

AGREEMENT

AGREEMENT, made this 9th day of June, 2008, by and between the Industrial Development Authority of Louisa County, with offices located at Industrial Airpark, P.O. Box 27, Louisa, Virginia 23093 ("IDA") and DES Properties, L.L.C. with offices located at 348 Industrial Drive, Louisa, Virginia 23093.

WITNESSETH

WHEREAS, IDA has control over the use of land within the perimeter of the Louisa County Airport/Freeman Field; and

WHEREAS, IDA is willing to allow DES Properties, L.L.C. to build at its own expense a hangar ("HANGAR") to support the following activities connected with its business:

- (A) Storage and Maintenance of aircraft owned by and operated by DES Properties, L.L.C.

WHEREAS, IDA is willing to allow such hangar to be built on a parcel of land situated on Louisa County Airport/Freeman Field as depicted in the attached SITE PLAN; and

WHEREAS, IDA is willing to give DES Properties, L.L.C. or its assignee full use of HANGAR for a period of 25 years for a yearly rent of \$10.00 (ten dollars); and

WHEREAS, DES Properties, L.L.C. is willing to pay all costs related to the erection and maintenance of HANGAR, including the costs of utilities.

NOW THEREFORE, the parties hereto hereby agree as follows:

1. DES Properties, L.L.C. will pay for and erect a steel HANGAR measuring 36 feet long by 44 feet wide on a tract of land described in the attached SITE PLAN (Exhibit 1). DES Properties, L.L.C. will also pay for a build a 25 foot long hard surface apron connecting HANGAR to taxiway. For the purpose of this AGREEMENT, this apron will be considered part of the HANGAR.
2. DES Properties, L.L.C. agrees to secure and pay for all necessary Authorizations (building permit, zoning clearance, soil and erosion control) and to erect HANGAR in accordance with normally accepted construction standards. All construction, improvements and alterations to HANGAR shall conform to state and local laws, ordinances, rules and regulations of Louisa County, by the Department of Aviation of the Commonwealth of Virginia and the Federal Aviation Administration

3. DES Properties, L.L.C. agrees to maintain HANGAR in good condition for 25 years (twenty-five) years from the occupancy date of HANGAR. Additionally, DES Properties, L.L.C. agrees to carry fire insurance at its expense in an amount that would allow the HANGAR to be rebuilt or restored to its original condition. In this regard, DES Properties, L.L.C. agrees to provide IDA upon completion of the HANGAR a summation of the final cost of the HANGAR.
4. IDA accepts to let DES Properties, L.L.C. lease the HANGAR for \$10.00 (ten dollars) per year from the occupancy date of the HANGAR. IDA will be the lawful owner of the HANGAR as well as of all permanent improvements and alterations; DES Properties, L.L.C. will be its lessee.
5. At the end of 25 (twenty-five) year period, IDA agrees to let DES Properties, L.L.C. continue to lease HANGAR at the then prevailing market rate. DES Properties, L.L.C. will have no obligation to opt to continue renting. IDA will Notify DES Properties, L.L.C. of such market rate at least 6 (six) calendar Months before the expiration of the 25 (twenty-five) year period. DES Properties, L.L.C. will notify IDA whether it accepts these conditions to Continue to rent HANGAR no later than 3 (three) calendar months before the Expiration of the 25 (twenty-five) year period.
6. Although it is not the intention of DES Properties, L.L.C. to sublet HANGAR in its normal course of business. DES Properties, L.L.C. is allowed by IDA to sublet all or part of HANGAR or assign its rights under the present Agreement if business conditions make it impractical for DES Properties, L.L.C. to fully use HANGAR for its own use at any given time. Should DES Properties, L.L.C. decide to do so, it will obtain prior approval from IDA. IDA will not unreasonably withhold such approval, provided that the activities to be conducted by the sub lessee are essentially the same as those set forth for DES Properties, L.L.C. Should DES Properties, L.L.C. decide to sublet the entire HANGAR for a period of 12 (twelve) consecutive months or more or to assign its rights under the present contract for consideration, DES Properties, L.L.C. agrees to give IDA a right of first refusal for the same duration at no more than the consideration DES Properties, L.L.C. can obtain for HANGAR.
7. All notices, demands, consents, requests or other communications ("Collectively Notices") which are permitted or required to be given by either party to the other hereunder, shall be in writing. All notices shall be deemed to be properly given, mailed registered mail, to the parties at their respective addresses set forth above. Each party, by notice to the other, may designate a new address to which notices shall thereafter be mailed. All notices shall be deemed to be effective when mailed.

8. This Agreement can not be modified, changed or discharged, except by an agreement in writing, signed by the party against whom enforcement of such modification, change or discharge is sought.
9. This Agreement shall be construed and enforced in accordance with the laws Of the Commonwealth of Virginia. In the event of any dispute under or pursuant to the terms of this Agreement, the same shall be resolved by arbitration in the Commonwealth of Virginia under the then pertaining rules of the American Arbitration Association. If it is determined that IDA cannot legally agree to binding arbitration, either party will have the option to bring the dispute to the Courts of the Commonwealth of Virginia.
10. DES Properties, L.L.C. will hold IDA harmless against any claims arising Out of any acts of DES Properties, L.L.C. in connection with the use of HANGAR by DES Properties, L.L.C.
11. DES Properties, L.L.C. will at all times maintain liability insurance covering Its operation in connection with the use of HANGAR by DES Properties, L.L.C.
12. This Agreement shall be subordinate to the provisions of any existing Agreement(s) between IDA and the Federal Aviation Administration or Commonwealth of Virginia.
13. If one or more provision of this Agreement are determined to be illegal by a Court of law, the entire Agreement shall be void, and any remaining provision(s) shall continue in force, as nearly as possible, in accordance with The original intent.
14. If DES Properties, L.L.C. unilaterally decides to cancel this Agreement, it Will forego its rights to any use of HANGAR in favor of IDA.

IDA will be allowed to unilaterally cancel this Agreement only if DES Properties, L.L.C. fails to perform under the terms of this Agreement and After IDA has given DES Properties, L.L.C. notice of such failure and given DES Properties, L.L.C. reasonable time to correct the failure to reform. If IDA decides to cancel this Agreement under the terms of this paragraph, it will pay DES Properties, L.L.C. an indemnity equal to the original cost of construction of HANGAR divided by 300 (three hundred) and multiplied by the number of months left between the notice of cancellation and the last month of validity of the 25 (twenty five) year Agreement.



IN WITNESS THEREOF, the parties hereto have executed this
Agreement the day and year first above written.

INDUSTRIAL DEVELOPMENT AUTHORITY OF LOUISA COUNTY

By: 
Dewitt L. Freeman
Dewitt L. Freeman, Vice-Chairman

DES PROPERTIES, L.L.C.

By: 
Donald Stadtler
Donald Stadtler
President

8-5-2009

DES Properties, L.L.C.
348 Industrial Drive
Louisa, VA 23093
540-967-9600

August 4, 2009

Industrial Development Authority
of Louisa County
P.O. Box 27
Louisa, VA 23093

In accordance with our lease agreement made on June 9, 2008, I am providing the following documents:

1. Summation of the final construction costs.
2. Copy of Louisa County Certificate of Occupancy, dated March 27, 2009. According to paragraph 4 of our agreement, the official lease period begins on March 27, 2009.
3. Copy of Insurance Endorsement

Please let me know if you need any more information.

Thank you,


Donald A. Stadtler
President

SUMMATION OF FINAL
CONSTRUCTION COST
DES PROPERTIES, L.L.C.

ITEM	COST
PERMITS	\$379.82
SURVEY/SITE PLAN	\$1,862.50
ENGINEERING	\$1,438.00
CONCRETE SLAB	\$13,142.74
MORTON HANGER	\$34,845.00
DOMINON POWER	\$2,682.07
ELECTRIC	\$3,580.95
DOOR	\$7,362.00
TOTAL	\$65,293.08