

1 STATE OF GEORGIA
2 COUNTY OF CHATHAM

3
4 **SPACE LEASE AGREEMENT**

5 **between**

6 **SAVANNAH AIRPORT COMMISSION**

7 **and**

8 **THE MAYOR AND ALDERMENT OF THE CITY OF SAVANNAH**

9
10 **THIS AGREEMENT**, made and entered into by and between the **SAVANNAH**
11 **AIRPORT COMMISSION**, a public body corporate organized under the laws of the State of
12 Georgia, hereinafter called "Commission," and **THE MAYOR AND ALDERMEN OF THE**
13 **CITY OF SAVANNAH**, hereinafter called 'LESSEE':

14
15 **W I T N E S S E T H:**

16
17 **WHEREAS**, Commission operates an airport known as Savannah/Hilton Head
18 International Airport which is located in the City of Savannah, County of Chatham, State of
19 Georgia, which is hereinafter called "Airport"; and,

20
21 **WHEREAS**, LESSEE desires to take and rent from the Commission certain Premises,
22 located at 1150 Armstead Avenue, Savannah, Georgia 31408, hereinafter called "Premises or
23 "Leased Premises"; and,

24
25 **WHEREAS**, Commission is willing to lease said Premises and to grant specified rights
26 and privileges in addition thereto;

27
28 **NOW, THEREFORE**, in consideration of the foregoing and of the mutual covenants
29 and agreements herein contained, Commission and LESSEE do hereby mutually undertake,
30 promise and agree, each for itself and its successors and assigns, as follows:

31

1 **1. TERM**

2 a. The term, hereinafter referred to as "Term," of the Agreement shall commence on
3 January 1, 2018, and shall continue for one (1) years until December 31, 2018.

4 b. Automatic Renewal

5 After that time, this Agreement shall be automatically renewed on a month-to-
6 month basis, unless sixty (60) days' written notice of intent not to renew is given by either party,
7 one to the other, prior to the end of the initial term or any renewal terms thereof.

8 c. Holding Over

9 If LESSEE shall, with the consent of the Commission, hold over after the
10 expiration or sooner termination of the Term of this Agreement, the resulting tenancy and
11 concession privilege shall, unless otherwise mutually agreed, be on a month-to-month basis until
12 such time as LESSEE shall surrender the Premises (with thirty [30] days prior written notice to
13 Commission) or Commission shall re-enter the Leased Premises (with thirty [30] days prior
14 written notice to LESSEE.) During such month-to-month tenancy, LESSEE shall pay rentals to
15 Commission established in accordance with the provisions of this Agreement, and shall be bound
16 by all of the additional provisions of this Agreement insofar as they may be pertinent.
17

18 **2. PREMISES**

19 a. Commission hereby leases and grants to LESSEE and LESSEE hereby rents and
20 takes from the Commission the Premises described below, hereinafter referred to as "Premises"
21 or "Leased Premises," and further described in Exhibit A, dated October 4, 2017, which is
22 attached hereto and made a part hereof, subject to any recorded easements, restrictions,
23 agreements, and other lawful encumbrances.

<u>Leased Premises</u>	<u>Square Feet</u>
1150 Armstead Avenue	5,000 sq. ft.
Land	0.75 acres

27
28 **3. USES AND RIGHTS**

29 a. LESSEE shall have the non-exclusive right to operate a City of Savannah police
30 substation or other public safety use at the Airport and an exclusive right to operate from the
31 Premises described above for the conduct of its business at the Airport.

1 b. During the Term of this Agreement, LESSEE shall have and Commission hereby
2 gives and grants, the following additional rights:

3 (1) The right to ingress and egress from its Leased Premises over Airport
4 roadways, including common use roadways, driveways and public areas, subject to any rules or
5 regulations which may have been established or shall be established in the future by the
6 Commission. Such rights of ingress and egress shall apply to LESSEE's employees, guests,
7 patrons, invitees, suppliers, and other authorized individuals.

8 (2) LESSEE has the right to install and maintain appropriate signs at the
9 Leased Premises provided that the design, installation and maintenance of such signs, shall have
10 received the advance written approval of the Executive Director of the Commission prior to
11 installation or modification; whose approval shall not be unreasonably withheld.

12 (3) LESSEE shall have the right, subject to compliance with the security
13 requirements herein, to obtain supplies or services from suppliers, vendors or contractors of its
14 own choice at the Premises, provided that the following conditions must be strictly observed.

15 (a) All contracts entered into by LESSEE for provision of labor
16 services at the Premises shall require that labor engaged at the Premises can work in harmony
17 with other elements of labor employed or to be employed at the Airport and that said labor
18 comply with Airport rules and regulations.

19 (b) LESSEE acknowledges Commission's right to regulate providers
20 of ground transportation service on the Airport roadway system, including but not limited to, the
21 requirement that all ground transportation providers enter into operating agreements with the
22 Commission.

23 c. Commission covenants that it has lawful authority to execute this Agreement and
24 that upon payment of the rentals and additional rentals provided herein, and upon performance of
25 the covenants and agreements on the part of LESSEE to be performed hereunder, LESSEE shall
26 peacefully have and enjoy the Premises and the rights and privileges granted by this Agreement.

27 d. In the event that LESSEE is desirous of carrying on activities in addition to those
28 herein listed as part of its business operations, LESSEE shall do so only upon the express written
29 approval of Commission.

30 e. Parking

1 Reserved parking spaces shall be provided to LESSEE on the site and adjoining
2 sites operated by the COMMISSION by and at the discretion the Commission.

3
4 **4. RENTS, FEES AND CHARGES**

5 In consideration of the rights and privileges to be granted to LESSEE by Commission,
6 the LESSEE shall pay to Commission as compensation therefore, the following fees and charges.

7 a. Beginning on January 1, 2018, Lessee agrees to pay Commission annual rental
8 fees as follows:

<u>Premises</u>	<u>Annual Rent</u>	<u>Monthly</u>
Land and Building	\$ 20,000.00	\$ 1,666.67

11 b. Rental payments shall become due and payable monthly in advance, on the first
12 day of each and every month for the Term of this Agreement and any renewals thereof.

13 c. Interest and Late Charges

14 (1) Without waiving any other right of action available to the Commission in
15 the event of default in payment of charges and fees hereunder, if the Lessee fails to make a
16 payment when due and said failure continues for a consecutive period of thirty (30) days, a late
17 charge of twenty-five dollars (\$25.00) shall be assessed. Late charges may consist of interest and
18 penalties. Thereafter, late charges shall be assessed for each additional thirty (30) day period or
19 portion thereof that the payment is late.

20 (2) The interest rate shall be at the rate of eighteen percent (18%) per annum
21 or one and one-half percent (1.5%) per month for Fees that are late. Interest will accrue on a
22 daily rate of 0.0493 percent.

23 (3) Collection Costs

24 Lessee agrees to pay/reimburse the Commission for all costs of collection, including but
25 not limited to attorney's fees, in the event of default occurring by Lessee for non-payment of
26 rents, fees and charges as stated herein.

27 (4) Rent Abatement for Air Conditioning Replacement

28 The existing air conditioning units at the Premises are in need of repair. The
29 Commission is assessing the condition of these units and will repair them to operating condition,
30 if feasible. However, if repairs are not feasible and/or the units need to be replaced, the Lessee
31 shall bear the cost of replacement and can thereafter deduct 50% of the monthly rent as an

1 abatement to recover the replacement cost of the units; said replacement cost to be evidenced by
2 an invoice prepared by a third party certified air conditioning contractor who installs the new
3 units.

4 For example, if the air conditioning units are replaced and the replacement cost for the
5 units is \$10,000.00, then Lessee can deduct \$833.33 per month (which is 50% of the contract
6 monthly rental rate) from contract rent as cost abatement for a period of twelve months. The
7 calculation being $\$10,000 \div \$833.33/\text{month} = 12$ months.

8
9 **5. MAINTENANCE, REPAIRS AND INSPECTIONS**

10 a. The Commission shall, at its expense, be responsible for normal preventative
11 maintenance for structural maintenance to the building. LESSEE shall be responsible for all
12 nonstructural maintenance and repair of the Leased Premises and agrees to maintain the Premises
13 (and all leasehold improvements) in a neat, clean and presentable condition.

14 b. LESSEE agrees that any damage caused to any property of Commission by any
15 act, omission or negligence of LESSEE, its employees, invitees, suppliers or furnishers of
16 service shall be repaired and restored to the condition existing prior to damage either (at
17 Commission's election) by LESSEE at LESSEE's sole expense in accordance with plans and
18 specifications approved by Commission, or by Commission, in which case LESSEE shall pay
19 Commission, as additional rent, the expenses of repair thereby incurred.

20 c. Janitorial Service

21 LESSEE agrees to provide, at its own expense, such janitorial and cleaning
22 services and supplies as may be necessary or required in the operation and maintenance of its
23 Leased Premises. LESSEE also agrees to keep and maintain its Leased Premises in a clean, neat
24 and sanitary condition, and attractive in appearance.

25 d. Trash Disposal

26 As required by the Commission, LESSEE shall provide for the complete removal,
27 sanitary handling, and disposal, away from the Airport, of all trash, garbage and other refuse
28 resulting from operations on the Leased Premises.

29 e. Commission, its authorized employees, agents, contractors, subcontractors, and
30 other representatives shall have the right, but not the obligation, at all reasonable times to enter
31 upon the Premises, for the following purposes:

1 (1) To inspect the Premises during regular business hours (or at any time in
2 case of emergency) to ascertain the condition of Premises and to determine LESSEE's
3 compliance with the terms of this Agreement. The right of inspection shall impose on
4 Commission no duty to inspect and shall impart no liability upon Commission for failure to
5 inspect.

6 (2) To perform (or arrange to perform) maintenance and repairs and
7 replacements in any event when LESSEE is obligated to do so under this Agreement and has
8 failed to do so within ten (10) days after written notice from Commission, or at any time with or
9 without written notice in the event that Commission in its sole discretion deems that it is
10 necessary or prudent to do so to correct any condition likely to lead to injury or damage;
11 provided, however, that as to any such maintenance, repairs or replacements, LESSEE shall pay
12 Commission's entire cost and expense of performing such work as additional rent to Commission
13 upon written demand.

14 (3) To perform any obligation of Commission under this Agreement.

15 (4) All entries made for the purposes set forth in this Section shall be without
16 abatement of rent and without unreasonable interference with LESSEE's operations.
17

18 **6. IMPROVEMENTS AND ALTERATIONS**

19 a. General Requirements

20 (1) LESSEE agrees to accept the Premises in an "as is" condition.

21 (2) LESSEE shall comply in every respect to applicable statutes, ordinances,
22 building codes, and rules and regulations of all governmental agencies as may have jurisdiction
23 at the time any construction is performed or any improvements are placed upon the Leased
24 Premises by LESSEE. LESSEE shall obtain and provide to Commission copies of all required
25 permits and licenses.

26 (3) Prior to the commencement of changes or modifications to the Leased
27 Premises, LESSEE shall submit to the Savannah Airport Commission and the City of Savannah
28 Inspections Department final Plans and Specifications prepared by an architect or engineer
29 registered in the State of Georgia for improvements to be constructed by LESSEE on the Leased
30 Premises, unless otherwise approved in writing by the Commission. It is stipulated that LESSEE
31 shall be responsible for construction of all improvements to Leased Premises necessary to create

1 and maintain a first-class facility, including without limitation, construction of all utility
2 improvements and connections within the Leased Premises.

3 (4) Promptly upon completion of the improvements made to the Premises,
4 LESSEE shall provide to Commission a set of "as built" drawings and a detailed cost statement
5 associated with such improvements duly certified by an architect or engineer registered in the
6 State of Georgia.

7 (5) LESSEE shall not implement or commence any change in the original
8 plans and specifications without the express written approval of the Commission. Any request
9 for change orders to the original plans and specifications shall be submitted for approval to the
10 Commission prior to the commencement of any work relating to implementation of same. The
11 Commission shall have the right to approve or disapprove the request for change orders so
12 submitted, including architectural and aesthetic matters. The Commission shall have the right to
13 require LESSEE to resubmit change order proposals including plans, specifications, designs and
14 layout proposals until such meet Commission's approval.

15 (6) Upon expiration or termination of this Agreement, title to all
16 improvements, structures, alterations of or additions erected or constructed by LESSEE on the
17 Premises (excluding trade fixtures, equipment and other personal property which may be
18 removed without material injury to the Premises) shall automatically vest in the Commission.
19 Commission reserves the right to require the removal of all improvements from the Leased
20 Premises and return the Premises to the original condition that LESSEE received it upon
21 execution of this Agreement, or any part of the improvements made by LESSEE, at LESSEE's
22 expense. Should LESSEE fail to remove such items, Commission may effect such removal and
23 LESSEE agrees to pay Commission as additional rent any expenses thereby incurred.

24 (7) LESSEE acknowledges that, from time to time, Commission may
25 undertake construction, repair or other activities related to the operation, maintenance and repair
26 of the terminal and/or the Airport which will require temporary accommodation by LESSEE.
27 LESSEE agrees to accommodate Commission in such matters, even though LESSEE's own
28 activities may be inconvenienced or partially impaired, and LESSEE agrees that no liability shall
29 attach to Commission, its members, employees or agents by reason of such inconvenience or
30 impairment. Commission shall undertake its construction, repair or other activities in a manner
31 which shall not unreasonably disrupt LESSEE's business on the Premises.

1 (8) Utilities and Other Services

2 (a) Commission shall provide the leased space with access to utility
3 services (electricity, heating and air conditioning, and water). LESSEE shall be responsible for
4 the construction and expense of all utility improvements and connections within the leased space.
5 Furthermore, LESSEE shall be responsible for the cost and expense of all utility services used by
6 LESSEE as determined by a separate meter.

7 (b) LESSEE waives any and all claims against Commission for
8 compensation for any and all loss or damage sustained by reason of any defect, deficiency, or
9 impairment of any utility system.

10 (c) Commission reserves the right for itself and others to existing
11 utility easements over, under or across the Leased Premises, to grant necessary utility easements
12 therefore, provided that in the exercise of such rights it shall not unreasonably interfere with
13 LESSEE's use of the Leased Premises, and that it shall repair any damage to the Leased Premises
14 and leasehold improvements caused by Commission as a result of the exercise of such reserved
15 rights. Commission also reserves the right to utilize any existing surface, overhead and
16 underground pipes, pumps, utility lines or hydrant systems on the Leased Premises as are
17 necessary to supply utility service to other portions of the Airport or LESSEE thereon.

18 (d) Failure to provide utilities, or heating or air conditioning services
19 specified in the foregoing paragraphs shall not constitute a failure to furnish such services if such
20 failure is beyond its control and is not attributable to the negligence or willful misconduct of
21 Commission, its employees, agents or contractors.

22
23 **7. DAMAGE AND DESTRUCTION**

24 a. Leased Premises

25 (1) In the event that structural or permanent portions of the Leased Premises
26 (other than improvements made by LESSEE) shall be partially damaged by fire or other casualty,
27 LESSEE shall give immediate notice thereof to Commission and the same shall be repaired at
28 the expense of Commission without unreasonable delay, unless Commission determines that the
29 damage is so extensive that repair or rebuilding is not feasible and unless such damage is caused
30 by the sole negligence of the LESSEE, in which case the total expense of repair or rebuilding
31 would be the responsibility of the LESSEE. From the date of such casualty until said area is so

1 repaired, monthly payments hereunder shall abate, except as provided for in Paragraph c. of this
2 Section, in such amount as may be reasonably determined by Commission; provided, however,
3 that if the Premises shall be so slightly damaged in any such casualty as not to be rendered unfit
4 for occupancy, the rent hereunder shall not cease or be abated during any repair period.

5 (2) In the event that the damage to the Premises shall be so extensive as to
6 render it untenable, the rent for said Premises shall cease until such time that the Premises shall
7 again be put in repair, but in the event of the Premises being damaged by fire or other casualty to
8 such an extent as to render it necessary in the exclusive judgment of Commission not to rebuild
9 the same, then, at the option of Commission or LESSEE, and upon thirty (30) days written notice
10 to the other, this Agreement as it applies to said Premises shall cease and come to an end, and the
11 rent hereunder shall be apportioned and paid up to date of such damage. If Commission elects to
12 rebuild said Premises, Commission shall notify LESSEE of such intention within thirty (30) days
13 of the date of the damage, otherwise, the Agreement as it applies to the Premises shall be deemed
14 canceled and of no further force or effect. Commission's obligation to rebuild or repair under this
15 Paragraph shall in any event be limited to restoring said area to substantially the condition that
16 existed prior to the commencement of improvements by LESSEE and shall further be limited to
17 the extent of the insurance proceeds available to Commission for such restoration. LESSEE
18 agrees that if Commission elects to totally repair or rebuild as provided in this paragraph, then
19 LESSEE shall proceed with reasonable diligence and at its sole cost and expense (unless such
20 damage is caused by the sole negligence of Commission) to rebuild, repair, and restore, its signs,
21 fixtures, furnishings, equipment, improvements and other items provided, installed or
22 constructed by LESSEE, in or about the Leased Premises in a manner and to a condition at least
23 equal to that which existed prior to its damage or destruction.

24 b. Abatement of Rent

25 Commission has relied upon LESSEE to provide its own business interruption
26 and rent insurance to cover the Premises and the loss to LESSEE of any improvements and other
27 property situated thereon. Therefore, there shall be no abatement of rent pending repairs or
28 rebuilding to the same in any event where such damage or destruction of the Premises or
29 improvement made thereon was caused by the negligence of LESSEE.

30
31 **8. INSURANCE AND INDEMNIFICATION**

1 LESSEE is self-insured and will provide evidence of self-insurance.

2 d. Commission shall not be liable for any damage to LESSEE's property from any
3 cause unless solely caused by fault or negligence of Commission and LESSEE waives all claims
4 against Commission for damage to persons or property arising for any reason, unless solely
5 caused by fault or negligence of Commission.

6 e. All insurance policies shall contain a standard cross-liability provision and shall
7 stipulate that no insurance held by Commission will be called upon to contribute to a loss
8 covered thereunder. Commission shall have no liability for any premiums charged for such
9 coverage, and the inclusion of Commission as an additional insured is not intended to, and shall
10 not, make Commission a partner or joint venture partner with LESSEE in LESSEE's operations
11 on the Leased Premises. Such policies shall also insure LESSEE against the risks to which it is
12 exposed as the LESSEE of the business authorized under this Agreement, and shall be for full
13 coverage with any deductibles and/or retentions subject to approval by Commission and shall
14 contain provisions on the part of the respective insurers waiving the right of such insurers to
15 subrogation.

16 f. The Commission reserves the right to periodically review the insurance provisions
17 stated herein and reserves the right to modify the insurance coverage under this Agreement.

18 g. Indemnification

19 To the extent permissible by law and without waiver of sovereign immunity,
20 LESSEE shall protect, defend, and indemnify Commission and its officers, agents and
21 employees from and against any and all liabilities, losses, suits, claims, judgments, fines or
22 demands arising by reason of injury or death of any person, or damage to any property, including
23 all reasonable costs for investigation and defense thereof (including but not limited to attorney
24 fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this
25 Agreement and/or the use or occupancy of the Leased Premises or the acts or omissions of
26 LESSEE's officers, agents, employees, contractors, subcontractors, licensees, or invitees,
27 regardless of where the injury, death or damage may occur, unless such injury, death or damage
28 is caused by the sole negligence of the Commission. The Commission shall give to LESSEE
29 reasonable notice of any such claims or actions. LESSEE shall also use counsel reasonably
30 acceptable to Commission in carrying out its obligations hereunder. The provisions of this
31 section shall survive the expiration or early termination of this

1 Agreement.

2

3 **9. CANCELLATION PROVISIONS**

4 a. Commission's Right to Cancellation

5 The Commission shall have the right to terminate this Agreement in its entirety
6 immediately if one or more of the following events of default occur by LESSEE:

7 (1) If LESSEE shall neglect or fail to perform or observe any of the terms,
8 provisions, conditions or covenants herein contained and if such neglect or failure shall continue
9 for a period of thirty (30) days after receipt by LESSEE of written notice from Commission of
10 such neglect or failure or, if more than thirty (30) days shall be required to cure the default
11 because of its nature, if LESSEE shall fail within said thirty (30) day period to commence and
12 thereafter diligently proceed to cure such default; or,

13 (2) The taking by a court of competent jurisdiction of LESSEE and its assets
14 pursuant to proceedings under the provisions of any Federal or State reorganization or
15 bankruptcy Code or Act.

16 (3) The occurrence of any act which deprives the LESSEE of the rights,
17 licenses, permits, and authorizations necessary for the proper and lawful conduct of the
18 LESSEE's services.

19 (4) If LESSEE shall abandon all or any part of its Leased Premises or shall
20 discontinue the conduct of its operations in all or any part of its Leased Premises.

21 b. LESSEE's Right to Cancellation

22 The LESSEE shall have the right to terminate this Agreement in its entirety upon
23 thirty (30) days written notice to the Commission if one or more of the following events of
24 default occur by Commission:

25 (1) The issuance by any court of competent jurisdiction of any injunction
26 preventing or restraining the use of Airport in such a manner as to substantially restrict LESSEE
27 from conducting its operations not caused by any act or omission of LESSEE and the remaining
28 in force of such injunction for at least sixty (60) days.

29 (2) If for any reason LESSEE is deprived of the Airport or a major portion of
30 LESSEE's Leased Premises for thirty (30) consecutive days or more.

1 (3) The assumption by the United States Government and the authorized
2 agencies thereof, or any other governmental agency, of the operation, control, or use of the
3 Airport facilities, or any substantial part or parts thereof in such a manner as to substantially
4 restrict for a period of thirty (30) days or more the conduct of the LESSEE's business thereto.

5 (4) A breach by the Commission of any of the terms and covenants or
6 conditions within this Agreement, and the failure of the Commission to remedy such breach, for
7 a period of thirty (30) days after receipt of written notice from the LESSEE of the existence of
8 such breach.

9
10 **10. SURRENDER OF OCCUPANCY**

11 a. When this Agreement expires or is terminated in whole or in part as provided for
12 elsewhere in this Agreement, the LESSEE shall surrender its Leased Premises and Fixed
13 Improvements and Operating Facilities therein in a state of good repair, with the exception of
14 reasonable wear and tear and damage by loss or casualty not covered by insurance which the
15 LESSEE is required to maintain pursuant to this Agreement and not otherwise attributable to the
16 LESSEE's fault or negligence.

17 b. The LESSEE shall be deemed to have abandoned to the Commission any property
18 which it has failed to remove from its Leased Premises within fifteen (15) calendar days after the
19 end of the Term of this Agreement or the effective date of termination thereof, unless the
20 Commission grants additional time for this purpose in writing. After the expiration of the fifteen
21 (15) day period, or any extension thereof granted by Commission, the Commission shall have the
22 right to remove the property and restore the area to a satisfactory condition and hold the LESSEE
23 liable for all costs incident thereto. In the event it is necessary for the Commission to remove
24 such property, the Commission shall not sustain or be charged with any liability by reason of the
25 removal or custodial care of the same.

26
27 **11. ASSIGNMENT AND SUBLETTING**

28 The LESSEE shall not transfer or assign this Agreement, or any part hereof, or interest
29 herein, or sublease any of the Leased Premises hereunder, except with the prior written approval
30 of the Commission and subject to whatever reasonable limitations and conditions that are
31 required by Commission. Any other attempted transfer, assignment or sublease shall be void and

1 shall confer no rights upon any third person. No assignment or sublease shall relieve the
2 LESSEE of any obligation under this Agreement unless otherwise agreed by the Commission.
3 Notwithstanding the foregoing, this section shall not be interpreted to preclude the assignment of
4 this Agreement to a parent, subsidiary, or merged company, if such parent, subsidiary, or merged
5 company assumes all rights and obligations of this Agreement. Written notice of such
6 assumption shall be provided to the Commission by the parent, subsidiary, or merged company
7 thirty (30) days prior to the effective date of such assignment.
8

9 **12. GOVERNMENT REQUIREMENTS**

10 a. Agreements with the United States Government

11 This Agreement is subject and subordinate to the provisions of any agreements
12 heretofore or hereafter made between the Commission and the United States Government, the
13 execution of which is required to enable or permit transfer of rights or property to Commission
14 for Airport purposes or expenditure of federal funds for Airport improvement, maintenance or
15 development. LESSEE shall abide by requirements of agreements entered into between the
16 Commission and the United States Government, and shall consent to amendments and
17 modifications of this Agreement if required by such agreements or if required as a condition of
18 Commission's entry into such agreements, provided however that if any modification to said
19 Agreement with the United States Government has a material or adverse impact on the
20 operations of the LESSEE, the LESSEE shall have the right to cancel this Agreement upon
21 ninety (90) days written notice.

22 b. Nondiscrimination

23 LESSEE hereby agrees to comply with the following requirements as they pertain
24 to LESSEE's operations from Airport.

25 (1) LESSEE for itself, its heirs, personal representatives, successors in
26 interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a
27 covenant running with the land that in the event facilities are constructed, maintained, or
28 otherwise operated on the said Premises described in this Agreement for a purpose for which a
29 Department of Transportation program or activity is extended or for another purpose involving
30 the provision of similar services or benefits, LESSEE shall maintain and operate such facilities
31 and services in compliance with all other requirements imposed pursuant to Title 49, Code of

1 Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21,
2 Nondiscrimination in Federally-assisted Programs of the Department of Transportation-
3 Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be
4 amended.

5 (2) LESSEE for itself, its personal representatives, successors in interest, and
6 assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant
7 running with the land that (a) no person on the basis of race, creed, color, sex, national origin,
8 ancestry, age or handicap shall be excluded from participation in, denied the benefits of, or be
9 otherwise subjected to discrimination in the use of said facilities, (b) that in the construction of
10 any improvements on, over, or under such land and the furnishing of services thereon, no person
11 on the basis of race, creed, color, sex, national origin, ancestry, age or handicap shall be excluded
12 from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (c)
13 that LESSEE shall use the Premises in compliance with all other requirements imposed by or
14 pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A,
15 Office of the Secretary Part 21, NON-DISCRIMINATION in Federally-assisted Programs of the
16 Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964 and as said
17 regulation may be amended.

18 (3) In the event of breach of the nondiscrimination covenants contained
19 herein, Commission shall have the right to terminate this Agreement and to re-enter and
20 repossess said Premises and the facilities thereon and hold the same as if said Agreement had
21 never been entered into or executed between Commission and LESSEE. This provision shall not
22 be effective until the procedures of Title 49, Code of Federal regulations, Part 21, are followed
23 and completed, including exercise or expiration of appeal rights.

24 (4) LESSEE assures that it will undertake an Affirmative Action Program, if
25 required by 14 Code of Federal Regulations Part 152, Subpart E, to ensure that no person shall
26 on the grounds of race, creed, color, national origin, or sex, be excluded from participating in any
27 employment activities covered thereby. LESSEE assures that no person shall be excluded on
28 these grounds from participating in or receiving the services or benefits of any program or
29 activity covered by this subpart. LESSEE assures that it will require that its covered sub-
30 organizations provide assurances to Commission that they similarly will undertake Affirmative

1 Action Programs and that they will require assurances from such LESSEE and users, if required
2 by 14 Code of Federal Regulations Part 152, Subpart E, to the same effect.

3 (5) Notwithstanding the above, LESSEE shall comply with and shall ensure
4 that the following Non-Discrimination clause is inserted in all subcontracts, subleases, and other
5 agreements at all tiers:

6 “The contractor/tenant/Lessee/LESSEE assures that it will comply with pertinent
7 statutes, Executive Orders and such rules as are promulgated to assure that no person shall, on
8 the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from
9 participating in any activity conducted with or benefiting from Federal assistance. This
10 Provision obligates the tenant/Lessee/LESSEE or its transferee for the period during which
11 Federal assistance is extended to the airport program, except where Federal assistance is to
12 provide, or is in the form of personal property or real property or interest therein or structures or
13 improvements thereon. In these cases, the Provision obligates the party or any transferee for the
14 longer of the following periods: (a) the period during which the property is used by the sponsor
15 or any transferee for a purpose for which Federal assistance is extended, or for another purpose
16 involving the provision or similar services or benefits; or (b) the period during which the airport
17 sponsor or any transferee retains ownership or possession of the property. In the case of
18 contractors, this Provision binds the contractors for the bid solicitation period through the
19 completion of the contract.”

20 c. Airport Safety/Security

21 (1) LESSEE shall observe all safety/security requirements of Federal Aviation
22 Regulations, Transportation Security Regulations and Airport Security Program, applicable parts,
23 as the same may be from time to time amended, which will be furnished to LESSEE as approved
24 by the Federal Aviation Administration and/or Transportation Security Administration, and to
25 take such steps as may be necessary or directed by Commission to ensure that sub-LESSEEs,
26 employees, invitees, and guests observe these requirements.

27 (2) If Commission incurs any fines and/or penalties imposed by federal, state
28 or other governmental agencies any expense in enforcing the regulations of Federal Aviation
29 Regulations, Transportation Security Administration and/or Airport Security Program, as a result
30 of the acts or omissions of LESSEE, LESSEE agrees to pay and/or reimburse all such costs and
31 expense. LESSEE further agrees to rectify any deficiency as may be determined by such federal,

1 state or other governmental agency. Commission reserves the right to take whatever action
2 necessary to rectify any security deficiency, in the event LESSEE fails to remedy the security
3 deficiency.

4 d. Disadvantaged Business Enterprise

5 (1) The LESSEE agrees that it shall at all times comply with FAA Regulation
6 49 CFR Part 23, and 49 CFR Part 26.

7 (2) In accordance with Regulations of the U.S. Department of Transportation,
8 49 CFR 23, and 49 CFR Part 26, the Commission has implemented a Disadvantaged Business
9 Enterprise (DBE) concession plan under which qualified firms may have the opportunity to
10 operate an Airport business. A DBE goal, as measured by total estimated annual gross receipts,
11 shall be established for this Concession Agreement. The LESSEE shall take all necessary and
12 reasonable steps to achieve this goal.

13 (3) DBE participation may be in the form of one or more subleases, joint
14 ventures, partnerships, or other legal arrangement meeting the eligibility standards in 49 CFR
15 Part 23, and 49 CFR Part 26. In the event that the LESSEE qualifies as a DBE, the goal shall be
16 deemed to have been met.

17 (4) The LESSEE shall be required to submit information concerning the DBE
18 firm(s) which will participate in this concession, including the name and address of each firm,
19 the annual estimated gross receipts to be earned by each name firm, a description of the legal
20 arrangement(s) to be utilized, and the total overall estimated annual gross receipts to be earned
21 by the concession.

22 (5) If the LESSEE is unable to achieve the DBE established goal, it shall be
23 required to provide documentation demonstrating that it took all necessary and reasonable steps
24 in attempting to do so, or that it is not economically feasible at this time to enter into either a
25 joint venture, sublease, partnership, or other eligible arrangement with a DBE firm. The
26 requirements of this paragraph are not intended to force the LESSEE to change its business
27 structure.

28 (6) To comply with the DBE requirements herein, the LESSEE may use or
29 obtain the services, goods and products from Disadvantaged Business Enterprises (DBEs) as
30 allowed by 49 CFR, Part 23, and 49 CFR Part 26 and certified by the Commission. To
31 accomplish this, the LESSEE agrees that for each year during this Agreement, the value of the

1 LESSEE's aggregate purchases of services, good, and products from DBEs will equal or exceed
2 the DBE participation requirements as defined in 49 CFR, Part 23, and 49 CFR Part 26, of the
3 LESSEE's total Gross Receipts at the Airport. In order to assure compliance with the foregoing
4 DBE requirements, the LESSEE agrees to the following:

5 (a) Within ninety (90) days after the end of each year during the Term
6 hereof the LESSEE will furnish the Commission with a letter certified by an officer of the
7 LESSEE's corporation, showing the LESSEE's total purchase of DBE services, goods and
8 products for business at the Airport during the twelve (12) month period, and the percentage of
9 such purchases made from DBEs.

10 (b) Should the letter show that the LESSEE did not meet the said DBE
11 participation requirements as defined in 49 CFR, part 23, and 49 CFR Part 26, the LESSEE shall
12 also furnish with the letter a detailed description as to why it was not met along with
13 documentation of its good faith efforts.

14 (7) This Agreement is subject to the requirements of the U. S. Department of
15 Transportation's regulations, 49 CFR Part 23. The LESSEE agrees that it will not discriminate
16 against any business owner because of the owner's race, color, national origin, or sex in
17 connection with the award or performance of any concession agreement, management contract,
18 or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.

19 (8) The LESSEE agrees to include the above statements in any subsequent
20 concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those
21 businesses to similarly include the statements in further agreements.

22 e. Federal Aviation Act, Section 308

23 Nothing herein contained shall be deemed to grant the LESSEE any exclusive
24 right or privilege within the meaning of Section 308 of the Federal Aviation Act or the conduct
25 of any activity on Airport, except that, subject to the terms and provisions hereof, LESSEE shall
26 have the right to possess the Leased Premises under the provisions of this Agreement.

27
28 **13. HAZARDOUS MATERIALS/OPERATIONS**

29 a. LESSEE shall not cause or permit any "Hazardous Substance" as defined in this
30 Agreement to be used, stored or generated on the Leased Premises, except for Hazardous
31 Substances of types and quantities customarily used or found in LESSEE's business so long as

1 said Hazardous Substances are used, stored and/or generated in full compliance with all laws.
2 LESSEE shall not cause or permit the release (as "Release" is defined in 42 U.S.C. Section
3 9601(22) {as amended}) of any Hazardous Substance, contaminant, pollutant, or petroleum
4 product in, on or under the Leased Premises or into any ditch, conduit, stream, storm sewer, or
5 sanitary sewer connected thereto or located thereon. LESSEE shall fully and timely comply with
6 all applicable federal, state, and local statutes and regulations relating to protection of the
7 environment.

8 b. Compliance Upon Termination

9 Upon the termination of this Agreement or vacation of the Leased Premises,
10 LESSEE shall, at LESSEE's sole expense, remove or permanently clean all Hazardous
11 Substances that LESSEE, or anyone for whom LESSEE is responsible, including, but not limited
12 to, a customer, invitee, employee, agent, or person having a contractual relationship with the
13 LESSEE, caused to be situated on, at, in or under the Leased Premises. This shall be done in
14 compliance with all applicable federal, state and local laws, regulations and ordinances and shall
15 include the performance of any necessary cleanup or remedial action. LESSEE shall provide
16 Commission with copies of all records related to any Hazardous Substances that are required to
17 be maintained by any applicable federal, state or local laws or regulations.

18 c. LESSEE shall, at LESSEE's sole expense, clean up, remove and remediate (1) any
19 Hazardous Substances in, on, or under the Leased Premises in excess of allowable levels
20 established by all applicable federal, state and local laws and regulations and (2) all contaminants
21 and pollutants, in, on, or under the Leased Premises that create or threaten to create a substantial
22 threat to human health or the environment and that are required to be removed, cleaned up, or
23 remediated by any applicable federal, state, or local law, regulations, standard or order.

24 d. As used herein, the term "Hazardous Substances" means and includes any and all
25 substances, chemicals, wastes, sewage or other materials which are now or hereafter regulated,
26 controlled or prohibited by any local, state or federal law or regulation requiring removal,
27 warning or restrictions on the use, generation, disposal or transportation thereof including,
28 without limitation, (a) any substance defined as "hazardous substance," "hazardous material,"
29 "hazardous waste," "toxic substance," or "air pollutant" in the Comprehensive Environmental
30 Response Compensation and Liability Act (CERCLA), 42 U.S.C. Section 9601, et seq., the
31 Hazardous Materials Transportation Act (HMTA), 49 U.S.C. Section 1801, et seq., the Resource

1 Conservation and Recovery Act (RCRA), 42 U.S.C. Section 6901, et seq., the Federal Water
2 Pollution Control Act (FWPCA), 33 U.S.C. Section 1251, et seq., or the Clean Air Act (CAA),
3 42 U.S.C. Section 7401, et seq., all as amended and amended hereafter; (b) any hazardous
4 substance, hazardous waste, toxic substance, toxic waste, hazardous material, waste, chemical, or
5 compound described in any other federal, state, or local statute, ordinance, code, rule, regulation,
6 order, decree or other law now or at any time hereafter in effect regulating, relating to or
7 imposing liability or standards of conduct concerning any hazardous, toxic, or dangerous
8 substance, chemical, material, compound or waste. e. Commission's Representation

9 To the best of the Commission's current actual knowledge and belief as of the
10 date of Agreement execution, Commission is not aware of any disposal of any Hazardous
11 Substances in the Leased Premises prior to the date of Agreement execution. Commission has
12 provided LESSEE with an opportunity to inspect the Leased Premises prior to the execution of
13 the Agreement and date of possession.

14
15 **15. SERVICE STANDARDS**

16 a. Complaints

17 In the event the LESSEE receives (or the Commission receives and forwards to
18 the LESSEE) any written complaint concerning the LESSEE's operation, the LESSEE shall
19 promptly respond to such complaint in writing within fifteen (15) days of its receipt and make a
20 good faith attempt to explain, resolve or rectify the cause of such complaint. Without further
21 notice or demand, the LESSEE shall keep a copy of each such complaint and the LESSEE's
22 written response for a period of one (1) year from the date of the complaint and shall make the
23 complaint and the written response available to the Commission upon its request.

24 b. Covenant Against Waste and Nuisance

25 LESSEE covenants and agrees that it shall not use the Leased Premises in any
26 manner that will constitute waste, and that it shall not cause or permit any unlawful conduct,
27 unreasonable annoyance or nuisance to exist or arise in the course of or as a result of its use of
28 the premises, nor permit any activity or omission which constitutes or results in unlawful
29 conduct, unreasonable annoyance or nuisance. LESSEE, its employees, invitees, licensees,
30 suppliers and furnishers of service shall conduct themselves in an orderly and proper manner so
31 as not unreasonably to disturb other users of the Airport.

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16. MISCELLANEOUS

a. Personal Liability

No member of the Commission or employee of either party shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement because of any breach thereof or because of its execution or attempted execution.

b. Non-Waiver of Rights

No waiver or default by the Commission of any of the terms, conditions, covenants, or agreements hereof to be performed, kept, or observed by the LESSEE shall be construed or act as a waiver of any subsequent default of any of the terms, covenants, conditions, and agreements, herein contained to be performed, kept, or observed by the LESSEE, and Commission shall not be restricted from later enforcing any of the terms and conditions of this Agreement.

c. Commission Employees

LESSEE shall not during the Term of this Agreement, hire or employ, on either a full-time or part-time basis, person or persons so long as such person shall be employed by the Commission.

d. Entire Agreement

This Agreement, including exhibits attached hereto at the time of its execution, constitutes the entire Agreement between the parties hereto, and all prior agreements covering the rights and privileges set out herein are superseded by and merged into this Agreement.

e. Amendment

This Agreement may be amended only by a written instrument executed by Commission and LESSEE.

f. Governing Law

This Agreement shall be deemed to be governed by and construed in accordance with the laws of the State of Georgia. LESSEE agrees and consents to the exclusive jurisdiction of the courts of the State of Georgia for all purposes regarding this agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Chatham.

g. Invalid Provisions

1 If any provision of this Agreement or any application thereof shall be held to be
2 invalid by a court of competent jurisdiction, the remainder of this Agreement shall not be
3 affected thereby, unless one or both parties would be substantially and materially prejudiced.

4 h. Headings

5 The headings contained herein are for convenience in reference only and are not
6 intended to define or limit the scope of this Agreement or any term thereof.

7 i. Notices

8 Any notice or other communication to Commission or LESSEE pursuant hereto
9 shall be deemed validly given, serviced or delivered upon deposit in the United States mail,
10 certified, and with proper postage and fees prepaid, addressed to Commission or LESSEE,
11 respectively, at the addresses hereinafter shown or at the address hereafter specified in writing.

12 (1) The Commission's Address is:

13 Executive Director
14 Savannah Airport Commission
15 400 Airways Avenue
16 Savannah, GA 31408-8000
17

18 (2) The LESSEE's Address is:

19 City Manager
20 P.O. Box 1027
21 Savannah, GA 31402
22

23 With copies to:

24 City Attorney
25 P.O. Box 1027
26 Savannah, GA 31402
27

28 Director, Real Estate Services
29 P.O. Box 1027
30 Savannah, GA 31402
31
32

33 j. Lease Alteration

34 This Agreement, together with any riders and exhibits attached hereto forming a
35 part hereof, sets forth all of the promises, agreements, conditions and understandings between the
36 parties hereto, either oral or written. It is understood and agreed that no subsequent alteration,

1 amendment, change or addition to the Agreement shall be binding upon Commission or LESSEE
2 unless reduced to writing by them and by direct reference made a part hereof.

3 k. Rules and Regulations

4 LESSEE shall observe and obey and require its officers, employees, agents and
5 invitees to obey and observe the duly enacted and lawful rules and regulations of the
6 Commission, and the duly enacted and lawful rules and regulations now in existence or hereafter
7 promulgated by Commission, by the Federal Aviation Administration, or by any other local, state
8 or federal agency of competent jurisdiction. A copy of the Rules and Regulations of the
9 Savannah Airport Commission dated May 3, 2012, is hereby acknowledged as received.

10 LESSEE shall comply with all federal, state and municipal laws, regulations and ordinances,
11 including all promulgated which may apply to the operations of LESSEE at the Airport.

12 l. Pest Control

13 LESSEE agrees to provide adequate control of rodents and insects and other pests
14 in its Leased Premises.

15 m. Permits, Licenses, Miscellaneous Fees

16 The LESSEE shall pay all expenses in connection with the use of the Leased
17 Premises herein and the rights and privileges herein granted, including without limitation by
18 reason of enumeration, taxes, including ad valorem taxes, permit fees, license fees, including tap
19 fees and pure water fees, and assessments lawfully levied or assessed upon the Leased Premises
20 or structures and improvements at any time situated thereon and that LESSEE will secure all
21 such permits and licenses. Failure to pay said taxes and/or fees shall be considered an event of
22 default under the term of this agreement.

23 n. Smoke-Free Facility

24 No smoking is permitted in the building.

25 o. Signs

26 LESSEE may, at its own expense, install and operate necessary and appropriate
27 identification signs on its Leased Premises. All signs located on the Leased Premises, are subject
28 to the approval of the Executive Director, which consent shall not be unreasonably withheld.

29 p. Bankruptcy

1 LESSEE agrees not to file any petition by or on the behalf of LESSEE seeking
2 protection under the Federal bankruptcy laws or similar relief under any law or statute of the
3 United States or any State thereof without first giving Commission reasonable notice in advance.

4 q. Liens

5 In accordance with the laws of the State of Georgia, LESSEE understands and
6 agrees that, for itself, and as a condition of doing business with the LESSEE, its contractors,
7 suppliers, vendors, tenants, agents, or any other person shall agree not to levy any lien against the
8 real property of the Commission.
9

10 **IN WITNESS WHEREOF**, said parties have caused these presents to be duly executed
11 by their proper officers thereunto authorized, and corporate seals affixed this ____ day of
12 _____, 2017.
13

14 ATTEST:

SAVANNAH AIRPORT COMMISSION

15
16 _____
17 GREG B. KELLY
18 SECRETARY
19

BY: _____
STREPHEN S. GREEN
CHAIRMAN

20 {CORPORATE SEAL}

21
22 ATTEST:

MAYOR AND ALDERMEN OF THE
CITY OF SAVANNAH

23
24
25
26 _____
27 NOTARY PUBLIC
28
29 My Commission Expires _____

BY: _____

(Printed Name and Title)

30 {SEAL}