

**ATTACHMENT B**  
**CURRENT FBO LEASE**

**LEASE AGREEMENT**

**BETWEEN**

**ROANOKE REGIONAL AIRPORT COMMISSION**

**AND**

**PIEDMONT HAWTHORNE AVIATION, LLC D.B.A.  
LANDMARK AVIATION**

**January 1, 2011**



**TABLE OF CONTENTS**

	<b><u>PAGE NUMBERS</u></b>
<b>ARTICLE 1 - LEASED PREMISES</b>	<b>5</b>
<b>ARTICLE 2 - USE OF PREMISES</b>	<b>5</b>
<b>ARTICLE 3 - TERM</b>	<b>8</b>
<b>ARTICLE 4 - RENTAL AND FEES</b>	<b>9</b>
<b>ARTICLE 5 - OBLIGATIONS AND DUTIES OF LESSEE</b>	<b>11</b>
<b>ARTICLE 6 - SECURE AREAS (AOA)</b>	<b>15</b>
<b>ARTICLE 7 - COSTS AND UTILITIES</b>	<b>17</b>
<b>ARTICLE 8 - MAINTENANCE</b>	<b>17</b>
<b>ARTICLE 9 - IMPROVEMENTS</b>	<b>19</b>
<b>ARTICLE 10 - DAMAGE OR DESTRUCTION OF PREMISES</b>	<b>25</b>
<b>ARTICLE 11 - INDEMNIFICATION AND INSURANCE</b>	<b>26</b>
<b>ARTICLE 12 - ENVIRONMENTAL COMPLIANCE</b>	<b>30</b>
<b>ARTICLE 13 - SIGNS</b>	<b>31</b>
<b>ARTICLE 14 - TAXES AND LICENSE FEES</b>	<b>31</b>
<b>ARTICLE 15 - RESERVATION OF RIGHTS</b>	<b>32</b>
<b>ARTICLE 16 - ASSIGNMENT, SUBLETTING &amp; APPROVAL OF OWNERSHIP</b>	<b>34</b>
<b>ARTICLE 17 - TERMINATION BY LESSEE</b>	<b>34</b>
<b>ARTICLE 18 - TERMINATION BY COMMISSION</b>	<b>35</b>
<b>ARTICLE 19 - INDEPENDENT CONTRACTOR</b>	<b>36</b>



10

<b>ARTICLE 20 - SERVICES BY AIRCRAFT OWNER</b>	<b>37</b>
<b>ARTICLE 21 - GOVERNMENTAL AGREEMENTS</b>	<b>37</b>
<b>ARTICLE 22 - ASSURANCES REQUIRED BY STATE &amp; FEDERAL GOVERNMENTS</b>	<b>37</b>
<b>ARTICLE 23 - NOTICES</b>	<b>39</b>
<b>ARTICLE 24 - MISCELLANEOUS PROVISIONS</b>	<b>39</b>
<b>ARTICLE 25 - NONEXCLUSIVE RIGHT</b>	<b>40</b>
<b>ARTICLE 26 - FORMER LEASES TERMINATED</b>	<b>40</b>

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**BETWEEN**  
**ROANOKE REGIONAL AIRPORT COMMISSION**  
**AND**  
**PIEDMONT HAWTHORNE AVIATION, LLC**  
**D.B.A. LANDMARK AVIATION**

THIS LEASE AGREEMENT ("Lease" or "Agreement"), made and effective as of the 1<sup>st</sup> day of January, 2011, by and between the Roanoke Regional Airport Commission, a body corporate (hereinafter called "Commission") acting as owner and operator of the Roanoke Regional Airport ("Airport") pursuant to Resolution No.23-072010, adopted July 20, 2010, and Piedmont Hawthorne Aviation, LLC d.b.a. Landmark Aviation, as successor lessee to Piedmont Aviation Services, Inc. (hereinafter referred to as "Lessee"), a LLC organized and existing under the laws of the state of Virginia.

**WITNESSETH THAT:**

WHEREAS, the parties have previously entered into an FBO lease agreement dated March 1, 1975, as amended, modified, assigned, extended, or superseded, including agreements dated January 5, 1976, August 15, 1977, December 20, 1989, July 13, 1992, October 17, 2001; and

WHEREAS, the parties replaced in toto the amended FBO Lease and extended the term of Lessee tenancy through the execution of Lease Agreement dated December 1, 2001, which Lease was amended on August 22, 2005, October 11, 2005 and May 21, 2009 (" FBO Lease") the term of which Lease expires as of midnight on November 30, 2011; and,

WHEREAS, the Lessee has filed an application to do business pursuant to Section 4-42 of the Commission's FBO Minimum Standards, in which application Lessee requested a ten year extension of the FBO lease; and

Whereas, in response to Lessee's application, the Commission's Executive Director recommended that the Commission accept Lessee's application in general, with additional terms and conditions to be negotiated; and

WHEREAS, the parties desire to establish herein in toto new terms and conditions for a new Lease and to cancel and terminate in its entirety the Lease Agreement dated December 1, 2001 upon the effective date of this Lease.

NOW, THEREFORE, Commission, and Lessee, for and in consideration of the premises and mutual covenants contained in this Agreement, do hereby covenant and agree as follows:

## ARTICLE 1 - LEASED PREMISES

- 1.1. Leased Premises. Commission hereby leases to Lessee, and Lessee hereby accepts from Commission as tenant, approximately 493,600 square feet of space and identified as Areas 1, 2, 3, 4, and 4A and Hangar Building #29 on the preliminary plat attached hereto and made a part hereof as "Schedule A" (hereinafter referred to as the "Leased Premises" or "Premises"), it being noted that Hangar Building #29 is the only building located on the Leased Premises that is owned by the Commission, and that Lease Area 5 on Schedule A is not being leased to Lessee. Commission and Lessee agree that a final metes and bounds survey and plat of the Leased Premises based on Schedule A, including exact square footage measurements as surveyed, may be prepared by Commission and incorporated into this Lease Agreement as "Final Schedule A."
- 1.2. Condition of Leased Premises. Lessee acknowledges that it has previously occupied and/or inspected the Leased Premises and shall accept all of the Leased Premises at the commencement of the Lease Term in its present "as-is" condition.
- 1.3. Premises subject to easements. The grant of the Premises shall be subject to any and all existing and future easements and permits, recorded and unrecorded, for public or private roads, highways and taxiways, public utilities, sewer mains and lines and pipelines. The Commission reserves to itself and others the right of ingress to, from and over such easements on the Premises for the use, repair, maintenance and preservation of such roads, highways, taxiways, utilities and sewer lines; provided, however, that the Commission shall not unreasonably interfere with Lessee's use of the Premises in exercising such right.
- 1.4. Management of Additional Facilities. Subject to the written Agreement of the parties regarding the scope of services to be offered, the Executive Director may request Lessee to manage on a monthly basis any Commission owned hangars not otherwise leased to an individual or entity, provided that the hangar rates to be paid by aircraft owners/operators shall be set by and remitted to the Commission, and Landmark's management services shall be at no cost to Commission

## ARTICLE 2 - USE OF PREMISES

- 2.1. Use of Premises. The Leased Premises shall be used to operate and conduct a general fixed base operation and business and to provide other related services as are required or permitted in this Agreement and for no other purpose.
- 2.2. Services Subject to Applicable Requirements. In conducting any FBO or other services on or from the Leased Premises, Lessee shall at all times comply with all applicable FAA and Commission operational, space, minimum aircraft, and other standards and requirements,



including, without limitation, the Commission's FBO Minimum Standards (Resolution 88-026, as amended), as they now exist or hereinafter may be modified.

- 2.3 Required General Aviation Services. Lessee shall be required to provide all of the following general aviation services:
- A. Parking, tie-down, and storage for itinerant general aviation aircraft, which are aircraft not based at the Airport;
  - B. Provision and sale of avgas, jet fuel, and other aviation petroleum products available 24 hours per day, seven days per week;
  - C. Terminal operations and services staffed and available 24 hours per day, seven days per week;
  - D. Engine and accessory maintenance and repair of general aviation aircraft; and
  - E. Aircraft radio and instrument sales, services, and repairs.
- 2.4 Permitted General Aviation Services. Lessee shall not be required, but shall use its best efforts to provide one or more of the following general aviation services:
- A. Air taxi and charter;
  - B. Flight school; and
  - C. Rental of aircraft to licensed pilots.
- 2.5 Permitted Services Upon Certain Conditions. Lessee shall be permitted, but not required, to provide one or more of the following services if Lessee has been contracted to do so by an aviation user or tenant of the Roanoke Regional Airport which is authorized by the Commission to contract for such services, and either Lessee has adequate space within its Leased Premises to provide such services or space for the provision of such services has been made available at the applicable fee by Commission or its tenant airline:
- A. Maintenance of ground support equipment;
  - B. Above and/or below wing ground handling and fueling of scheduled passenger carriers;
  - C. Ground handling, fueling, and cargo handling of scheduled cargo carriers;

- D. Above and/or below wing ground handling, luggage handling, cargo handling and fueling of charter aircraft, so long as Lessee pays or ensures that the charter operator pays all required Commission rentals and fees;
  - E. "On-Call" maintenance and repair for scheduled cargo and large passenger aircraft;
  - F. Fueling of military aircraft; and
  - G. AVGAS Self-fueling services
- 2.6 Prohibited Services and Activities. Lessee shall not engage in any of the following services or activities which are strictly prohibited:
- A. Banner towing;
  - B. Skydiving;
  - C. Aerial spraying;
  - D. Aerial photography; or
  - E. Ultra-light operations.
- 2.7 Grades and Utilities: Lessee shall make no changes in the land grade or level of the Leased Premises, or to utility lines, which will affect the Leased Premises or any abutting or other airport property without the written consent of the Executive Director. No utility company may enter the Leased Premises or any adjoining area at Lessee's request to run any utility line or service unless it has the specific approval of the Commission as evidenced by a properly executed and recorded utility easement.
- 2.8 Animals: With the exception of seeing-eye dogs, animals are not permitted in or on the hangars, landing areas, ramp areas, aircraft parking and storage areas and gasoline storage areas of the Airport except for shipment by air, or while leashed or otherwise confined in route to an aircraft.
- 2.9 Explosives: Lessee expressly covenants and agrees that there shall be no blasting, use or storage of explosives by it of any type at any time on the Leased Premises or on Airport property.
- 2.10 Housing: Lessee shall not permit any person to use a hangar or other building as a permanent or temporary residence or housing.

- 2.13 Electronic and Radio Interference: Lessee and its subtenants shall not emit electrical, electronic, or radio emissions which will interfere, obstruct, or adversely affect the operation of air navigation aids or airport radio communications.
- 2.14 Use of Common Facilities: Commission grants Lessee and its subtenants the right in common with others to use the public portions of the Airport, subject to all applicable regulations and policies as they now exist or hereafter may be amended.
- 2.14 Ingress and Egress. Subject to the applicable badging and escort requirements and unanticipated interruption or mechanical breakdown of Commission's security program or equipment, the Lessee shall have reasonable rights of ingress and egress from its Leased Premises over Airport roadways, including common use roadways. Such rights of ingress or egress shall apply to the Lessee's employees, guests, patrons, invitees, subtenants, suppliers and other authorized individuals. The rights of ingress and egress likewise apply to the transport of equipment, material, machinery and other property. In the event that such ingress and egress adversely impacts Airport operations in the opinion of the Commission, the Commission shall have the right to establish reasonable hours for such ingress and egress.
- 2.15 Sale of AVGAS. Unless Lessee shall determine to and shall provide a self-fueling area for the sale of AVGAS, it shall offer to all general aviation aircraft based at ROA a discount of \$0.50 per gallon off its published sales price for AVGAS.

### ARTICLE 3 - TERM

- 3.1. Term. The term of this Lease shall be for a period of eleven (11) years commencing at 12:01 a.m. January 1, 2011, and expiring at midnight on November 30, 2021 ("Term") unless earlier terminated or cancelled, in whole or part, pursuant to the provisions of this Lease. However, in the event that the Commission desires to seek bids/proposals for a Full Service FBO Lease, including development and construction of facilities by Commission and/or an FBO Lessee in the area near the air traffic control tower which is specified in the 2008 Master Plan Update for FBO development and operation, then the Commission may terminate the Lease, effective anytime during the final two years of the Term, upon one year's prior written notice.
- 3.2 Surrender of Premises. Upon written notice from the Commission to vacate the Leased Premises, Lessee covenants and agrees to yield and deliver peaceably to the Commission possession of the Leased Premises and the facilities attached thereto, on the date of cessation of this Lease, whether such cessation be by termination, expiration or otherwise, promptly and in good condition, reasonable wear and tear damage excepted.
- 3.3. Holding Over. In the event Lessee shall hold over and remain in possession of the Premises

after the expiration of the Term, without any written renewal thereof and without written notice from the Commission to vacate, such holding over shall not be deemed to operate as a renewal or extension of this Lease, but shall create a tenancy from month to month, which may be terminated by either party at any time upon thirty (30) days written notice. All provisions of this Lease, except those pertaining to the term, shall apply during the month to month tenancy, provided that upon thirty (30) days written notice the Commission may increase the rent to be paid by Lessee.

- 3.4. Removal of Lessee's Property. Upon Lessee's written request and the express written consent of the Executive Director, for a period of up to sixty (60) days after expiration or any earlier termination of this Agreement, and for which period Lessee shall pay rent, Lessee shall forthwith, and at its own expense, remove all its personal property, equipment, devices, and appurtenances thereto and any other portions of the facility or its structural components which are readily removable without damaging the Premises, provided, however, that no hangars, buildings, installed or extended utility lines or facilities, or any other structure or appurtenances permanently affixed or not removable without damaging the Premises shall be removed there from unless Lessee is directed to do so by the Commission. Any damage incurred to the Premises on account of removal by Lessee of any item or portion of the facility or appurtenances thereto shall be promptly repaired by Lessee at its own expense during said period of up to sixty (60) day and the Premises shall be restored to the condition in which it was received by Lessee at the commencement of this Agreement, or as it was improved thereafter. If another operator requires the use of part or all of the Premises during such period after the termination or expiration of Lessee's Term, then the Executive Director may refuse or modify Lessee's request and Lessee must vacate and repair the premises within the time then specified by the Executive Director.

#### ARTICLE 4 - RENTAL AND FEES

- 4.1 A. Annual Rental for Areas 1, 2, 3, 4, 4A, and Hangar #29. During the first three years of the Term, for the privilege of leasing Areas 1, 2, 3, 4, and 4A of the Leased Premises, under the terms and conditions herein set forth, Lessee shall pay an annual rental of thirty-six cents (\$ 00.36) per square foot of Leased Premises, whether the area is developed or undeveloped, as shown on the Schedule A as approximately 479,600 sq. ft., and as such square footage may be modified by the Final Schedule A. During the first three years of the Term, for the privilege of leasing Hangar #29, Lessee shall pay an annual rental of \$146,484.00.

Thereafter, the annual rental for both the leased land areas and Hangar #29 shall be adjusted every three years on December 1, such adjustment to be based on the percentage change in the Consumer Price Index for all Urban Consumers (CPI-U), All Items, U.S. City Average applicable in September of the calendar years being compared, provided that in no event shall the rental payable for any succeeding

three year period be less than the rental paid during the previous three year period.

- B. Payment. Annual rental payments shall be paid monthly in twelve equal monthly installments, in advance, by check made payable to the Roanoke Regional Airport Commission and received no later than the 10th day of the month in the Commission's Office of the Director of Finance and Administration.

4.2 Fuel and Oil Fees: Monthly Lessee shall pay the following fees for the purchase or acceptance of petroleum products, whether such products are acquired for sale or into plane distribution to other aircraft operators:

- A. Aviation oil purchased for sale or distribution: \$.15 per gallon;
- B. Aviation or jet fuel purchased or accepted for sale and/or dispensing into an aircraft (pursuant to a buy back arrangement) during the calendar year:
  - i. \$.04 per gallon for the first 500,000 gallons;
  - ii. \$.045 per gallon for all gallons over 500,000 up to 750,000 gallons;
  - iii. \$.05 per gallon for all gallons over 750,000 up to 1,000,000 gallons; and,
  - iv. \$.055 per gallon for all gallons over 1,000,000 gallons.

In the event that Commission shall enter a contract with one or more scheduled passenger and/or cargo carriers which prohibits the Commission from collecting a fuel flowage fee from such carriers, then Commission shall so inform Lessee and Lessee shall not be required to collect or pay such fee for such carriers.

4.3 Landing Fees. Lessee shall collect and pay to Commission seventy-five percent (75%) of the landing fee assessed by the Commission pursuant to its schedule of rates and charges for general aviation aircraft using Lessee's premises. Lessee shall collect and pay to Commission one hundred percent (100%) of the landing fees assessed by the Commission pursuant to its schedule of rates and charges for large charter aircraft handled by Lessee on or off the Leased Premises.

4.4. Other Fees. Lessee shall also be responsible for payment of all other current or future Commission fees, charges and assessments which are applicable to Lessee's operations at the Airport or Lessee's use of space/facilities outside its Leased Premises. Such fees may include airport use fees, passenger facility charges, seat fees, per use fees, ramp fees, gate fees or other such fees, charges or assessments currently imposed or which may be apply in the future to Lessee in common with other providers of FBO services.

4.5. Late Fee. Lessor shall be entitled to assess a late payment charge of one and one-half percent (1.5%), eighteen percent (18%) annual percentage rate, per month or portion

thereof on any rental amounts, additional amounts or rental fees that are not paid when due.

4.6 Performance Guarantee.

- A. Required. Lessee shall provide and maintain a lease performance guarantee for all its obligations hereunder, in form satisfactory to the Commission in its reasonable discretion. The performance guarantee shall be in an amount equal to forty-two percent (42%) of the annual rental for Hangar #29 plus forty-two percent (42%) of the annual land Area rental due for each year of the Term. This performance guarantee shall guarantee the full and faithful performance by Lessee of all of Lessee's obligations, requirements, terms, and conditions under this Agreement and shall be subject to claim in full or in part by the Commission in the event of any failure to perform or default by Lessee. The Lessee shall ensure that the performance guarantee is maintained at all times in the proper amount throughout the period required by Commission.
- B. Form of Guarantee. The performance guarantee, at the option of the Lessee, may be an irrevocable letter of credit from a bank rated A- or better by Sheshunoff Information Services and approved as to form by Commission's General Counsel, or a performance bond, issued by an insurance company acceptable to the Commission, on a form provided by Commission. (An example of an acceptable Form is included herein as Schedule B).
- C. Certificate of Renewal. At least forty-five (45) days prior to the expiration date on which any such surety guarantee expires, Lessee shall file with the Executive Director a renewal or replacement guarantee. If a bond is used, it shall be submitted in the form as hereto attached.
- D. Maintenance of Guarantee. If the Lessee fails to provide or maintain the performance guarantee in effect at any time required by Commission, the Lessee shall be in default and the Agreement may be terminated by the Commission.

**ARTICLE 5 - OBLIGATIONS AND DUTIES OF LESSEE**

5.1. Compliance with Laws, Rules and Regulations.

- A. State, Federal, Local and Commission Laws: In Lessee's exercise of the privileges granted herein, Lessee, its officers, agents, employees, guests, invitees, contractors, sublessees and any other persons over whom Lessee has control shall observe, obey and comply fully at Lessee's own expense with all present and future laws of the City, Federal, State and other local governmental bodies having jurisdiction over the

Airport, the Leased Premises or operations at the Airport; all rules, regulations and orders promulgated thereunder; and all rules, regulations, resolutions and directives of the Commission or Executive Director, applicable to or affecting directly or indirectly Lessee or its operations and activities on or in connection with the Premises at the Airport. In particular, Lessee shall without limitation at all times comply with all applicable FAA, TSA and EPA regulations, orders and directives, and Lessee shall obtain all necessary FAA, TSA and EPA approvals whenever necessary in the operation of the facility. This Lease is expressly made subject to all such present and future laws, ordinances, rules and regulations.

Lessee also specifically agrees to comply and require its sub-lessees to comply with the Regulation governing fixed base operations (Resolution No. 88-026 adopted September 26, 1988, as amended), as such resolution now exists or may hereafter be modified, and with any additional rules and regulations adopted by the Commission applicable to Lessee's operations or to Lessee, its officers, agents, employees, guests, invitees, subcontractors, sublessees and any other person over whom Lessee has control.

- B. Safety Regulations: Lessee, its officers, agents, employees, guests, invitees, contractors, sublessees and any other persons over whom Lessee has control shall comply with all applicable fire and OSHA rules, regulations, resolutions, and with rules, regulations and directives of the Commission or the Executive Director currently in effect or as may be issued from time to time in the interests of protecting health, safety, sanitation, and good order on or about the Premises or elsewhere at the Airport. Unless specifically changed by the Commission or Executive Director, or applicable law, such safety regulations shall include, but not be limited to the following:
- i.) Fueling - Any authorized fueling shall occur at least fifty feet from any hangar or other building and in areas away from storm sewer inlets, in addition, refueling units, when not in use, shall be stored or parked in the fuel truck parking area (Leased Area #4A).
  - ii.) Fires - Lessee shall not permit fires or open flames, nor any smoking or carrying of lighted cigars, cigarettes, pipes, matches, etc. in any fuel storage area, hangar or aircraft parking area.
  - iii.) Painting of Aircraft - Lessee shall not paint nor permit others to paint aircraft inside Lessee's hangars.
  - iv.) Flammables - Lessee shall not store nor permit others to store any flammable liquids, gasses or other similar materials in Lessee's hangars except in rooms

or areas specifically approved by the Fire Marshall for such storage.

- C. Licenses and Other Authorizations: Lessee shall procure from all government authorities having jurisdiction over the operations of Lessee at the Airport or elsewhere, and maintain in effect at all times during the term of this Lease, all licenses, certificates, permits, or other authorizations which may be necessary to conduct its operations or any activity authorized by the terms hereof. Lessee shall provide proof of the existence of such authorization(s) to the Executive Director upon request.
  - D. Security Requirements: Lessee, its agents, employees, subtenants and contractors shall comply with applicable portions of Federal Security Regulations and the Commission's Airport Security Program, and Lessee shall install and maintain such locks, readers, doors, gates, dividers, intercom systems, guards, etc. as are necessary to ensure such compliance. Additional security requirements are contained in Article 6 below.
  - E. Fines and Penalties: Lessee shall pay all costs, expenses, claims, fines, penalties and damages that may in any manner arise out of or be imposed by any governmental authority because of Lessee's failure to comply with Paragraphs A., B., C., D. and E. above, and in any event agrees to defend, indemnify, and hold the Commission harmless against all claims, actions, damages, costs, penalties, fines and liability with reference to the same. The Commission and Lessee each agree to attempt to promptly give notice to the other of any notice of violation, warning, summons or legal process received by either party for enforcement of any such law, ordinances, rules, regulations or orders.
  - G. Subordination of Lease. This Lease is subordinate to the provisions of any existing or future agreements between the Commission and the United States Government, the Commonwealth of Virginia or any agencies of either relative to the operation, funding or maintenance of the Airport.
  - H. Compliance with Agreement. Lessee covenants and agrees to compel its officers, agents, employees, guests, invitees, contractors, sublessees and any other persons over whom Lessee has control to observe and obey all terms and provisions of this Agreement, as well as all applicable rules and regulations of the Commission or its Executive Director, now in effect or hereinafter promulgated, governing the conduct and operation of the Airport.
- 5.2. Cost of Operation of Business. Lessee shall bear, at its own expense, all costs of operating the Leased Premises and Lessee's business thereon, and shall pay, in addition to rent, all other costs connected with the use and operation of the Leased Premises and facilities,



unless specifically provided otherwise herein.

- 5.3. Parking. The Lessee shall be responsible for requiring that its officers, agents, employees, guests, sublessees, invitees and any other persons over whom Lessee has control comply with all airport rules and regulations including parking/traffic regulations and other security requirements while using or operating from Lessee's premises.
- 5.4. Vehicles. Neither Lessee nor its officers, agents, employees, sublessees or contractors shall bring into or operate any vehicle or motorized equipment within the fenced in portions of the airport operations areas (AOAs) unless they have complied with the Commission's current and future regulations concerning vehicle identification, safety requirements, driver training, insurance and other related issues.
- 5.5. Fair Price and Service. Lessee shall charge fair, reasonable, and not unjustly discriminatory prices for services it provides to the public, and it shall furnish its services on a fair, equal and non-discriminatory basis to all users.
- 5.6. Employees. Lessee shall be responsible for the conduct, demeanor and appearance of its employees and agents, if any. Upon receipt of any complaint or objection to the conduct, demeanor or appearance of any employee, Lessee shall immediately take all reasonable steps necessary to remove the cause of the complaint or objection. Lessee shall require all of its employees to properly wear Airport I.D. badges, and comply with all security regulations and programs.
- 5.7. Damage to Airport Property. Lessee shall be responsible for paying the full cost for repair of any damage done to Airport property by Lessee, its officers, agents, employees, guests, invitees, sublessees, contractors and other persons over whom Lessee has control.
- 5.8. Required Records. Lessee shall maintain at all times, accurate records of all persons/owners/tenants housed at the Leased Premises, including the name, address and telephone number of all aircraft owners; aircraft type, description, tail number, value, and any other pertinent information; and shall provide said information to the Executive Director upon request. Commission shall have the right to audit Lessee's records as it deems necessary to ensure Lessee's compliance with the terms of this Lease.
- 5.9 Obligations not Limited. The obligations of Lessee listed in this Article 5 are provided for convenience of reference, and do not in any way exclude, limit or diminish responsibilities cited elsewhere in this agreement.

## ARTICLE 6 - SECURE AREAS

## 6.1. Airport Security

- A. Secured Area and Badges. Lessee acknowledges that the Leased Premises are within the fenceline and are part of the Air Operations Area (AOA) of the Airport, a restricted access area, and that Lessee's operations will occur in the Secured Areas, as well as the terminal and cargo SIDA areas, all highly restricted access area. Lessee agrees to be responsible for, and to insure that, none of its employees, agents, subcontractors or representatives gains access, enters or moves about the Concourse Sterile Area, the Secured Area, the SIDAs or the AOA without prior approval of the Commission's Executive Director as evidenced by a Commission issued identification badge, or constant escort by a duly authorized and badged employee of the Commission or Lessee; and that the Lessee, its employees, agents, subcontractors and representatives shall comply with the requirements of Commission's federally mandated security program at Lessee's sole cost and shall be subject to the penalties of such program. ***Only persons delivering materials or performing job functions of extremely short duration will be permitted, and will remain, inside the secured areas under escort by a badged representative of Lessee; all other persons involved with and performing services for and on behalf of Lessee must be approved, trained and badged.***

Prior to issuance of a Commission identification badge, an authorized representative of Lessee shall initiate requests for unescorted access to the Sterile Area, Secured Area, SIDAs and/or AOA (collectively referred to as the 'Airport Security Restricted Areas'), for its employees and the employees of its subcontractors, in accordance with the Commission's Airport Security Program (ASP). Each employee for whom access is being requested may be required to submit to a fingerprint based criminal history records check, a Transportation Security Administration (TSA) required Security Threat Assessment (STA) and attend a security training class taught by Commission personnel. The Commission reserves the right to deny unescorted access within the Airport Security Restricted Areas to some or all Lessee's employees and subcontractors.

Lessee agrees that it shall be responsible for paying a \$30.00 deposit, or the fee required by the most recent schedule of fees adopted by the Commission, for each identification badge issued. In the event the badge is returned at the termination of the employee's employment, then the deposit shall be returned to Lessee. In the event that any badge is not returned, then the deposit for the badge shall be forfeited and Lessee may be held in violation of TSA regulations and be subject to a TSA sanctions. In the event that the badge is lost or otherwise unaccounted for, then the deposit shall be forfeited and a new deposit and fee shall be charged for the replacement badge in accordance with the schedule of fees established by the

Commission. At present the first replacement badge will be \$50.00, second replacement badge \$75.00, third replacement badge \$100.00 during any consecutive twelve month period.

Upon voluntary or involuntary termination of employment, Lessee shall notify Airport Security within 8 hours and surrender the identification badge(s) within 24 hours.

Lessee must keep employment records for each identification badge applicant for at least 180 days after termination of unescorted privileges and return of the badges.

- B. Vehicles. Lessee agrees that any vehicles that it may be permitted to bring inside the fence shall be commercial vehicles, properly identified with the company name on both sides of the vehicles using letter eight inches or greater in height, and subject to search and verification of the vehicle or personnel before each entry. Lessee may also be required to affix a Commission issued vehicle decal to each such vehicle.

All persons driving such vehicles shall be trained regarding driving inside the security fence in an area near where aircraft are operating, and such authority shall be indicated on their identification badges.

In addition, while in the Sterile and Secured Areas, Lessee and its employees shall keep vehicles and any bins, tool boxes, etc. located therein, in a locked condition whenever they are not actively engaged in the process of removing/replacing tools and materials into or out of the vehicle.

- C. Access Points. The Lessee shall use only authorized access points and routes into and within the AOA, Secured Area and/or SIDA. Lessee is responsible for ensuring that all employees of Lessee use only the authorized access points and approved routes to access the aircraft or provide services, and that they verify that the access points are secure immediately after use. Gates that fail to secure must be immediately reported to an Airport Law Enforcement Officer. The persons and vehicles entering the Secured Area, AOA and/or SIDA shall proceed immediately to and from the work sites and the entrance gate, and shall not unnecessarily drive or walk onto or across any aircraft parking and taxiing area.

The airport is subject to TSA security requirements and rigid adherence is mandatory. Any fines resulting from unauthorized Lessee's personnel entering the AOA, Secured Area, SIDA or other security violations by Lessee, its employees and subcontractors will be paid by Lessee and the access to the Airport Security Restricted Areas may be denied to the offending person or persons.

- 6.2 Future Requirements. Commission and Lessee understand and agree that the rules and

regulations concerning airport/airline security are subject to frequent and substantial changes, and that the Lessee shall comply with applicable provisions of such rules, regulations and the Commission's federally mandated security plan, as they now exist or may hereafter be modified.

#### **ARTICLE 7 - COSTS AND UTILITIES**

- 7.1. Lessee's Responsibilities. Lessee shall be solely responsible for all costs of the facilities, their upgrade, maintenance and repair; its operations; taxes; the cost of all utilities, including heat, cooling, electricity, water, sewer, cable, internet and telephone services used at the Premises; as well as any other costs and expenses arising from Lessee's operations or the use of the Premises or the Airport. Lessee shall bear the cost of installing, extending and expanding any and all utilities to and within the Leased Premises, the cost of connection or installation of utility services and meters, and the cost of modifying such services to address the specific requirements of Lessee. All meters for utility services shall be located outside the AOA and no utility company may install a line or service across Commission owned land without a valid utility easement from the Commission .

Lessee shall repair and maintain and keep in safe condition, or cause to be repaired, maintained or kept safe, the heating, cooling, plumbing and electrical systems on the Leased Premises, and all utility lines installed by or on behalf of Lessee running to or within the Leased Premises.

#### **ARTICLE 8 - MAINTENANCE**

- 8.1. General. Lessee agrees and covenants that it shall faithfully and fully maintain the Leased Premises and all improvements and facilities thereon in good and first class condition and repair, at its sole cost and expense, during the entire term of this Lease and any further extension thereof. Lessee agrees, except as otherwise provided herein, that it shall, during the Term or any extension of this Lease, maintain and keep the Leased Premises in a safe, workable, clean and sanitary condition, in good repair and free from obstructions, and shall be responsible for all mowing, trash collection and removal, and snow or ice treatment and removal from any of the facilities and grounds within the Leased Premises. Lessee shall provide at its own expense all special lighting, utilities and other equipment, services and decorations that may be required by it at the Leased Premises. In addition, the Lessee shall, at its own expense install all equipment, furnishings, and appliances necessary to operate the facility in strict accordance with all current and future airport safety and/or security requirements and FAA requirements.
- 8.2. Land. Lessee agrees to maintain and keep the unimproved and paved areas of the Leased Premises in good repair, free and clear of all Foreign Objects and Debris (FOD), trenches and holes in order to maintain a safe area for persons and vehicles, a sightly appearance, and to

prevent damage to aircraft engines.

Commission shall repair common paved taxiways, taxilanes, airplane apron areas, and common airport roadways outside the Leased Premises provided they have not been damaged by the intentional or negligent act of Lessee, its officers, employees, agents, subtenants, contractors, guests, invitees or other persons over whom Lessee has control. Commission shall not maintain or repair any paved apron, storage area, roads or parking areas within the Leased Premises; repair and maintenance of these areas shall be the responsibility of Lessee.

- 8.3. Buildings. Lessee agrees at its cost to maintain and make repairs necessary for safe conduct of its operations and to maintain the Leased Premises and the facilities thereon in the same condition as it existed at the beginning of the Lease term or as improved by Lessee, including all buildings constructed on the Leased Premises, the fixtures and equipment therein and appurtenances thereto, and including without limitation the roof, windows, hangar and other doors and entrances, signs, floors, pads, interior walls and ceilings, the surfaces of interior columns, partitions, gates, any intercom system, security system, communications lines, lighting, heating, ventilating, plumbing, air conditioning and other utility systems within the Leased Premises. Lessee agrees to keep and maintain in good and safe condition all utilities and related systems and equipment within the Leased Premises, including, but not limited to, lighting fixtures and bulbs, receptacles, electrical wiring and equipment, heating and cooling systems and fixtures located at or in its Leased Premises. Lessee's duty to repair and maintain shall include repairs whether internal or external, structural or non-structural, ordinary or extraordinary.
- 8.4. Prior Approval. Prior to making any major repairs other than to its own equipment or fixtures, Lessee shall obtain the approval of the Executive Director which approval shall not be unreasonably withheld. All work performed by the Lessee or its contractor must be inspected and approved by the Executive Director or a duly authorized representative, and by the local building inspector, if necessary.

All repairs done by the Lessee or on its behalf shall be of first class quality in both materials and workmanship. All repairs shall be made in conformity with the laws, rules and regulations prescribed from time to time by Federal, State, or local authorities having jurisdiction over the work at the Leased Premises.

- 8.5. Failure to Maintain. If it is determined by the Executive Director that the required maintenance is not being satisfactorily performed, the Executive Director may notify Lessee in writing to correct the noted deficiencies. If such corrective maintenance is not substantially accomplished to the satisfaction of the Executive Director within fifteen (15) days after receipt of such written notice, or such longer period of time as may reasonably be required to accomplish such corrective maintenance provided Lessee pursues such accomplishment

with due diligence, the Commission shall have the right, without further notice, to perform or cause performance of such maintenance as may be necessary, and Lessee shall promptly pay the Commission for the cost thereof plus fifteen percent (15%) for administrative overhead as additional rent.

- 8.6. Restoration Upon Termination. Upon expiration or termination of this Agreement for any reason, Lessee shall deliver the Leased Premises and all fixed improvements installed with Commission's approval to Commission in the same condition as when constructed, reasonable and ordinary wear and tear excepted.

## ARTICLE 9 - IMPROVEMENTS

- 9.1 Improvement Defined: "Improvements" shall mean all buildings, structures and facilities, including paving, fencing, signs, tanks and landscaping constructed, installed or placed on, under or above the Leased Premises, and the rehabilitation of the same.

- 9.2 Required Improvements: During the first year of this Lease, Lessee shall undertake and complete the following improvements, for which Lessee has committed to spend a minimum of \$600,000, not including professional fees:

A. Hangar #24:

- Evaluate T-hangar doors and repair;
- Evaluate Sheet metals and flashings and repair;
- Paint exterior;
- Repair or replace exterior lighting;
- Undertake to repair, replace, and/or upgrade items identified in the November 2009 Facility Inspection Report prepared for the Commission by Mattern & Craig, Inc.

B. FBO Terminal (Building # 23):

i.) Exterior:

- Install new enclosed glass vestibules at main entry and exit points;
- Provide architectural canopies at the main entry and exit points;
- Add new architectural façade at main entry and exit points;
- Add new architectural stone entry wall at the landside entry'
- Provide new exterior glazing;
- Paint the exterior;
- Construct low garden wall and architectural composite panels;
- Provide new landscaping;
- Undertake to repair, replace, and/or upgrade items identified in the

November 2009 Facility Inspection Report prepared for the Commission  
by Mattern & Craig, Inc.

ii.) Interior:

- Upgrade main lobby area and restrooms, including finishes, fixtures, ceilings, lighting, floors, walls, and improved customer seating;
- Provide new finishes to the main customer use areas, including the pilots lounge, the flight planning area, and vending;
- Provide a modern conference room and facilities;
- Undertake to repair, replace, and/or upgrade items identified in the November 2009 Facility Inspection Report prepared for the Commission by Mattern & Craig, Inc.

C. Hangar Building # 22:

- Paint or clean and repair exterior
- Undertake to repair, replace, and/or upgrade items identified in the November 2009 Facility Inspection Report prepared for the Commission by Mattern & Craig, Inc.

D. Hangar Building # 25:

- Undertake to repair, replace, and/or upgrade items identified in the November 2009 Facility Inspection Report prepared for the Commission by Mattern & Craig, Inc.

E. Fuel Farm Pad Refurbishment

- Repair, or remove and install, a lading pad at the fuel farm

9.3 Requirements. Lessee shall not undertake any fixed and/or permanent improvements to the Leased Premises, including those listed above, unless it has complied fully and completely with the requirements of the Commission's Regulations and Guidelines for Tenant Improvements, (Schedule E hereof), adopted February 2006, as they may be amended from time to time. Such Regulations/Guidelines, include, but are not limited to, requirements for approvals, bonds, insurance, sealed plans and specifications, building permits and security and safety compliance.

A. Engineer/Architect Required: In most cases, Lessee shall be required to employ an engineering and/or architectural firm to design, prepare plans and seal such plans

for the desired improvements, such engineer/architect shall also be required to confirm that the completed improvements/construction are in accordance with the approved plans. In the event that changes are made to the approved plans or the work during construction, a set of "as built" plans must be prepared and submitted to the Executive Director within 30 days of completion of the work.

- B. Permits. Lessee and/or its Contractor shall procure from all government authorities having jurisdiction over the construction of the Improvements, and maintain in effect at all times, all permits, licenses, certificates, or other authorizations which may be necessary to perform the Improvements, including, without limitation, any necessary building permits and contractor's licenses. Lessee and its contractor shall at all times comply with all applicable FAA, TSA and EPA regulations, orders and directives.

All work performed by the Lessee or its Contractor may be inspected and approved by the Executive Director or a duly authorized representative, and **shall be** inspected by the local building inspector, if necessary. Lessee shall provide proof of the existence of such inspection(s) to the Executive Director upon request.

**No work shall begin until Lessee has presented to the Executive Director a copy of the required building permit.**

- C. Cost of Improvements. Lessee shall be responsible for any costs incurred by the Commission related to the improvements to the Leased Premises provided for herein, including, without limitation, all architectural and engineering design review costs. Commission shall provide written notice to Lessee of all architectural and engineering design review costs, as they are known. All construction and repair done by the Lessee or on its behalf shall be of first class quality in both materials and workmanship.
- D. Ownership. Ownership of all Improvements, additions, and newly constructed facilities installed or erected upon the Leased Premises shall vest in Commission, without any payment from Commission, at the expiration or other termination of Lessee's tenancy.
- E. Right to Inspect Premises. Commission, through its employees, agents, representatives and contractors, shall have the right to enter the Lessee's Premises or the area where Lessee's contractor is working at all reasonable times, to inspect the Lessee's Premises and Lessee's operation of the same to determine whether Lessee and its Contractor have complied with and are complying with the terms and conditions of this Lease, including, without limitation, matters related to environmental and safety issues. Nothing herein, however, shall be deemed to



place any responsibility or liability upon Commission for the safety or condition of the Premises, which are solely the obligation of Lessee

F. Safety and Security.

- i.) Security. Lessee acknowledges that the Leased Premises is located within the Airport Operations Area (AOA), a restricted access area. Lessee agrees to be responsible for, and to insure that, none of the employees, agents, or representatives of it or its Contractor(s) gains access, enters or moves about the AOA without constant escort by a duly authorized and badged employee of the Lessee or its Contractor; and that the Contractor, its employees, agents, subcontractors and representatives shall comply with the Commission's security program at Lessee's and/or Contractor's sole cost.

No equipment or vehicle operated by Contractor, its employees, agents, subcontractors, suppliers or representatives shall be permitted to enter or move about the AOA unless it has been properly marked, inspected and escorted by a properly badged employee of Lessee. The vehicle will remain locked at all times when not in motion and the Contractor must provide motor vehicle insurance in the amount of \$1,000,000.

In the event that Lessee desires that the Contractor or its employees be badged for unescorted access within the AOA, Lessee's authorized signatory shall complete the required applications and arrange for any required background checks and related payment to be completed.

The Commission reserves the right to reasonably deny unescorted access within the AOA to some or all of Contractor's employees.

- ii.) Safety and Convenience.

The Contractor shall limit its operations and storage to the actual location of the work and other areas of the Leased Premises. Lessee shall secure Commission specific permission for the utilization of areas other than Lessee's Leased Premises, if required and if available.

It is the explicit intention of this Lease that the safety of the public, airport employees, and the Contractor's equipment and personnel is a most important consideration. It is understood and agreed that Lessee's Contractor shall provide for the free, unobstructed and safe movement of members of the public in the public areas of the airport. When performing work in an area available to the public, Lessee's contractor shall provide

markings, lighting, signing, barricades and other acceptable means of identifying: personnel, equipment, storage areas, and any work area or condition that may be hazardous to the passage of the public, and airport employees.

- iv.) **Pre-construction Meeting: Prior to the start of any work on the Improvements, the Contractor, Lessee's representative(s), and Commission representatives shall meet to specifically discuss the requirements of sections B. and F. above, as well as to discuss the Contractor's written phasing and safety schedule for the project. Lessee shall be responsible for scheduling such meeting.**

G. Insurance:

- i.) Additional Insurance Requirements. Prior to the Executive Director granting Lessee authority to proceed with the Improvement, Lessee's Contractor shall provide Commission's Executive Director suitable evidence of the following insurance coverage:
- ii.) Liability Coverage. Commercial general liability insurance, on a per occurrence basis, that includes contractual liability and products and completed operations insurance, and automobile liability, naming Contractor as insured and its employees, subcontractors, Lessee and the Commission and its officials, officers, agents, and employees, as additional insureds, providing coverage against any and all claims and demands made by any person or persons whomsoever for injuries or death or property damage incurred in connection with or arising out of the Work performed on the Improvement and including contractual liability coverage for the terms and conditions of this agreement, which policies shall provide limits of not less than \$1,000,000.00. In the event that the Contractor will bring a vehicle into the AOA area, the limits of such insurance shall be \$5,000,000.
- iii.) Workers Compensation. Statutory Worker's Compensation and Employer's Liability Insurance for all employees engaged in the Work, and maintain such coverage during the term of the Contract. In case any such work is subcontracted, the Contractor shall require the subcontractor to provide such insurance for all of its employees engaged in the Work.
- iv.) Builder's Risk. Builder's risk coverage appropriate for the Improvements being constructed.
- v.) Insurance Not To Be Limit On Liability. Lessee covenants and agrees that the

insurance coverage required under this Lease shall in no way be considered or used in any manner as a limit or cap of any kind on any liability or obligation that Lessee may otherwise have, including without limitation, liability under the indemnification provisions contained in the Agreement.

vi.) Documentation Required. The policy or policies required shall contain the following special provision: "The Company agrees that thirty (30) days prior to cancellation or reduction of the insurance afforded by this policy, with respect to the contract involved, written notice will be sent by certified mail to the Executive Director of Roanoke Regional Airport."

H. Bonds. Lessee shall be responsible for proper completion and payment to all persons for any and all work or improvements on the leased premises. Lessee shall defend, indemnify, and hold Commission, its officers, agents, and employees harmless from any and all claims or suits arising out of such construction on the Leased Premises or claims for labor and/or materials supplied in such construction. Prior to the Executive Director granting Lessee authority to proceed with the construction of Improvements exceeding \$50,000.00 in cost, Lessee shall require its Contractor to provide construction performance completion and labor and material payment guarantees with Lessee and Commission listed as dual obligees in a sum equal to the full cost of the construction. Such guarantees shall substantially comply in form and content with Schedules "C" and "D" attached hereto.

9.4 Protection of Utility Lines and Equipment. All work undertaken pursuant to this Agreement shall be subject to the condition that Lessee make, at its expense, suitable arrangements as approved by the Executive Director for relocation of any affected governmental or other utility lines, cable or other equipment. Further, Lessee shall not pave roads, parking ramps, or tie-downs over said utility lines, cables or equipment without the prior written approval of the Executive Director.

9.5. Lessee's Cost for Construction. As soon as practicable following completion of an improvement as required in Section 9.2 herein, but in no event longer than 90 days, Lessee shall submit to Commission an itemized statement, certified by an officer of Lessee, showing the actual cost of the improvements as constructed, including fees paid to independent architects and engineers, and produce copies of all invoices and other records in connection herewith. Said itemized statement shall constitute prima facie evidence of the costs shown therein.

9.6. Ownership. During the term of this Lease, title to all buildings and facilities constructed on the Leased Premises, except for Building #29, shall remain in Lessee. Upon expiration or other termination of the Lease term, ownership of all buildings, improvements, facilities, additions, and newly-constructed facilities installed or erected upon the Leased Premises

shall vest in Commission, provided that as indicated in Section 9.7 below, the Commission may require Lessee to remove any or all of such buildings, equipment and facilities and return the Leased Premises or any part thereof to the general condition it was in at the beginning of Lessee's or Lessee's predecessor's original tenancy.

- 9.7. Removal of Personal Property. Upon expiration or any earlier termination of this Agreement, Lessee shall forthwith, and at its own expense, remove all its personal property, equipment, devices, and trade fixtures which are readily removable without damaging the Premises; provided, however, that no installed or extended utility lines or facilities or any other hangar, structure, fuel or storage tanks, appurtenances or fixed improvements permanently affixed or not removable without damaging the Premises shall be removed there from unless Lessee is directed to do so by the Executive Director. Any damage incurred to the Premises on account of removal by Lessee or its agents of any item or fixture shall be promptly repaired by Lessee at its own expense and the Premises shall be restored to the condition in which it was received by Lessee at the commencement of this Agreement, or as it was improved hereunder.

#### **ARTICLE 10 - DAMAGE OR DESTRUCTION OF PREMISES**

- 10.1. Buildings or Structures Built by Lessee. If any building or structure, originally built by the Lessee or a predecessor of Lessee in which Lessee occupies the space hereunder is partially damaged by fire, the elements, or other casualties, but is capable of being repaired in forty-five days, as determined by the Executive Director, such building or structure shall be repaired with due diligence by Lessee at its own cost and expense to the character, quality and condition comparable to which the building existed at the commencement of the lease term. In such case, Lessee shall be entitled to receive and apply the proceeds of any insurance covering the loss, and any excess of proceeds shall belong to Lessee.

If any such building or structure is completely destroyed or is so damaged that it will remain untenable for more than forty-five (45) days as determined by the Executive Director, Lessee may at its discretion: (1) cancel the lease, with the Commission receiving a percentage of the insurance proceeds plus the deductible equal to thirty-four (34) (the number of years of beneficial occupancy to date), plus the number of full years which have expired during the eleven year term of this Agreement, divided by forty-five (45), and Lessee receiving the balance hereof; or (2) reconstruct the building or structure with due diligence to a quality, character and standard that satisfies the full replacement value as defined by the insurance requirement of the lease, at its own cost and expense, in which case it shall be entitled to receive and apply the full proceeds of any insurance covering the loss.

- 10.2. Limits of Lessee's Obligation. It is understood that in the application of the foregoing Section, 10.1, the Lessee's obligations shall be limited to repair or reconstruction of the

building or structure on the Leased Premises to the same extent and of equal quality existing at the commencement of its Lease hereunder. Redecoration and replacement of finishes, fixtures, furniture, equipment and supplies shall be performed promptly at the sole cost and responsibility of the Lessee and any such redecoration, replacement, and refurbishing/re-equipping shall be equivalent in quality to that originally installed, subject to the Commission's approval.

If Lessee chooses to cancel the Lease, it shall still be responsible for all costs of clean-up and debris removal.

- 10.3. No Insurance on Lessee's Building and Property. Commission will carry Fire and Extended Casualty insurance on Hangar #29; Commission will not carry insurance on the contents, including aircraft, of Hangar #29. Except for the fire and extended casualty insurance on Hangar #29, Lessee acknowledges and agrees that the Commission will not carry any insurance on the buildings, fixtures, furniture, supplies, equipment, property, aircraft or interest in the Premises of Lessee or its subtenants, nor be liable for any loss, damage or expense to any of the same or any claim arising from injury or damage to any persons on account of Lessee's activities at the Premises.

#### **ARTICLE 11 - INDEMNIFICATION AND INSURANCE**

- 11.1 Indemnification - Commission Held Harmless. Lessee shall defend, indemnify and hold harmless the Commission, its officials, officers, agents and employees against and from any and all claims, demands, debts, liabilities, penalties, fines, and causes of action, including without limitation reimbursing the Commission for all expenses and reasonable attorneys' fees incurred in connection therewith, whether in law or in equity, by reason of death, injury or damage to any person or persons, or loss or damage or destruction of property or loss of use thereof, whether it be the person or property of Lessee, or Commission or their agents or employees, or of any third persons, from any cause or causes whatsoever, or otherwise arising from Lessee's use of the Leased Premises, and/or its operations at the Airport or as the result of any act or omission, negligent or otherwise by Lessee, Lessee's employees, agents, contractors, or invitees. The foregoing defense and indemnification obligation shall specifically include, without limitation, any and all costs related to claims, fines, penalties and costs of bringing the Premises into compliance with the Americans With Disabilities Act, fines and penalties related to violations of federal regulations, especially those related to security and airport certification, and the Commission's security program, and fines and penalties related to building code violations. The Commission shall give to Lessee prompt and reasonable written notice of any such claim or action known to it, and Lessee shall have the right to investigate, compromise, and defend the same to the extent of its own interest. Lessee's obligation to indemnify hereunder shall survive any expiration and/or termination of this Agreement.

- 11.2 Waiver of Liability. In no event shall Commission be liable in any manner to Lessee or any other party as the result of the acts or omissions of Lessee, its agents, employees, contractors or any other tenant of Commission.
- 11.3 Insurance. The following general requirements apply to all operations under this Agreement.
- A. Insurance Required Prior to Execution. Commission shall not execute this Agreement until all insurance requirements contained in this Agreement shall have been complied with as outlined below, and until evidence (i.e. certificates of insurance and evidence of property coverage) of such compliance satisfactory to the Commission as to form and content has been filed with the Executive Director. A certificate of insurance is the required form in all cases.
  - B. Quality of Insurance Company. Any and all companies providing insurance required by this Agreement must meet minimum financial security requirements as follows: (1) Best's Rating not less than B+ and (2) current Best's Financial Category not less than Class VII. These requirements conform to the ratings published by A. M. Best & Co. in the current Best's Key Rating Guide--Property-Casualty. The ratings for each company must be indicated on the certificate of insurance form.
  - C. Insurance to be Maintained During Term. Any and all insurance required by this Agreement shall be maintained during the entire term of this Agreement, including any extensions thereto. The Executive Director shall have the right to inquire into the adequacy of the insurance coverages set forth in this Agreement and to require such adjustments as reasonably appear necessary.
  - D. Notice of Cancellation. The Executive Director shall, without exception, be given not less than thirty (30) days notice prior to cancellation for other than non-payment of premium or for material change of any insurance required by this Agreement. Non-payment of premium or material change shall require ten (10) days notice of cancellation. Confirmation of this mandatory 30 days notice of cancellation shall appear on the certificate of insurance and on any insurance policies required by this Agreement.
  - E. Commission and Others as Additional Insureds. The Roanoke Regional Airport Commission, its officers, officials, agents and employees shall be covered as Additional Insureds under any and all insurance required by this Agreement except for Workers Compensation and Employers Liability, and such insurance shall be primary with respect to the Additional Insureds. Confirmation of this shall appear on the certificate of insurance and on any applicable insurance policies.

- F. Authority of Insurance Agent. Each and every agent acting as Authorized Representative on behalf of a company affording coverage under this Agreement shall warrant when signing the certificate of insurance that specific authorization has been granted by the companies for the agent to bind coverage as required and to execute the certificate of insurance as evidence of such coverage. In addition, each and every agent shall warrant when signing the certificate of insurance that the agent is licensed to do business in the Commonwealth of Virginia.
- 11.4 Comprehensive Aviation General Liability Insurance. Lessee shall procure and maintain Comprehensive Aviation General Liability Insurance, on a per occurrence basis, in an amount not less than One Hundred Million Dollars (\$ 100,000,000.00). Coverage must include Broad Form Contractual Liability covering Lessee's indemnity obligations hereunder, Aviation Premises, Hangarkeepers, Cargo and Baggage Liability, Property Damage, Personal Injury, and Products/Completed Operations Coverage. Lessee shall also carry Aircraft Liability Insurance with a minimum limit of \$ 1,000,000.00 and Aircraft Physical Damage - All Risks Insurance Coverage with a minimum limit of \$ 100,000.00, or the full value of the aircraft if valued at less than \$100,000.00.
- 11.5 Automobile Liability Insurance. Lessee shall procure and maintain Automobile Liability Insurance with not less than Five Million Dollars (\$ 5,000,000.00) on a per occurrence basis, on each licensed motor vehicle owned by Lessee or used in its business operations upon or from the Airport. Such insurance coverage may be met by Lessee providing One Million Dollars of Automobile Liability Insurance coverage (\$1,000,000.00) with the excess Four Million Dollars (\$4,000,000.00) of Automobile Liability Insurance coverage being added to the Aviation Liability Policy. The following extension of coverage shall be provided and shall be indicated on the Certificate of Insurance:
- A. Owned, Hired, Leased and Non-Owned Vehicles to be covered.  
In the event the Lessee uses any motor vehicles in its business at the Airport which it does not own in its corporate name, non-owned motor vehicles coverage shall apply to such motor vehicles and must be endorsed on either the Lessee's personal automobile policy or the Aviation Liability Coverage required under this Agreement.
- 11.6 Fire and Casualty Insurance. The Lessee shall maintain standard fire and extended casualty coverage, as well as boiler and other vessel insurance, on the General Aviation Terminal Building, all hangars and any other building structures except for Hangar Building #29, including, but not limited to, improvements made by Lessee, title to which will vest in the Commission at the expiration of the Term. Such insurance will be in the amount of the full replacement value of the structures less a deductible of no more than \$50,000.00 and shall include the Commission as a co-insured as its interests may appear. Lessee shall maintain appropriate fire and casualty insurance to cover its own finishes, furnishings, personal property, trade fixtures, equipment and stock in trade, and acknowledges that Commission

will not carry such insurance. Lessee may meet the requirement of this paragraph by providing special form all risk coverage inclusive of all required coverages.

Commission shall obtain casualty property insurance coverage only on Hangar Building #29 itself. Such property insurance shall not provide any type of liability coverage to Lessee and shall not apply to any equipment, personal property, aircraft, contents, or any other interest of Lessee or its sub-tenants. On or about October 1 of each year during the Lease term, Commission shall bill Lessee and Lessee shall reimburse Commission for the annual cost of such casualty property insurance coverage.

11.7 Workers' Compensation and Employer's Liability Insurance. Lessee shall procure and maintain Workers' Compensation and Employer's Liability Insurance in the amounts required by the Commonwealth of Virginia.

11.8 Pollution Liability Insurance. Lessee shall procure and maintain Pollution Liability Insurance in at least the following amounts:

Per environmental incident:	\$ 1,000,000.00
Per annual aggregate:	\$ 2,000,000.00
Limits of defense per environmental incident	\$ 1,000,000.00

11.9 Replacement Coverage. If at any time the coverage, carrier, limits, or minimum amounts on any policy, or the type of insurance required herein, shall become unsatisfactory to the Executive Director, the Lessee shall forthwith provide a new policy meeting the requirements of the Executive Director.

11.10 Not A Limit On Liability. Lessee covenants and agrees that the insurance coverages required under this Agreement shall in no way be considered or used in any manner as a limit or cap of any kind on any liability or obligation that Lessee may otherwise have, including without limitation, liability under the indemnification provisions contained herein.

11.11 Waiver of Subrogation. If and to the extent the Commission is not an additional insured on an applicable policy, no party shall have any right or claim against the Commission for any property damage (whether caused by negligence or the condition of the Leased Premises or any part thereof) by way of subrogation or assignment, Lessee hereby waiving and relinquishing any such right. Lessee shall request its insurance carrier to endorse all applicable policies waiving the carrier's right of recovery under subrogation or otherwise in favor of Commission and provide verification of this waiver on the certificate of insurance provided to Commission.

11.12 No Third Party Beneficiaries. It is specifically agreed between the parties hereto that it is not intended by any of the provisions nor any part of this Agreement: (i) to create in or on



behalf of any other third party, person, organization or member of the public rights as a third party beneficiary; or, (ii) to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms of the provisions of this Agreement.

## ARTICLE 12 - ENVIRONMENTAL COMPLIANCE

### 12.1. Refuse and Hazardous Materials, Substances or Wastes.

- A. Compliance with Environmental Laws: While on the Airport property, Lessee shall comply with all federal, state and local laws, rules, regulations and ordinances controlling air, water, noise, solid wastes and other pollution and relating to the use, storage, transport, release or disposal of hazardous materials, substances, or waste.
- B. Waste Removal : Lessee shall be responsible, at its sole cost, for the prompt and proper collection and disposal all of its waste, refuse, and garbage, including all heavy and bulk items such as concrete, asphalt chunks, rocks, engine blocks, scrap lumber, 55 gallon drums, and all normal, toxic or hazardous debris or wastes, as well as for petroleum product wastes such as "waste oil." Lessee shall collect "waste oil" in such containers and on such platform or with such dike as the Executive Director shall agree, provided, that in no event shall Lessee be permitted to collect waste oil in barrels located on unprotected earth or paved areas.
- C. Hazardous Wastes and Materials: Lessee shall not store, dispose of or release any hazardous or toxic wastes or materials of any kind on Airport premises, nor shall Lessee place such wastes in waste containers provided and emptied by the Commission. The proper removal and disposal of such hazardous or toxic wastes and materials in accordance with all environmental laws will be Lessee's sole responsibility at its sole cost. Lessee shall provide documentation confirming proper removal and disposal of such hazardous wastes materials and waste oil to the Executive Director upon request, and shall be subject to unannounced inspections of its facilities by Commission for the purpose of determining Lessee's compliance with such laws.

12.2. Storm Water Pollution Prevention Plan: Lessee agrees to comply with, and require its subtenants to comply with, the Commission's Storm Water Pollution Prevention Plan, as amended from time to time, and all applicable requirements of the Commission's VDES or national permit, whichever is applicable. Lessee shall participate in compliance audits, surveys, and information sessions conducted by the Commission, and shall require that it and its employees comply with the Best Management Practices identified by it or contained in the Commission's Storm Water Pollution Prevention Plan.

- 12.3. Report Release of Hazardous Materials: Lessee shall immediately furnish to the Executive Director written notice of any and all releases of hazardous or other wastes or substances whenever such releases also are required to be reported to any federal, state, or local authority, and pay for all clean up and removal costs. Such written notice shall identify the substance released, the amount released, and the measures undertaken to clean up and remove the released material and any contaminated soil or water, and shall further certify that no contamination remains. Lessee shall also provide Commission with copies of any and all reports resulting from tests on Airport property or made to any governmental agency which relate to Airport property.
- 12.4 Plans and Permits: Upon request, Lessee shall provide the Commission with a copy of any written plan, program or permit required by any state, local or federal environmental rules and regulations and imposed upon Lessee as a result of its operations on and at the Airport.
- 12.5 Environmental Indemnification: Regardless of Commission's acquiescence and in addition to indemnification provisions contained elsewhere in this Agreement, Lessee shall indemnify and hold Commission, its officers, officials, agents, and employees, harmless from all damage, costs, liabilities, fines or penalties, including attorney's fees, resulting from or arising out of Lessee's violation of this Article and agrees to reimburse said parties for any all costs and expenses incurred in eliminating or remedying such violations. Lessee further covenants and agrees to reimburse Commission and hold Commission, its officials, officers, agents and employees harmless from any and all costs, expenses, attorney's fees and all penalties or civil judgments obtained against the Commission as a result of Lessee's use, release or disposal of any petroleum product, hazardous substance, material, or waste onto the ground or into the water or air.

#### **ARTICLE 13 - SIGNS**

- 13.1. Prior to the erection, construction or placing of any external identifying signs on the Premises, the Lessee shall submit to the Executive Director for approval in writing, such drawings, sketches, design dimensions and type, number and character of the sign(s), and proposed means of attachment, as is necessary to obtain such approval.

#### **ARTICLE 14 - TAXES AND LICENSE FEES**

- 14.1. License, Fees, Taxes and Assessments. In addition to rent, Lessee shall pay all leasehold and other taxes, assessments, stormwater utility fees, licenses, fees and charges of a like nature, if any, which at any time during the term hereof may be levied, assessed, charged or imposed or which may become a lien by virtue of levy, assessment or charge, by the Federal Government, Commonwealth of Virginia, any municipal or county government, any governmental successor in authority to the foregoing or any other tax or assessment levying

bodies upon or in respect to the Premises and facilities leased hereunder or aircraft located therein, or which are attributable to or arise out of, either directly or indirectly, the letting, use, development or occupancy of said Premises and facilities or which arise out of, directly or indirectly, Lessee's activities or business conducted on the Premises at the Airport.

Should Lessee desire to contest the amount or validity of any tax or assessment payable by it hereunder against any tax or assessment levying body, it may do so, at its expense, after providing such security as the Executive Director deems adequate to cover any delinquency, penalty and interest charges that may arise from such contest. Lessee shall indemnify the Commission from all taxes, penalties, cost, expense and attorneys' fees incurred by the Commission resulting directly or indirectly from any and all such tax contests.

#### ARTICLE 15 - RESERVATION OF RIGHTS

- 15.1. Right to Develop Landing Area. Commission reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance.
- 15.2. Right to Repair Landing Area. Commission reserves the right, but shall not be obligated to Lessee, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport.
- 15.3. Right to Lease Landing Area. During the time of war or national emergency, Commission shall have the right to lease the landing area or any part thereof to the United States Government for military or naval use, and, if such lease is executed, the provisions of this instrument insofar as they are inconsistent with the provisions of the lease to the government, shall be suspended.
- 15.4. Right to Protect Approaches. Commission reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the Commission, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- 15.5. Right to Inspect Premises. Commission, through its employees, agents, representatives and contractors, shall have the right to enter the Leased Premises at reasonable times to inspect the Leased Premises and Lessee's operation of the same to determine whether Lessee has complied with and is complying with the terms and conditions of this Agreement. Nothing herein, however, shall be deemed to place any responsibility or liability upon Commission for the safety or condition of the Premises which are solely the obligation of Lessee.
- 15.6. Right to Maintain Systems. Without limiting the generality of the foregoing, the

Commission, through its employees, agents, representatives, contractors, and furnishers of utilities and other services shall have the right, but not the duty, for the benefit of other tenants at Airport, to maintain existing and future common utility, mechanical, electrical and other systems, and to enter upon the Premises at all reasonable times to make such repairs, replacements and/or alterations as the Commission may deem necessary or advisable and, from time to time, to construct or install over, in or under the Leased Premises new systems or parts thereof, and to use the Premises for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that the exercise of such rights shall not unreasonably interfere with the use and occupancy of the Premises by the Lessee, and that every reasonable effort shall be made to restore the Premises to the condition existing prior to the exercise of such rights. The exercise of any or all of such rights by the Commission, or others acting on behalf of the Commission shall not be construed to be an eviction of the Lessee nor be made the grounds for any abatement of rental, fee or charge of any type, nor for any claim or demand for damages, consequential or otherwise.

- 15.7. Use of Adjacent Land and Facilities. Commission reserves the right to use and to permit others to use all roadways, taxiways, ramps and accessways, gates, parking areas and other public use areas adjacent to the Leased Premises.
- 15.8. Right to Rearrange Airport: Master Plan Update . Commission reserves the right to rearrange or expand any airport facility and to rearrange and reallocate, at Commission's expense, the space of Lessee incident to such expansion. Commission covenants that it will not interrupt the business of Lessee except to the extent reasonably necessary to such expansion. Lessee specifically acknowledges that Commission's Master Plan Update anticipates an expansion of the passenger terminal and ramp which will require the cancellation of a portion of this Lease for Leased Area 1, including the area where Lessee's 10 unit T-hangar is located. In the event that such expansion should occur prior to the expiration of the Term of this Agreement, Lessee agrees that Commission retains and shall have the right to cancel this Agreement as to the portion of the Leased Premises required for such expansion, as determined solely by Commission. In the event of such cancellation, either Lessee shall be offered space of similar size and access where it may at its own cost build another T-hangar unit or aircraft parking area, if such space is readily available, or Lessee's rental under this Agreement shall be reduced accordingly, as determined solely by Commission.

#### **ARTICLE 16 - ASSIGNMENT AND SUBLETTING**

- 16.1. Prohibition of Transfer. Lessee covenants and agrees that it will not sublet, license, assign or transfer by operation of law or otherwise this Lease, the Leased Premises or any services Lessee is authorized to provide hereunder, without the express written consent of the Commission, and agrees that in the event of such unauthorized assignment, transfer, sublet

or licensure, this Lease shall immediately terminate. Commission agrees not to unreasonably withhold its consent to an assignment made by Lessee for financing purposes.

#### **ARTICLE 17 - TERMINATION BY LESSEE**

17.1. Termination for Cause: Lessee may cancel this Agreement and terminate all or any of its obligations hereunder, subsequent to the occurrence of any of the following events upon written notice to Commission of such cancellation and the specific reason therefor:

- A. The substantial restriction of, or interference with, Lessee's use of the Leased Premises for a period in excess of ninety (90) days; provided that such restriction or interference is not due to any fault of Lessee;
- B. The default by Commission in the performance of any term or terms of this Agreement and the failure of Commission to remedy such default within a period of thirty (30) days after the receipt from Lessee of written notice to remedy the same;
- C. The abandonment of the Airport as an airport or airfield;
- D. The assumption by the United States government, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof in such manner as to substantially restrict Lessee from operating thereon for a period of at least ninety (90) days; or
- E. The issuance by any court of competent jurisdiction of any injunction preventing or restraining the use of the Airport in such a manner as to substantially restrict the Lessee from operating at the Leased Premises not caused by the act or omission of the Lessee and the remaining in force of such injunction for at least ninety (90) days.

In the event Lessee refrains from canceling this Agreement despite the existence of one or more of the reasons listed in this Sections A., C., D. and/or E. above, all rent, fees and commissions for the period that the facility is unusable by Lessee will be abated, provided Lessee first notifies Commission that it intends to take advantage of this provision and Commission agrees that one or more of the above conditions exist.

#### **ARTICLE 18 - TERMINATION BY COMMISSION**

18.1. Default. The happening of any one or more of the following listed events (hereinafter referred to singly as "event of default" and plurally as "events of default") shall constitute a breach of this Agreement on the part of Lessee:

- A. The failure of Lessee to pay any rent or any other amount due and payable under this Agreement within a period of thirty (30) days after the receipt from Commission of written notice to pay same;
- B. The failure by Lessee to perform any term or terms of this Agreement and the failure of Lessee to remedy, or undertake to remedy, to Commission's satisfaction, such failure within a period of thirty (30) days after the receipt from Commission of written notice to remedy the same;
- C. The filing of a voluntary petition in bankruptcy, including a reorganization plan, making a general or other assignment for the benefit of creditors, the adjudication of Lessee as bankrupt or the appointment of a receiver for the property or affairs of Lessee which is not vacated within thirty (30) days after the appointment of such receiver;
- D. The abandonment, desertion, vacation or discontinuance of its operation of the business herein authorized for a period in excess of thirty (30) days; or
- E. Violation of any federal, state or local law or ordinance, rule, regulation or order applicable to Lessee or its operations at the Airport.

18.2. Effect of Default. Upon the happening of any event of default as defined in paragraph 18.1. above or at any time thereafter during the continuance thereof, Commission may, at its option, exercise concurrently or successively any one or more of the following rights and remedies:

- A. Without waiving any default, pay any sum required to be paid by Lessee to others than the Commission and which Lessee has failed to pay, and perform any obligation required to be performed by Lessee hereunder, and any amounts so paid or expended by the Commission in fulfilling the obligations of Lessee hereunder with interest thereon at the prime rate as set forth in the Wall Street Journal on and from the date of such payment or expenditure, shall be repaid by Lessee to the Commission on demand;
- B. To sue for the collection of rents, fees or other amounts for which Lessee may be in default, for the performance of any other covenant, promise, or agreement devolving upon Lessee, all without terminating this Agreement or re-entering and gaining possession of the Premises;
- C. Upon written notice, terminate this Agreement and the rights of Lessee hereunder; and/or

D. Exercise any and all additional rights and remedies which the Commission may have at law or in equity.

- 18.3. Remedies not exclusive. All rights and remedies provided in this Lease shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Commission at law or in equity.
- 18.4. Waiver. No waiver by Commission of default by Lessee in performance of any term or terms of this agreement 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 Commission, for or during any period or periods after a default in performance by Lessee, shall not be deemed a waiver of any right on the part of Commission to declare a default or terminate this Lease Agreement for a subsequent breach thereof.
- 18.5. Acts of God. Neither the Commission nor Lessee shall be liable for any delay or failure of performance due solely to strikes, fires, acts of God or the public enemy, act of the government, floods, epidemic, typhoons, quarantine restrictions, freight embargoes or similar causes beyond their control, provided that the party to this Lease seeking the benefits of this Section shall have given notice in writing to the other party of such cause for failure or delay or anticipated delay within twenty (20) days of the date that the party seeking the benefit of this Section became aware, or reasonably should have become aware, of the act or conditions which is the cause for failure or anticipated delay and shall have used its best efforts to fulfill its duties under this Lease as expeditiously as possible taking such cause for delay or failure into account.

#### **ARTICLE 19 - INDEPENDENT CONTRACTOR**

- 19.1. In the use of the Leased Premises and the conduct of its business hereunder, Lessee acts as and is an independent contractor and not an agent of the Commission; therefore, nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint ventures, or any other similar such relationship, between the parties hereto. Lessee shall in no manner act or hold itself out to be an agent of the Commission.

#### **ARTICLE 20 - SERVICES BY AIRCRAFT OWNER**

- 20.1. It is clearly understood by the Lessee that no right or privilege has been granted or denied herein which would operate to prevent any person, firm or corporation operating aircraft on the airport from performing any services that it may choose to perform on its own aircraft with its own regular full-time employees (including, but not limited to, maintenance and repair), subject to such rules and regulations as may be prescribed by the Federal Aviation Administration or the Commission, and such additional safety rules and regulations

as may be prescribed by Lessee for its own tenants within the leased premises.

#### **ARTICLE 21 - GOVERNMENTAL AGREEMENTS**

- 21.1. Governmental Agency Agreements. Commission hereby advises the Lessee that it has entered into various agreements with the United States Government and the Commonwealth of Virginia with respect to the Airport. Commission 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, in accordance with pertinent statutes, rules and regulations of respective and duly constituted, competent governmental authorities having jurisdiction thereof. This Lease is expressly made subject to all of said agreements now existing or hereafter made.
- 21.2. Right to Amend. In the event that the Federal Aviation Administration or its successor requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be reasonably required; provided, however, if such modifications or changes substantially change or substantially adversely affect the financial condition of Lessee hereunder, the Lessee shall have the option upon thirty (30) days written notice to Commission, to terminate this Agreement.

#### **ARTICLE 22 - ASSURANCES REQUIRED BY STATE AND FEDERAL GOVERNMENTS**

- 22.1. Nondiscrimination. Notwithstanding any other or inconsistent provision of this Agreement, during the performance of this Agreement, Lessee, for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration of this Agreement, does hereby covenant and agree, as a covenant running with the land, that:
- A. No person on the grounds of race, color, religion, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in, the use of the Premises;
  - B. In the construction of any improvements on, over or under the Premises, and the furnishing of services therein or thereon, no person on the grounds of race, color, religion, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination;
  - C. Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation,



Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

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

22.2. Affirmative Action. The Lessee assures that it will undertake an affirmative action program, as required by 14 CFR Part 152, Subpart E, as amended, to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered organizations provide assurance to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organization, as required by 14 CFR Part 152, Subpart E, as amended, to the same effect.

The Lessee agrees to comply with any affirmative action plan or steps for equal employment opportunity required by 14 CFR Part 152, Subpart E, as amended, as part of the affirmative action program or by any federal, state, or local agency or court, including those resulting from a conciliation agreement, a consent decree, court order, or similar mechanism. The Lessee agrees that a state or local affirmative action plan will be used in lieu of any affirmative action plan or steps required by 14 CFR Part 152, Subpart E, as amended, only when they fully meet the standards set forth in 14 CFR 152.409, as amended. The Lessee agrees to obtain a similar assurance from its covered organizations, and to cause them to require a similar assurance of their covered sub-organizations, as required by 14CFR Part 152, Subpart E, as amended.

The Lessee agrees that it will not discriminate against any persons or class of persons by reason of race, color, creed, or national origin in its employment practices or in providing any services, or in the use of any of its facilities provided for the public, in any manner prohibited by Title 49 CFR, Department of Transportation Regulations, or in any manner prohibited by Title VI of the Civil Rights Act of 1964.

22.3 Indemnity. Lessee shall defend, indemnify and hold harmless Commission from any claims and demands of third persons, including the United States of America, resulting from Lessee's noncompliance with any of the provisions of this Article and Lessee shall reimburse Commission for any loss or expense incurred by reason of such noncompliance.

## ARTICLE 23 - NOTICES

- 23.1. Forms of Notice. Unless otherwise specified, all notices, consents and approvals required or authorized by this Agreement and Lease 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 three days after the time a certified letter, properly addressed and postage prepaid, is deposited in any United States Post Office, or upon delivery by hand, or upon delivery an overnight express carrier. .
- 23.2. Notice to Commission. Notice to Commission shall be addressed to it and delivered at the office of the Executive Director, Roanoke Regional Airport Commission, 5202 Aviation Drive, Roanoke, Virginia 24012, either by certified letter, by hand, or by overnight express carrier, or at such other office as it may hereafter designate by notice to Lessee in writing.
- 23.3. Notice to Lessee. Notice to Lessee shall be addressed and delivered to: General Manager, Landmark Aviation, 22 Waypoint Drive, Roanoke, Virginia 24012 either by certified letter, by hand, or by overnight express carrier, or at such other office as it may hereafter designate by notice to Lessor in writing.

#### **ARTICLE 24 - MISCELLANEOUS PROVISIONS**

- 24.1. Entire Agreement. This Agreement constitutes the entire understanding between the parties. Any change or modification of this Lease Agreement must be in writing signed by both parties.
- 24.2. Severability. In the event any provisions hereof shall be finally 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.
- 24.3. Headings. 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.
- 24.4. Governing law. This Agreement is to be construed in accordance with the laws of the Commonwealth of Virginia. The parties agree that, to the extent permitted by law, any action arising from this Agreement shall be brought in the state courts of Roanoke, Virginia, or in the federal court in the district where the Airport is located.
- 24.5. Successors and Assigns Bound. This Lease shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Agreement.

#### **ARTICLE 25 - NONEXCLUSIVE RIGHT**


25.1. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an airport-wide exclusive right to Lessee to provide the services listed herein.

**ARTICLE 26 - FORMER LEASES TERMINATED**

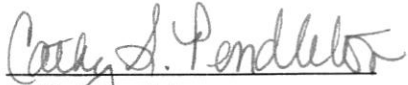
26.1 Former Lease Terminated. Commission and Lessee agree that upon the effective date of this Lease, after proper execution of this Lease by both parties, the FBO Lease dated December 1, 2001, as amended, modified, assigned, or extended, including agreements dated August 22, 2005, October 11, 2005 and May 21, 2009 are hereby cancelled and terminated in toto and of no further force or effect and are replaced and superseded in their entirety by this Lease Agreement.

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


**ROANOKE REGIONAL AIRPORT COMMISSION**

By:   
Jacqueline L. Shuck  
Executive Director

Date: 2/11/11

Attest:   
Cathy Pendleton  
Secretary

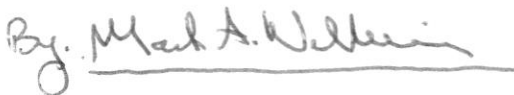
**PIEDMONT HAWTHORNE AVIATION, LLCd.b.a.  
LANDMARK AVIATION**

By:   
Title: President

Date: 12/15/2010

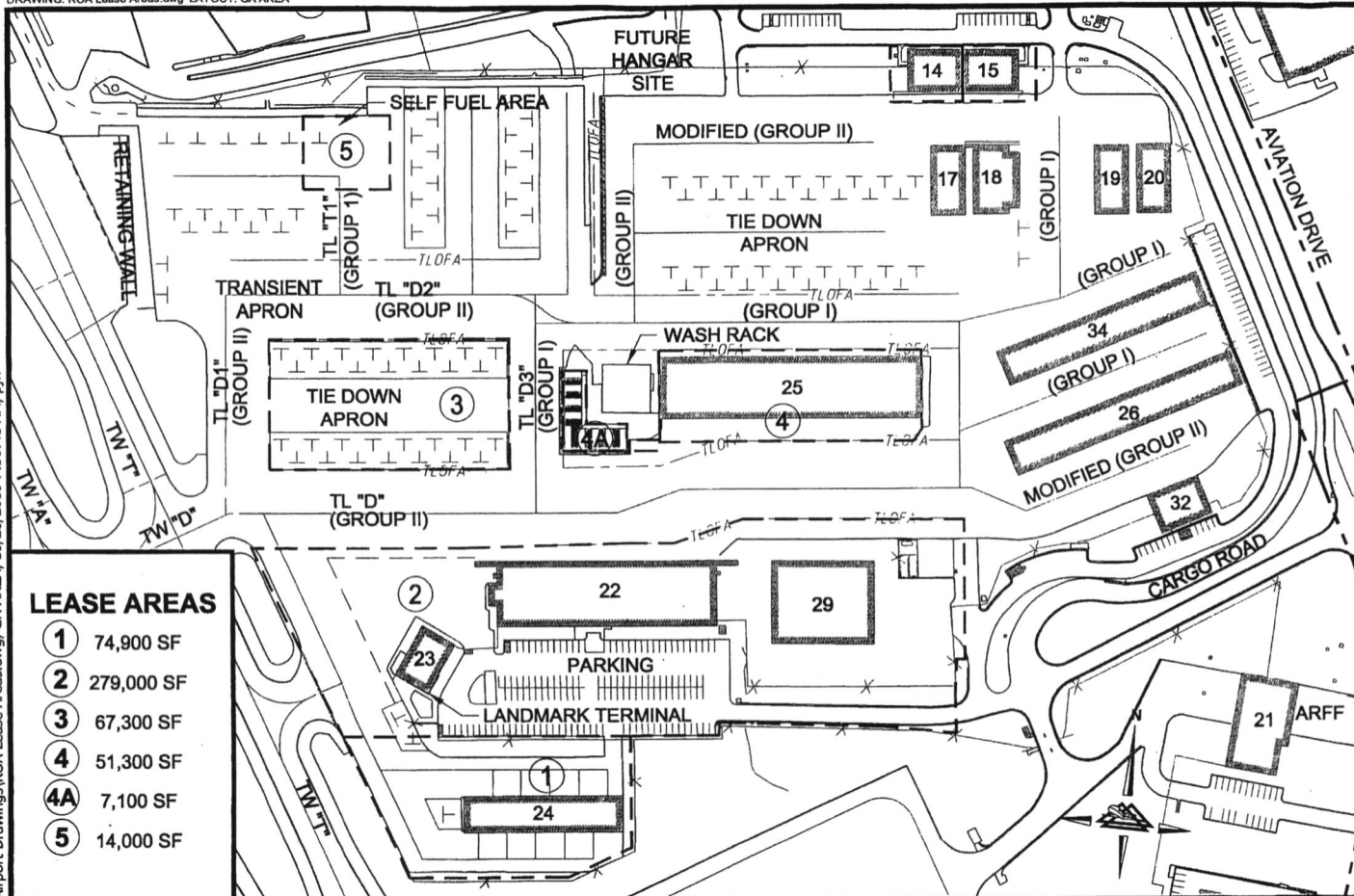
Attest:   
Secretary

Approved for Legal Form:

By: 

By: M. A. Walker  
General Counsel  
Roanoke Regional Airport Commission  
\* increase approved by the City

**SCHEDULE A**  
**LEASED PREMISES**



N:\GKROA\04 CAD\Airport Drawings\ROA Lease Areas.dwg, GA AREA, 10/26/2010 7:50:41 AM, dtw

**LEASE AREAS**

- ① 74,900 SF
- ② 279,000 SF
- ③ 67,300 SF
- ④ 51,300 SF
- ④A 7,100 SF
- ⑤ 14,000 SF



www.deltaairport.com

**LANDMARK LEASE AREAS  
ROANOKE REGIONAL AIRPORT**

DRAWN BY: PJW CHECKED BY: MWK SCALE: 1"=200' DATE: OCTOBER 2010

**EXHIBIT  
1**

**SCHEDULE "B"**  
**LEASE PERFORMANCE BOND**

Form 01-02-08

ROANOKE REGIONAL AIRPORT COMMISSION

LEASE AGREEMENT PERFORMANCE BOND FORM

KNOW ALL MEN BY THESE PRESENTS:

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(Insert full name or legal title and address of Principal)

hereinafter referred to as "Lessee"), and

---

---

(Insert full name or legal title and address of Surety)

a corporation duly organized under the laws of the state of \_\_\_\_\_ and legally authorized to do business in the Commonwealth of Virginia (hereinafter referred to as "Surety"), are held and firmly bound unto the ROANOKE REGIONAL AIRPORT COMMISSION, 5202 Aviation Drive, Roanoke, Virginia 24012, as Obligee (hereinafter referred to as "Commission"), in the amount equal to two hundred, four thousand and forty-seven Dollars (\$204,047.00) for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a certain Lease Agreement with Commission dated December 1, 2010 for approximately 484,540 square feet of space including the facilities located thereon ("Agreement") wherein Principal has agreed to operate an FBO business and to perform and abide by certain terms, conditions, and obligations as well as all other covenants, agreements, and obligations to be performed by Principal, a copy of said Agreement being attached to and expressly incorporated by reference herein and made a part hereof.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal, its executors, administrators, successors and assigns, shall promptly and faithfully perform the Agreement, in strict conformity with each and every term, condition, obligation, and requirement thereof, then this obligation shall be null and void; otherwise, it shall remain in full force and effect, as stated herein.



- a. The Principal shall well and truly perform, and carry out and abide by all the terms, conditions and provisions of said Agreement and complete the work and all obligations therein specified in accordance with the terms thereof and in the event the Principal fails to perform the Agreement as aforesaid, it shall be the duty of the Surety herein to make payment to the Commission in accordance with the terms of the Agreement; and the Surety herein shall and does hereby agree to defend, indemnify the Commission and hold it harmless of, from and against any and all liability, loss, cost, damage or expense including reasonable attorney fees, or other professional services which Commission may incur or which may occur or be imposed upon it by reason of any negligence, default, breach and/or misconduct on the part of the said Principal, and its agents, servants, subcontractors and/or employees, in, about, or on account of performance of said Agreement and shall repay to and reimburse to the Commission, promptly upon demand, all sums of money including reasonable attorney's and other professional fees, each and every, reasonably paid out or expended by the Commission on account of the failure and/or refusal of said Principal to carry out, do, perform, and/or comply with any of the terms and provisions of said Agreement within the time and in the manner therein provided.
- b. Any alteration, modification, omission, or addition which may be made in or to the terms of the Agreement, including, without limitation, the amount to be paid under it, or the giving by the Commission of any extension of time for the performance of the Agreement or any other forbearance of any nature whatsoever on the part of either the Commission or the Principal to the other shall not in any way affect or release the Principal and the Surety, or either of them, their heirs, executors, administrators, successors or assigns with regard to their obligations and liability hereunder, and notice of such alteration, extension or forbearance is hereby expressly waived by Surety.
- c. This bond shall continue in full force and effect and shall not be canceled or expire until all of Principal's obligations under the Agreement have been satisfactorily completed, including, without limitation, all maintenance and guarantee obligations. In any event, this bond shall not be deemed canceled or to have expired unless and until Commission receives from Surety written notice evidencing compliance with the requirements of this bond at least 30 calendar days prior to such cancellation or expiration
- d. IT IS NOT INTENDED BY ANY OF THE PROVISIONS OF ANY PART OF THIS BOND TO CONFER A BENEFIT UPON ANY OTHER PERSON OR ENTITY NOT A PARTY TO THIS PERFORMANCE BOND OR TO AUTHORIZE ANY PERSON OR ENTITY NOT A PARTY TO THIS BOND TO MAINTAIN A SUIT PURSUANT TO THE TERMS OR PROVISIONS OF THIS BOND OTHER THAN THE COMMISSION OR ITS SUCCESSORS OR ASSIGNS.
- e. Any suit or action hereunder shall be brought in a Virginia court of competent jurisdiction in and for the City of Roanoke, or in the United States District Court for the Western District of Virginia, Roanoke Division, and not elsewhere.
- f. The provisions of this bond shall be governed by and are intended to be consistent with and

implement the laws of the Commonwealth of Virginia. In the event of any conflict, discrepancy, or omission as between this bond and applicable provisions of the laws of the Commonwealth of Virginia, the applicable provisions of the laws of the Commonwealth of Virginia shall be determinative and controlling.

SIGNED and SEALED this \_\_\_\_ day of \_\_\_\_\_, 2009, in the presence of:

Principal

WITNESS:

By:(Seal)

(Type Name and Title)

Surety

WITNESS:

By:(Seal)

Attorney-In-Fact

(SURETY: Attach Power of Attorney)

(Type Name and Title)

**SCHEDULE C**

**CONTRACTOR'S PERFORMANCE BOND (DUAL OBLIGEE)**

CONTRACTOR'S PERFORMANCE BOND (DUAL OBLIGEE)

Project: Improvements at Landmark Aviation

KNOW ALL MEN BY THESE PRESENTS:

that

\_\_\_\_\_

(Insert full name or legal title and address of contractor)

as Principal, (hereinafter referred to as "Contractor"),

and \_\_\_\_\_

(Insert full name or legal title and address of Surety)

as Surety, a corporation duly organized under the laws of the state of \_\_\_\_\_ and legally authorized to do business in the Commonwealth of Virginia (hereinafter referred to as "Surety"), are held and firmly bound unto the Roanoke Regional Airport Commission, 5202 Aviation Drive, Roanoke, Virginia 24012, ("Commission") and Piedmont Aviation Services, Inc. d.b.a. Landmark Aviation ("Landmark"), as dual obligees, (both parties being hereinafter jointly and severally referred to as "Obligees") in the amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_.\_\_\_\_), for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has entered into a contract dated \_\_\_\_\_, 201\_\_ with Landmark for construction of certain improvements on premises leased by Landmark from the Roanoke Regional Airport Commission at the Roanoke Regional Airport, which contract documents are herein collectively referred to as the "Contract" and are expressly incorporated herein by reference and made a part of this bond.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Contractor shall promptly and faithfully perform the Contract, in strict conformity with each and every requirement of the Contract, then this obligation shall be null and void; otherwise, it shall remain in full force and effect, as stated herein.

- a. The Contractor shall well and truly perform, and carry out and abide by all the terms,

conditions and provisions of said Contract and complete the work therein specified in accordance with the terms thereof and in the event the Contractor fails to perform the Contract as aforesaid, it shall be the duty of the Surety herein to assume responsibility for the performance of said Contract and to complete the work therein specified in accordance with the terms thereof; and the Surety herein shall and does hereby agree to defend, indemnify the Obligees and hold them harmless of, from and against any and all liability, loss, cost, damage or expense including reasonable attorney fees, or other professional services which Obligees may incur or which may occur or be imposed upon it by reason of any negligence, default, breach and/or misconduct on the part of the said Contractor, and its agents, servants, subcontractors and/or employees, in, about, or on account of such work and performance of said Contract and shall repay to and reimburse to the Obligees promptly upon demand, all sums of money including reasonable attorney's and other professional fees, each and every, reasonably paid out or expended by the Obligees on account of the failure and/or refusal of said Contractor to carry out, do, perform, and/or comply with any of the terms and provisions of said Contract within the time and in the manner therein provided, including, without limitation, the guarantee of the work specified therein.

- b. Any alteration, modification, omission, or addition which may be made in or to the terms of the Contract, including, without limitation, the amount to be paid or the work to be done under it, or the giving of any extension of time for the performance of the Contract or any other forbearance of any nature whatsoever on the part of Obligees or the Contractor to the other shall not in any way affect or release the Contractor and the Surety, or either of them, their heirs, executors, administrators, successors or assigns with regard to their obligations and liability hereunder, and notice of such alteration, extension or forbearance is hereby expressly waived by Surety.
- c. This bond shall continue in full force and effect and shall not be canceled or expire until all of Contractor's obligations under the Contract have been satisfactorily completed, including, without limitation, all maintenance, warranty, and guarantee obligations. In any event, this bond shall not be deemed canceled or to have expired unless and until Obligees receive from Surety written notice evidencing compliance with the requirements of this bond at least 30 calendar days prior to such cancellation or expiration.
- d. IT IS NOT INTENDED BY ANY OF THE PROVISIONS OF ANY PART OF THIS BOND TO CONFER A BENEFIT UPON ANY OTHER PERSON OR ENTITY NOT A PARTY TO THIS PERFORMANCE BOND OR TO AUTHORIZE ANY PERSON OR ENTITY NOT A PARTY TO THIS BOND TO MAINTAIN A SUIT PURSUANT TO THE TERMS OR PROVISIONS OF THIS BOND OTHER THAN THE OBLIGEEES OR THEIR SUCCESSORS OR ASSIGNS.
- e. Any suit or action hereunder shall be brought in a Virginia court of competent jurisdiction in and for the City of Roanoke, the County of Roanoke, or in the United States District Court for the Western District of Virginia, Roanoke Division, and not elsewhere.



**SCHEDULE D**

**CONTRACTOR'S CONSTRUCTION COMPLETION AND LABOR AND MATERIAL PAYMENT  
BOND  
(DUAL OBLIGEE)**

CONTRACTOR'S CONSTRUCTION COMPLETION AND LABOR AND MATERIAL PAYMENT  
BOND  
(DUAL OBLIGEE)

Project: Improvements at Landmark Aviation

KNOW ALL MEN BY THESE PRESENTS:

That \_\_\_\_\_  
\_\_\_\_\_  
(Insert full name or legal title and address of Contractor)  
(hereinafter referred to as "Contractor"),  
and \_\_\_\_\_

\_\_\_\_\_  
(Insert full name or legal title and address of Surety)  
(hereinafter referred to as "Surety")  
a corporation duly organized under the laws of the state of \_\_\_\_\_ and legally authorized to do  
business in the Commonwealth of Virginia, are held and firmly bound unto the ROANOKE  
REGIONAL AIRPORT COMMISSION, 5202 Aviation Drive, Roanoke, Virginia 24012, (hereinafter  
referred to as "Commission"), and and Piedmont Aviation Services, Inc. d.b.a. Landmark Aviation (  
"Landmark"), as dual obligees, (both parties being hereinafter jointly and severally referred to  
"Obligees") in the amount of

\_\_\_\_\_  
(insert the amount of the contract between Principal and its contractor for construction of the T-Hangar) DOLLARS (\$  
) , for the payment whereof Principal and Surety bind themselves, their heirs, executors,  
administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Contractor has entered into a contract dated \_\_\_\_\_ with  
Landmark for construction of certain improvements on premises leased by Landmark from the  
Roanoke Regional Airport Commission at the Roanoke Regional Airport (hereby referred to as the  
"Improvements"), which contract documents are herein collectively referred to as the "Contract"  
and are expressly incorporated herein by reference and made a part of this bond.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Contractor shall  
promptly make payment to all Claimants as hereinafter defined, for all material furnished or labor  
supplied or performed in the prosecution of the work provided for in the Contract, then this  
obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the  
following conditions:

- a. Any alteration, modification, omission, or addition which may be made in or to the terms of  
the Lease Agreement, including, without limitation, the work to be done or the amount to  
be paid, or the giving by the Commission of any extension of time for the performance of  
the Lease Agreement or any other forbearance of any nature whatsoever on the part of



either the Commission or the Principal to the other shall not in any way affect or release the Principal and the Surety, or either of them, their heirs, executors, administrators, successors or assigns with regard to their obligations and liability hereunder, and notice of such alteration, extension or forbearance is hereby expressly waived by Surety.

- b. A Claimant is defined as one who has and fulfills a contract to supply labor or materials, or both, including, without limitation, any subcontractor, in the prosecution of the construction of the Improvements provided for in the Lease Agreement, labor and material being construed to include, without limitation, public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.
- c. IT IS NOT INTENDED BY ANY OF THE PROVISIONS OF ANY PART OF THIS BOND TO CONFER A BENEFIT UPON ANY OTHER PERSON OR ENTITY NOT A PARTY TO THIS PERFORMANCE BOND OR TO AUTHORIZE ANY PERSON OR ENTITY NOT A PARTY TO THIS BOND TO MAINTAIN A SUIT PURSUANT TO THE TERMS OR PROVISIONS OF THIS BOND OTHER THAN THE COMMISSION OR ITS SUCCESSORS OR ASSIGNS.
- d. Any suit or action hereunder shall be brought in a Virginia court of competent jurisdiction in and for the City of Roanoke, or in the United States District Court for the Western District of Virginia, Roanoke Division, and not elsewhere. The Principal and Surety expressly agree that Commission shall not be liable for and to defend, indemnify, and hold Commission harmless from the payment of any judgment, costs or expenses resulting from any suit to recover amounts due for labor or materials supplied or provided in the construction of the Improvements and that neither Principal nor Surety shall cause Commission, or its officers, officials, or employees, to be named as a party in any such suit.
- e. The provisions of this bond shall be governed by and interpreted to be consistent with the laws of the Commonwealth of Virginia, including, without limitation, the applicable provisions of the Virginia Public Procurement Act, as amended.

SIGNED and SEALED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, in the presence of:

Contractor

WITNESS:

By:

(Seal)

(Type Name and Title)

Surety

WITNESS:

By:

(Seal)

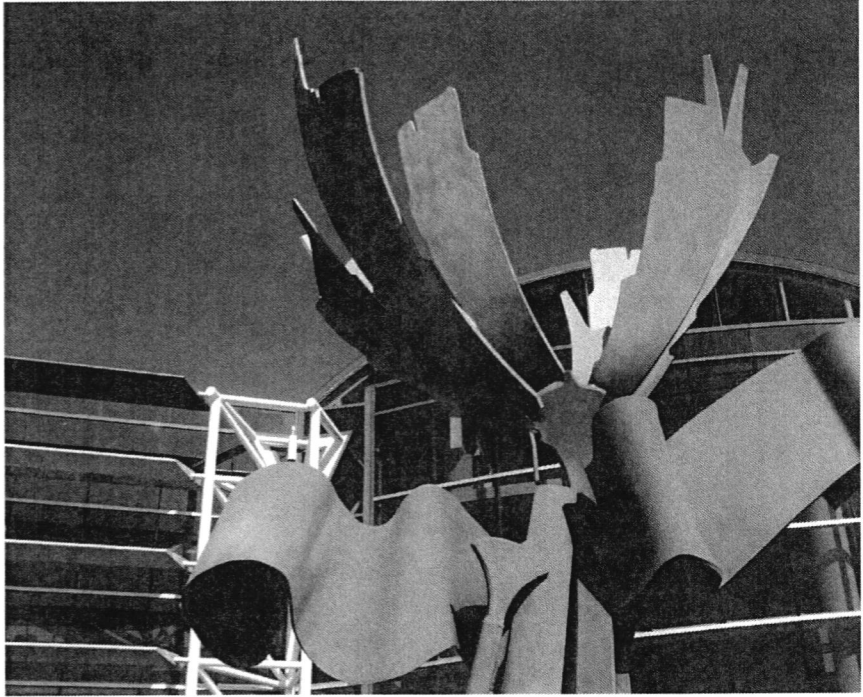
Attorney-In-Fact

\_\_\_\_\_  
(Type Name and Title)

\_\_\_\_\_  
(SURETY: Attach Power of Attorney)

**SCHEDULE E**

**Regulations and Guidelines for Tenant Improvements**



## **DESIGN PACKAGE REQUIREMENTS**

**GUIDELINES FOR TENANT IMPROVEMENT PROJECTS AT  
THE ROANOKE REGIONAL AIRPORT**

**FEBRUARY 2006**

## **OVERVIEW**

The Roanoke Regional Airport Commission (RRAC) offers the guidelines contained herein to establish recommendations and requirements for Tenant submittals for design review. The RRAC in turn uses the information submitted to preserve the design intent of the airport complex and to protect and control the capacity of both the facilities and the site. In addition, the physical data furnished by Tenants concerning their renovation and new construction projects allows the RRAC to analyze and maintain the airport's comprehensive Facility Management Plan and to conduct internal reviews. Tenants should be thorough in their submittals for the benefit of the RRAC and to ensure prompt action on their requests.

## **SCHEMATIC DESIGN REVIEW PACKAGE FOR MAJOR RENOVATION/NEW CONSTRUCTION PROJECTS**

Based on the scope of the proposed project, the Schematic Design Review package may include a site plan, demolition plan, floor plan(s), exterior elevation(s), interior elevation(s), building section(s), and project impact details. In addition to drawings, the following items should also be included in the Schematic Design review package, to the extent that each is applicable to the Project:

- Description of the proposed project
- Proposed project location
- Number of people to occupy the space
- Proposed hours of operation
- Quantity and type of heat-producing equipment, e.g. computers, appliances, and copy machines
- Domestic water requirements, based on usage of toilets, sinks, drains, showers, etc.
- Proposed water connections for equipment and domestic hot/cold or chilled water
- Required water pressure and flow requirements
- Potential impact on RRAC network capabilities and type of

- connectivity with local telephone and/or Internet service providers
- Potential impact on wireless connectivity and/or interference with aviation communications
  - Request for special voltage requirements, e.g. 120/208, 277/480
  - Potential impact on building and system security
  - Emergency power requirements for any and/or all equipment
  - Site and/or floor plan(s) explaining demolition and the limits of construction
  - Probable project construction budget.

## **FINAL DESIGN REVIEW PACKAGE**

Upon receiving approval at the Schematic Design phase of a Major Renovation/New construction Project, or upon the receipt of RRAC's authorization to proceed with design of a Small Renovation Project, Tenants must complete and submit to the RRAC a Final Design package containing full Construction Documents. The items listed below are required, if applicable to the project, for RRAC approval.

### **COVER SHEET**

All Final Design packages must be accompanied by a cover sheet containing, at a minimum, the following information:

- Project name
- Owner name (RRAC)
- Tenant name
- Date
- Vicinity/project location map
- Building code and construction classification to include code data, project area, use group classification, occupancy number, and type of construction
- Virginia Registered Professional name and contact information

- Index of drawings

#### PROJECT MANUAL

The Project Manual must, at a minimum, contain the following information:

- List of drawings
- Verification of insurance and bonds
- Contractor's use of premises
- Temporary dust and noise protection plan
- Waste and debris plan
- Project meeting schedule
- Work times and phasing
- Security plan
- Submittals, e.g. shop drawings and fabrication diagrams
- Inspections and testing schedule
- Warranties and guarantees
- Temporary facilities and controls
- Project closeout procedures
- Operation and maintenance manuals
- Specifications

#### CIVIL ENGINEERING

All civil engineering drawings must, at a minimum, contain the following information, if applicable to the project:

- Site layout
- Staking and grading plan
- Stormwater management
- Erosion and sediment control
- Component enlargements and detailing

#### STRUCTURAL ENGINEERING

All structural engineering drawings must, at a minimum, contain the following information, if applicable to the project:

- Foundation and/or framing plan
- Location of permanent canopies and covers
- Connection details

#### ARCHITECTURE

The architectural drawings shall be of sufficient clarity to indicate the location, nature, and extent of the work proposed and to show in detail that it will conform to the provisions of the state code and relevant laws, ordinances, rules, and regulations.

All architectural drawings must, at a minimum, contain the following information, if applicable to the project:

- Interior and exterior elevations
- Demolition and/or new construction floor plan(s), including dimensions
- Building and wall sections
- Number of occupants per room
- Egress requirements
- Doors and frames
- Hardware and keying system(s) (if possible, Tenant's hardware should match the RRAC grand master system)
- Ceiling tile and suspension systems
- Security system(s)
- Fire ratings

#### REFLECTIVE CEILING PLAN

The reflective ceiling plan must, at a minimum, contain the following information, if applicable to the project:

- Finish schedule, including color, type, manufacturer, and supplier name and telephone number



- Toilet room enlargement plan with accessory schedule
- Interior details

#### LANDSCAPE ARCHITECTURE

All landscape architecture drawings must, at a minimum, contain the following information, if applicable to the project:

- Plan with schedules and details
- Site components and details

#### MECHANICAL ENGINEERING

All mechanical engineering drawings must, at a minimum, contain the following information, if applicable to the project:

- Ductwork distribution with size and balance requirements
- Equipment and loads
- Details

#### ELECTRICAL ENGINEERING

The Tenant must demonstrate compliance with the RRAC's Electrical Guide Specification dated February 21, 2005. In addition, all electrical engineering drawings must, at a minimum, contain the following information, if applicable to the project:

- Locations of lighting fixtures, switches, receptacles, and plates
- Lighting fixture type and number of lamps
- Circuit routing and wiring
- Panel board configuration
- Type and location(s) of emergency lighting and sensors
- Telephone and computer outlets
- Security system type(s) and power source
- Emergency power
- Equipment type and loads

## PLUMBING ENGINEERING

All plumbing drawings must, at a minimum, contain the following information, if applicable to the project:

- Location and size of plumbing fixtures
- Fixture type(s), water capacity, and pipe/vent distribution
- Location of trim and drains

## FIRE PROTECTION

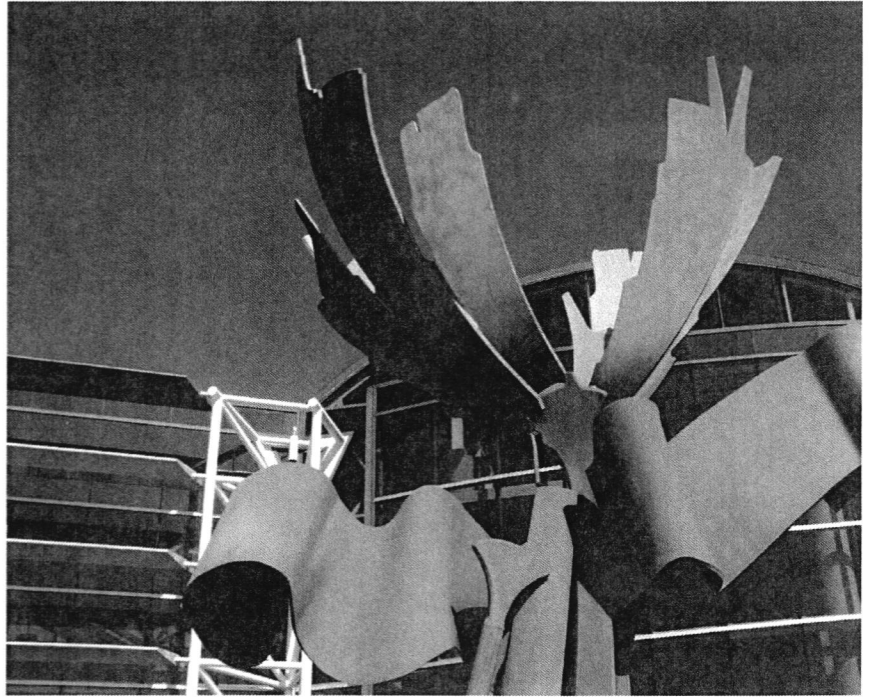
All fire protection drawings must, at a minimum, contain the following information, if applicable to the project:

- Sprinkler types, location(s), and piping routing
- Calculations

## CONSTRUCTION BUDGET

In the Final Design package, the Tenant will also include an updated probable construction budget.

For more information about the guidelines for submittal for design review, please contact Jacqueline Shuck, Executive Director of the Roanoke Regional Airport Commission, at (540) 362-1999.



## **MAJOR RENOVATION AND NEW CONSTRUCTION PROJECTS**

**GUIDELINES FOR TENANT IMPROVEMENT PROJECTS AT  
THE ROANOKE REGIONAL AIRPORT**

**FEBRUARY 2006**

## **OVERVIEW**

The Major Renovation/New Construction Project Guidelines outlined below serve as an important policy tool employed by the Roanoke Regional Airport Commission (RRAC) to help preserve the design intent of the airport complex and to protect and control the capacity of both the facilities and the site. In addition, the physical data submitted to the RRAC related to renovation projects allows the Commission to analyze and maintain the airport's comprehensive Facility Management Plan and to conduct internal reviews. Tenants should be thorough in their submittals for the benefit of the RRAC and to ensure prompt action on their requests.

Because the Roanoke Regional Airport is a public facility stringently regulated by Federal, State and Local government building, environmental, security, access and other similar laws, rules and regulations, the RRAC mandates strict compliance with the guidelines and requirements contained herein. These guidelines are set forth for the safety and protection of the general public, the Tenants, and construction contractors. Federal and Commission regulations, as well as the specific nature and hours of operation of the airport complex, require special project conditions prior to and during project construction.

## **INITIAL PROJECT REQUEST**

To initiate a renovation or new construction project, the Tenant must submit a completed Project Request Form to the RRAC's Properties Manager. The RRAC will then review the information submitted and schedule a pre-design meeting with the Tenant to discuss project intent and objectives, as well as the Project's compatibility with the rights and responsibilities of Tenant's Agreement with RRAC. The RRAC will attempt to grant notice to proceed with the schematic design phase, seek additional information from Tenant, or deny the request within ten working days of the pre-design meeting. No project shall commence prior to receiving express written authorization to proceed from the RRAC. At the date of issuance of notice to proceed with schematic design, the RRAC will assign a Project Manager who will serve as the Tenant's sole point of contact with the RRAC for the duration of the project.

## DESIGN REVIEW CHECKPOINTS

The RRAC implements a two-phase review and approval process during the design of any renovation and/or new construction project. The first design review checkpoint occurs during Schematic Design. The second and last occurs during Final Design. The Schematic Design review outlines for the RRAC the project scope and proposed integration with the existing site and building utilities, space, and building systems. The Final Design review serves to provide the RRAC with more detailed information on design, construction cost, and construction schedule. For more information about submittal requirements for both of the design reviews, please see the *Design Package Requirements* issued by the RRAC.

Please also note that the Tenant is solely responsible for obtaining City reviews and approvals, construction permits, and trade inspections, and for coordinating final project closeout. No project may proceed until a copy of such approvals and permits has been presented to RRAC.

### SCHEMATIC DESIGN REVIEW

During Schematic Design, the Tenant shall prepare for the RRAC and submit to the RRAC's Project Manager a package that adequately illustrates the design intent of the renovation and/or new construction project. The package shall consist of graphical designs of the project and a written design narrative addressing code issues, the proposed site and building system(s), and the impact of the proposed design on the components of the existing site and/or building(s). The package will also include an updated design and construction timeline and a probable project construction budget. A more detailed listing of the requirements of the schematic design review package is contained in the RRAC's "Design Package Requirements", dated January 2006, as amended.

The Tenant shall submit either one electronic copy, including the AutoCAD file(s), or three paper copies of their Schematic Design package to the RRAC. In addition, the Tenant shall, along with their Project Designer, hold an oral presentation of the project with the appointed RRAC Project Manager and any additional RRAC

representatives and consultants who RRAC may choose to attend. At this stage, the RRAC shall review the Schematic Design submittal and offer "for design intent only" comments.

#### FINAL DESIGN REVIEW

Upon approval of its Schematic Design package, the Tenant is authorized to develop a Final Design package, or Construction Documents, to be prepared and certified by a Virginia registered professional engineer or architect. To maintain continuity of design throughout the airport complex, the RRAC will review the Tenant's Final Design package submittal "for design intent only."

The Final Design package shall be submitted to RRAC's Project Manager and shall provide adequate construction detail and information concerning the Tenant's construction program. Final Design information should also provide evidence of compliance with the RRAC's Electrical Guide Specification dated February 21, 2005 and other RRAC Standard Specifications as may have been adopted by RRAC at the time of the project. In addition, the submittal shall provide enough physical data to allow the RRAC to evaluate and update its comprehensive Facility Management Plan. A more detailed listing of the requirements of the final design review package is contained in the RRAC's "Design Package Requirements", dated January 2006, as amended.

The Tenant shall submit either one electronic copy, including the AutoCAD file(s), or four hard copies of their Final Design package to the RRAC.

#### **PRE-CONSTRUCTION REQUIREMENTS**

At least 10 business days prior to the anticipated start of construction, the Tenant shall coordinate a pre-construction meeting with the appointed RRAC Project Manager and the proposed Contractor to discuss any or all of the items outlined here and in the following section, as well as other areas of concern. Within three days of the pre-construction meeting, the Tenant shall distribute a Memorandum of Understanding to the RRAC.

**FINAL DESIGN ADJUSTMENT:** If a change in project scope occurs,

the Tenant must resubmit a Final Design package for review and approval to the RRAC.

**INSURANCE AND BONDS:** Prior to construction, the Tenant shall secure the appropriate insurance and bonds. See the Tenant Lease Agreement for additional information.

**CONTRACTOR(S):** The Tenant shall secure a construction Contractor or establish a method to conduct construction. The Tenant will apprise the RRAC Project Manager of its selection.

The Contractor and all of its subcontractors shall be properly licensed by the state of Virginia for the type of work being done.

**BUILDING PERMIT:** The Tenant must apply for and secure a City of Roanoke building permit. The Tenant will apprise the RRAC Project Manager once the building permit has been secured and provide a copy of the permit prior to the start of the Project.

**CLEARANCE AND BADGES:** All Contractor(s), Subcontractor(s), and related construction personnel must either be trained by Tenant to stay out of airport secure areas or face fines/penalties. In the event that the project will require access to the Airport Secure Area, then the employees of such entities shall be required to be trained, subjected to criminal background checks and issued identification badges/clearances at the request of Tenant's Authorized Certifier prior to entering the construction site. Persons violating the TSA and Commission's security requirements may be permanently removed from the project.

**SITE SECURITY:** Security information is time sensitive. The RRAC Project Manager will advise the Tenant of additional security requirements and routes of access as they arise.

## **CONSTRUCTION REQUIREMENTS**

The Tenant shall comply with the following before and during construction:

**CONTRACTOR ACTIONS:** The Tenant is solely responsible for the actions of its hired Contractor(s).

**PROJECT COMMUNICATION:** The Tenant holds sole responsibility for all communication with the Contractor(s). All project-related communication originating from the Contractor(s) shall be channeled through the Tenant. The Tenant, through its own Project Contact, will direct all project-related communication to the RRAC through the RRAC Project Manager appointed to their project. Should the RRAC wish to communicate with the Tenant and/or Contractor(s), it will do so through its appointed Project Manager.

**SITE ENTRY POINTS:** The RRAC Project Manager will designate entry points for equipment, materials, and personnel prior to the start of construction.

**WORK HOURS:** After discussion with Tenant and its contractor, the RRAC Project Manager designate acceptable Contractor work days and hours at this time.

**CONTRACTOR PARKING:** To the extent that space is available, the RRAC Project Manager will assign Contractor parking spaces or designate parking areas. Parking in the public parking area will be subject to regular parking fees.

**CONSTRUCTION STAGING AREA:** The RRAC Project Manager will designate an acceptable construction staging area if such area is readily available. Otherwise, the Contractor may be required to stage off airport. **NO SUPPLIES OR MATERIALS MAY BE DELIVERED TO THE AIRPORT PRIOR TO THE ACTUAL START OF CONSTRUCTION.**

**ON-SITE EQUIPMENT STORAGE:** The RRAC Project Manager will designate on-site equipment storage if such space is readily available.

**PROJECT TIMELINE AND CONSTRUCTION SCHEDULE:** The RRAC Project Manager shall review the construction schedule submitted by the Tenant and discuss any required and/or scheduled downtime. At this time, the RRAC Project Manager may make suggestions for modification to the construction schedule. With some assistance from the RRAC Project Manager, the Tenant shall coordinate work, access, interference with operations and other matters that impact one or more other Airport Tenants as a result of the Project. Tenant may not significantly and negatively impact



the operations of RRAC, the Airport and/or other Tenants.

**BUILDING SYSTEMS:** The Tenant and its Contractor(s) are solely responsible for successfully integrating with any existing building system(s), including the electrical, mechanical, heating, cooling, security and fire protection systems. If any portions of the existing building(s) and/or systems are damaged as a result of the construction project, the Tenant is responsible for restoring all systems to the condition they were in prior to the start of construction. Due to the critical and sensitive nature of such systems, RRAC retains the right to determine and identify the sole Contractor or Contractors who are authorized to perform such work and/or integrate such systems.

**DUST AND NOISE CONTROL.** The RRAC Project Manager will advise the Tenant on dust and noise control requirements within the construction area. In the event that dust and/or noise will significantly impact the operations of the airport, RRAC and/or its Tenants, work will be required to be performed during hours when there are not air carrier operations.

**DAILY HOUSEKEEPING.** The RRAC Project Manager will discuss housekeeping requirements with the Tenant. Site cleanliness requirements will depend on the location of the construction; however, no debris that could be moved by an aircraft engine will be permitted at any time and dust/debris/waste in the public areas must be continuously removed and the area cleaned.

**PROTECTION OF FACILITY USERS, PERSONNEL, AND EQUIPMENT:** The Tenant is responsible for protecting the traveling public, site, building, facility users, personnel, equipment, and aircraft from any harm caused by the construction process.

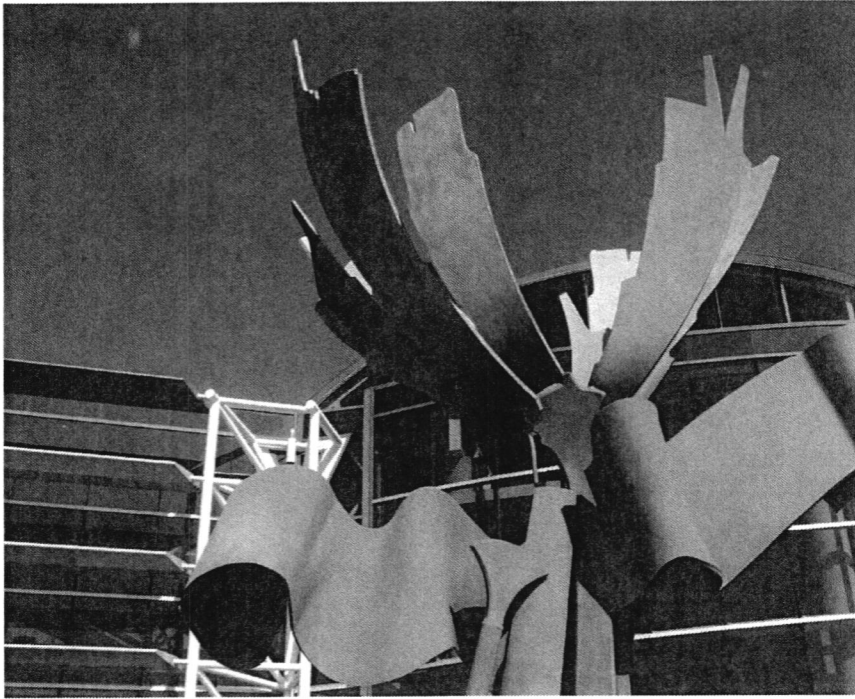
## **PROJECT CLOSEOUT**

At substantial completion and/or final completion, the Tenant shall coordinate with the RRAC to hold a "for design intent only" project walk-through. The Tenant is responsible for responding to RRAC comments and for making modifications as necessary. Within 30 days of final completion, the Tenant will deliver to the RRAC "as built" plans, shop drawings, and instructions and manuals for all permanent equipment.

## **REVIEW COSTS**

RRAC will not charge Tenant for services provided by RRAC personnel, other than costs for services related to the badging of Contractor's workers; however, Tenant shall reimburse and pay RRAC for all costs related to review of plans and walk-through costs provided to RRAC by outside Consultants.

For more information, please contact Jacqueline Shuck, Executive Director of the Roanoke Regional Airport Commission, at (540) 362-1999.



## **SMALL RENOVATION PROJECTS**

**GUIDELINES FOR TENANT IMPROVEMENT PROJECTS AT  
THE ROANOKE REGIONAL AIRPORT**

**FEBRUARY 2006**

**OVERVIEW**

The Small Renovation Project Guidelines outlined below serve as an important policy tool employed by the Roanoke Regional Airport Commission (RRAC) to help preserve the design intent of the airport complex and to protect and control the capacity of both the facilities and the site. In addition, the physical data submitted to the RRAC related to renovation projects allows the Commission to analyze and maintain the airport's comprehensive Facility Management Plan and to conduct internal reviews. Tenants should be thorough in their submittals for the benefit of the RRAC and to ensure prompt action on their requests .

Because the Roanoke Regional Airport is a public facility stringently regulated by Federal, State and local government building, environmental, security, access and other similar laws, rules and regulations, the RRAC mandates strict compliance with the guidelines and requirements contained herein. These guidelines are set forth for the safety and protection of the general public, the Tenants, and construction contractors. Federal and Commission regulations, as well as the specific nature and hours of operation of the airport complex require special project conditions prior to and during project construction.

## **INITIAL PROJECT REQUEST**

To initiate a small renovation project, the Tenant must submit the RRAC a completed Project Request Form to the RRAC's Properties Manager. The RRAC will then review the information submitted and schedule a pre-design meeting with the Tenant to discuss project intent and objectives, as well as the Project's compatibility with the rights and responsibilities of Tenant's Agreement with RRAC . The RRAC will attempt to deny the request, grant notice to proceed with the design plans or seek additional information from Tenant within ten working days of the pre-design meeting. No project shall commence prior to receiving express written authorization to proceed from the RRAC. At the date of issuance of notice to proceed with the design plans, the RRAC will assign a Project Manager who will serve as the Tenant's sole point of contact with the RRAC for the duration of the project.

## **DESIGN REVIEW PACKAGE**

Once design is complete, the Tenant shall submit to the RRAC Project Manager a Final Design package with full Construction Documents describing and illustrating the planned renovation project. The package shall be prepared and certified by a Virginia registered professional. At this stage of the project, and to ensure continuity in design throughout the entire airport complex, the RRAC will review the information submitted for design intent only.

The design package shall include at a minimum the following information:

- Project design
- Building code analysis
- Probable construction budget
- Technical information, such as building material type, color, and manufacturer
- Interior finish schedule, if applicable
- Evidence of compliance with the Roanoke Regional Airport Commission Electrical Guide Specification dated February 21, 2005 and such other Standard Specifications as may have been adopted by the RRAC at the time of the Project.
- Proposed construction timeline.

For more information about submittal requirements for design review, please see the *Design Package Requirements* issued by the RRAC and dated January 2006, as amended. Please also note that the Tenant is solely responsible for obtaining City reviews and approval, construction permits, and trade inspections, and for coordinating final project closeout.

Tenant shall submit either one electronic copy, including the AutoCAD files(s), or four hard copies of their final Design package to the RRAC.

RRAC RESERVES THAT RIGHT TO REQUIRE TENANT TO USE AN

ELECTRICAL ENGINEER IDENTIFIED BY RRAC TO DESIGN THE ELECTRICAL, COMMUNICATIONS, SECURITY AND/OR HVAC SYSTEMS IMPROVEMENTS WHICH ARE INCLUDED IN OR AFFECTED BY THE PROJECT. SUCH SERVICES SHALL BE REQUESTED BY AND PERFORMED FOR THE RRAC, WITH THE PLANS BEING DELIVERED TO TENANT WHEN THE DESIGN FEE IS PAID.

## **PRE-CONSTRUCTION REQUIREMENTS**

At least 10 business days prior to the anticipated start of construction, the Tenant shall coordinate a pre-construction meeting with the appointed RRAC Project Manager and the proposed Contractor to discuss any or all of the items outlined here and in the following section, as well as other areas of concern.

**FINAL DESIGN ADJUSTMENT:** If a change in project scope occurs, the Tenant must resubmit a final design package for review and approval to the RRAC.

**INSURANCE AND BONDS:** Prior to construction, the Tenant shall secure the appropriate insurance and bonds. See the Tenant Lease Agreement for additional information.

**CONTRACTOR(S):** The Tenant shall secure a construction Contractor or establish a method to conduct construction. The Tenant will apprise the RRAC Project Manager of its selection.

**BUILDING PERMIT:** The Tenant must apply for and secure a City of Roanoke building permit. The Tenant will apprise the RRAC Project

Manager once the building permit has been secured and provide a copy of such permit prior to the start of the Project.

**CLEARANCE AND BADGES:** All Contractor(s), Subcontractor(s), and related construction personnel must either be trained by Tenant to stay out of airport secure areas or face fines/penalties. In the event that the project will require access to the Airport Secure Area, then the employees of such entities shall be required to be trained, subjected to criminal background checks and issued identification badges/clearances at the request of Tenant's Authorized Certifier prior to entering the construction site. Persons violating the TSA and Commission's security requirements may be permanently removed from the project.

**SITE SECURITY:** Security information is time sensitive. The RRAC Project Manager will advise the Tenant of additional security requirements and routes of access as they arise.

## **CONSTRUCTION**

The Tenant shall comply with the following before and during construction:

**CONTRACTOR ACTIONS:** The Tenant is solely responsible for the actions of its hired Contractor(s).

**PROJECT COMMUNICATION:** The Tenant holds sole responsibility for all communication with the Contractor(s). All project-related communication originating from the Contractor(s) shall be channeled through the Tenant. The Tenant, through its own Project Contact, will direct all project-related communication to the RRAC through the RRAC Project Manager appointed to the project. Should the RRAC wish to communicate with the Tenant and/or Contractor(s), it will do so through its appointed Project Manager.

**SITE ENTRY POINTS:** The RRAC Project Manager will designate entry points for equipment, materials, and personnel prior to the start of construction.

**WORK HOURS:** After discussion with Tenant and its contractor, the

RRAC Project Manager will designate acceptable Contractor work days and hours at this time.

**CONTRACTOR PARKING:** To the extent that space is available, the RRAC Project Manager will assign Contractor parking spaces or designate parking areas. Parking in the public parking area will be subject to regular parking fees.

**CONSTRUCTION STAGING AREA:** The RRAC Project Manager will designate an acceptable construction staging area, if such area is readily available. Otherwise, the Contractor may be required to stage off airport. **NO SUPPLIES OR MATERIALS MAY BE DELIVERED TO THE AIRPORT PRIOR TO THE ACTUAL START OF CONSTRUCTION.**

**ON-SITE EQUIPMENT STORAGE:** The RRAC Project Manager will designate on-site equipment storage, if such space is readily available.

**PROJECT TIMELINE AND CONSTRUCTION SCHEDULE:** The RRAC Project Manager shall review the construction schedule submitted by the Tenant and discuss any required and/or scheduled downtime. At this time, the RRAC Project Manager may make suggestions for modification to the construction schedule. With some assistance from the RRAC Project Manager, the Tenant shall coordinate work, access, interference with operations and other matters that impact one or more other Airport Tenants as a result of the Project. Tenant may not significantly and negatively impact the operations of RRAC, the Airport and/or other Tenants.

**BUILDING SYSTEMS:** The Tenant and its Contractor(s) are solely responsible for successfully integrating with the existing building systems, including electrical, security, mechanical, heating, cooling, and fire protection. If any portions of the existing building(s) and/or systems are damaged as a result of the construction project, the Tenant is responsible for restoring all systems to the condition they were in prior to the start of construction. Due to the critical and sensitive nature of such systems, RRAC retains the right to determine and identify the sole Contractor or Contractors who are authorized to perform such work and/or integrate such systems.

**DUST AND NOISE CONTROL.** The RRAC Project Manager will advise



the Tenant on dust and noise control requirements within the construction area. In the event that dust and/or noise will significantly impact the operations of the airport, RRAC and/or its Tenants, work will be required to be performed during hours when there are not air carrier operations.

DAILY HOUSEKEEPING. The RRAC Project Manager will discuss housekeeping requirements with the Tenant. Site cleanliness requirements will depend on the location of construction; however, no debris that could be moved by an aircraft engine will be permitted at any time and dust/debris/waste in the public areas must be continuously removed and the area cleaned.

PROTECTION OF FACILITY USERS, PERSONNEL, AND EQUIPMENT: The Tenant is responsible for protecting the traveling public, site, building, facility users, personnel, equipment, and aircraft from any harm caused by the construction process.

## **PROJECT CLOSEOUT**

At substantial completion and/or final completion, the Tenant shall coordinate with the RRAC to hold a “for design intent only” project walk-through. The Tenant is responsible for responding to RRAC comments and for making modifications as necessary. Within 30 days of final completion, the Tenant will deliver to the RRAC “as built” plans, shop drawings, and instructions and manuals for all permanent equipment.

## **REVIEW AND DESIGN COSTS**

RRAC will not charge Tenant for services provided by RRAC personnel, other than costs for services related to the badging of Contractor’s workers; however, Tenant shall reimburse and pay RRAC for all costs related to design and review of plans and walk-through costs provided to RRAC by outside Consultants.

For more information, please contact Jacqueline Shuck,  
Executive Director of the Roanoke Regional Airport Commission, at  
(540) 362-1999.

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Date:

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Name and Address of Tenant Applicant:

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Point of Contact:

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Project Title:

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Project Scope (General description):

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Description of Work:

Location:

" Exterior Work

" Interior Work

Type of Work:

" Renovation

" New Construction

Project Type:

" Ticket Counter

" Concourse/Gate Counter

" Restaurant & Kitchen

" Gift Shop

" Commercial Sales

" Kiosk

" Lease Offices

" Conference/Assembly

" Screening Areas

" Baggage Make-up

" General Storage

" Baggage Storage

" Toilets

" Hanger Space

" Building # \_\_\_\_\_

" Bulk Liquid Storage

" Exterior/Ramp Area

Site:

" Grading

" Stormwater Management

Building Components:

" Structural

" Doors

" Windows

" Space and Interior Planning

" Floor Finishes

" Paint and Wall Finishes

" Ceiling

" Insulation and Sound  
Attenuation

" Roofing

" Lighting, Switching, and Wiring

" Power and Receptacles

" Data Wiring

" Communications Wiring

" Mechanical Equipment

" Mechanical Ductwork

" Plumbing

" Sprinkler System

Project Type/Site/Components:

" Other:  
\_\_\_\_\_

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" Erosion Control	_____
" Paving	_____
" Utilities	_____
" Landscaping	_____
" Ramp Area	_____
	_____
	_____
	_____
	_____

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Project Will Impact:

" Tenant Area(s)	" Dust and Debris
" Hours of Operation	" Safety
" Adjacent Areas	" Security
" Airport Flight Operations	" Other:
" Airport Maintenance	_____
	_____

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Estimated Design Timeline:

Estimated Construction Timeline:

Estimated Project Budget:

Project Approved:

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

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Project Declined:

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

Date:

\_\_\_\_\_

Contact Information:

\_\_\_\_\_

Appointed RRAC Project Manager

**RESOLUTION OF THE ROANOKE REGIONAL AIRPORT COMMISSION**

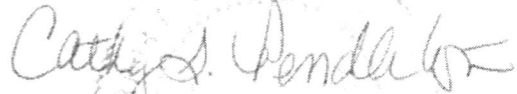
**Adopted this 20<sup>th</sup> day of July, 2010**

**No. 23-072010**

A RESOLUTION approving the Executive Director's recommendation to accept the application of Piedmont Hawthorne Aviation, LLC d/b/a Landmark Aviation to do business at the Airport, upon certain terms and conditions.

BE IT RESOLVED by the Roanoke Regional Airport Commission that, in accordance with the Commission's Fixed Base Operator Standards, the Commission does hereby accept the recommendation of the Executive Director regarding the completed application and request to do business at the Airport dated April 28, 2010, submitted by Piedmont Hawthorne Aviation, LLC d/b/a Landmark Aviation ("Landmark"), and the Executive Director is authorized to negotiate and execute, in form approved by General Counsel, a ten year extension agreement with Landmark with such terms and conditions as the Executive Director and General Counsel shall find to be in the best interest of the Commission and including, without limitation, the terms and conditions and as generally set forth in the recommendation and report of the Executive Director to this Commission dated July 16, 2010.

ATTEST:



Secretary

VOTE:	AYES:	Dooley, Porterfield, Stewart, Turner
	NAYS:	None
	ABSENT:	Minnix