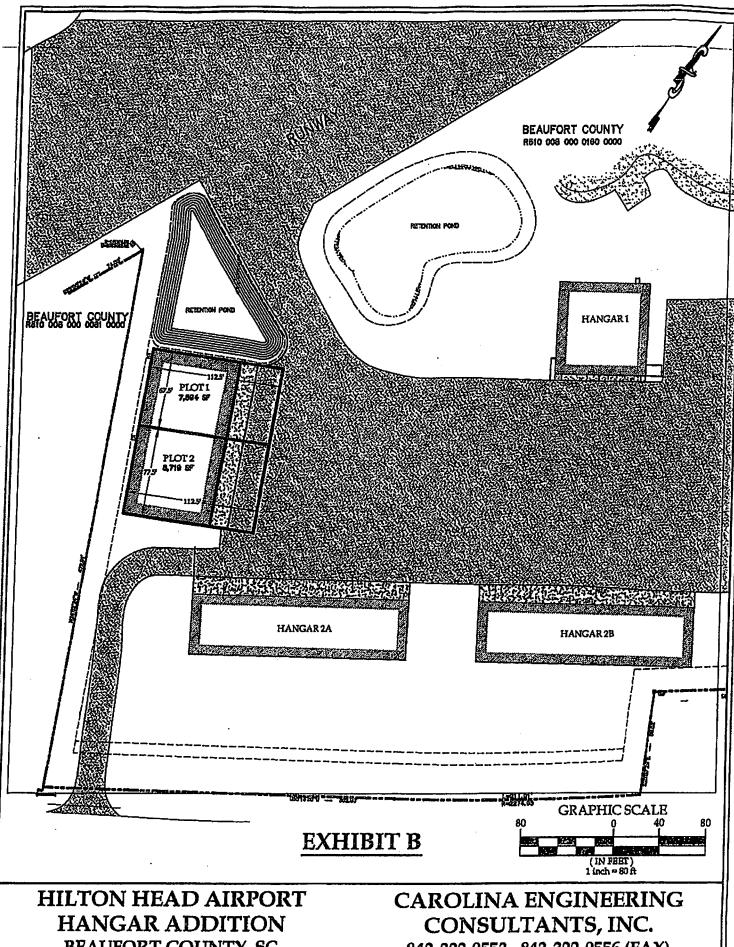
LEGAL DEPT.

EXHIBIT "A"

PROPERTY

All that certain parcel of land being situated in the Town of Hilton Head Island, County of Beaufort, State of South Carolina containing 16,313 square feet, more or less, and being shown as Plot 1, containing 7,594 square feet, and Plot 2, containing 8,719 square feet, Hilton Head Airport, Hilton Head Island, Beaufort County, South Carolina, on a drawing prepared by Carolina Engineering Consultants, a copy of said plat being attached hereto.





BEAUFORT COUNTY, SC

843-322-0553 843-322-0556 (FAX)