

A RESOLUTION AUTHORIZING THE CONVEYANCE OF 172.7061 (+/-) ACRES
OF LAND TO NORFOLK SOUTHERN RAILWAY COMPANY

WHEREAS, the City of Charlotte owns real property (the “Property”) located between existing Runways 36L/18R and 36C/18C of the Charlotte Douglas International Airport more particularly described and identified by tax identification numbers on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the Property was acquired over the years by the City with Airport revenue and federal grant funds, but was not designated for aeronautical use and was not needed for present or future Airport purposes; and

WHEREAS, on June 14, 2010, City Council authorized a transaction whereby it would enter into a Master Development Agreement with Norfolk Southern Railway Company (“Norfolk Southern”) pursuant to which the parties would subsequently enter into a ground lease (the “Ground Lease”) of the Property for the construction of an Intermodal Rail Facility, and granted Norfolk Southern a ten (10) year option to purchase the Property upon which the Intermodal Rail Facility was constructed; and

WHEREAS, leases for airport purposes are governed by a different chapter but pursuant to North Carolina General Statute §160A-272, leases for non-airport purposes of more than ten (10) years are treated as a conveyance of real property and, pursuant to City of Charlotte Charter §8.22, the City is authorized to convey real property by private sale when it determines that the sale will advance or further any Council-adopted economic development, transportation or land use plan or policy; and

WHEREAS, notice of the proposed transaction was advertised pursuant to Section 8.22 of the City of Charlotte Charter at least ten (10) days prior to the approval of said authorization; and

WHEREAS, the approved Ground Lease between the City of Charlotte and Norfolk Southern, a copy of which is attached hereto as Exhibit B and incorporated herein by reference, was executed and became effective as of March 28, 2012, and included a ten (10) year purchase option on the Property (the “Option”); and

WHEREAS, by letter dated May 17, 2019, Norfolk Southern gave the City notice of its intent to exercise the Option on the Property; and

WHEREAS, the City and Norfolk Southern have negotiated and agreed upon the terms for the City’s conveyance of the Property to Norfolk Southern for Seventy-Three Thousand Five Hundred Dollars (\$73,500) per acre for an approximate total of Twelve Million Five Hundred and Seventy-Four Thousand Seven Hundred and Seventy-Six Dollars and Ninety Cents (\$12,574,776.90), in accordance with the provisions of the Ground Lease, and in accordance with restrictions and covenants as advertised and to be contained in the Property deed; and

WHEREAS, notice of the proposed transaction was advertised at least ten days prior to the adoption of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte that:

1. The foregoing “Whereas” clauses are incorporated herein by reference.
2. All prior action heretofore taken by all representatives of the City, with respect to the Property, the Master Development Agreement, the Ground Lease, and the Option, are hereby ratified, adopted and confirmed.
3. The City hereby approves Norfolk Southern Railway Company’s exercise of the aforesaid Option to purchase the Property pursuant to the terms of the Ground Lease.
4. The City, pursuant to §8.22 of the City of Charlotte Charter, will convey the Property to Norfolk Southern Railway Company for Seventy-Three Thousand Five Hundred Dollars (\$73,500) per acre for an approximate total of Twelve Million Five Hundred and Seventy-Four Thousand Seven Hundred and Seventy-Six Dollars and Ninety Cents (\$12,574,776.90) in accordance with the provisions of the Ground Lease, and in accordance with restrictions and covenants as advertised and to be contained in the Property deed.
5. The Mayor or the Mayor’s Designee is authorized pursuant to §8.22 of the City of Charlotte Charter to execute all documents necessary to convey the Property described above to Norfolk Southern Railway Company in accordance with the terms and conditions as advertised.
6. A notice summarizing the contents of this resolution shall be published, and the Property may be sold at any time after 10 days after publication.

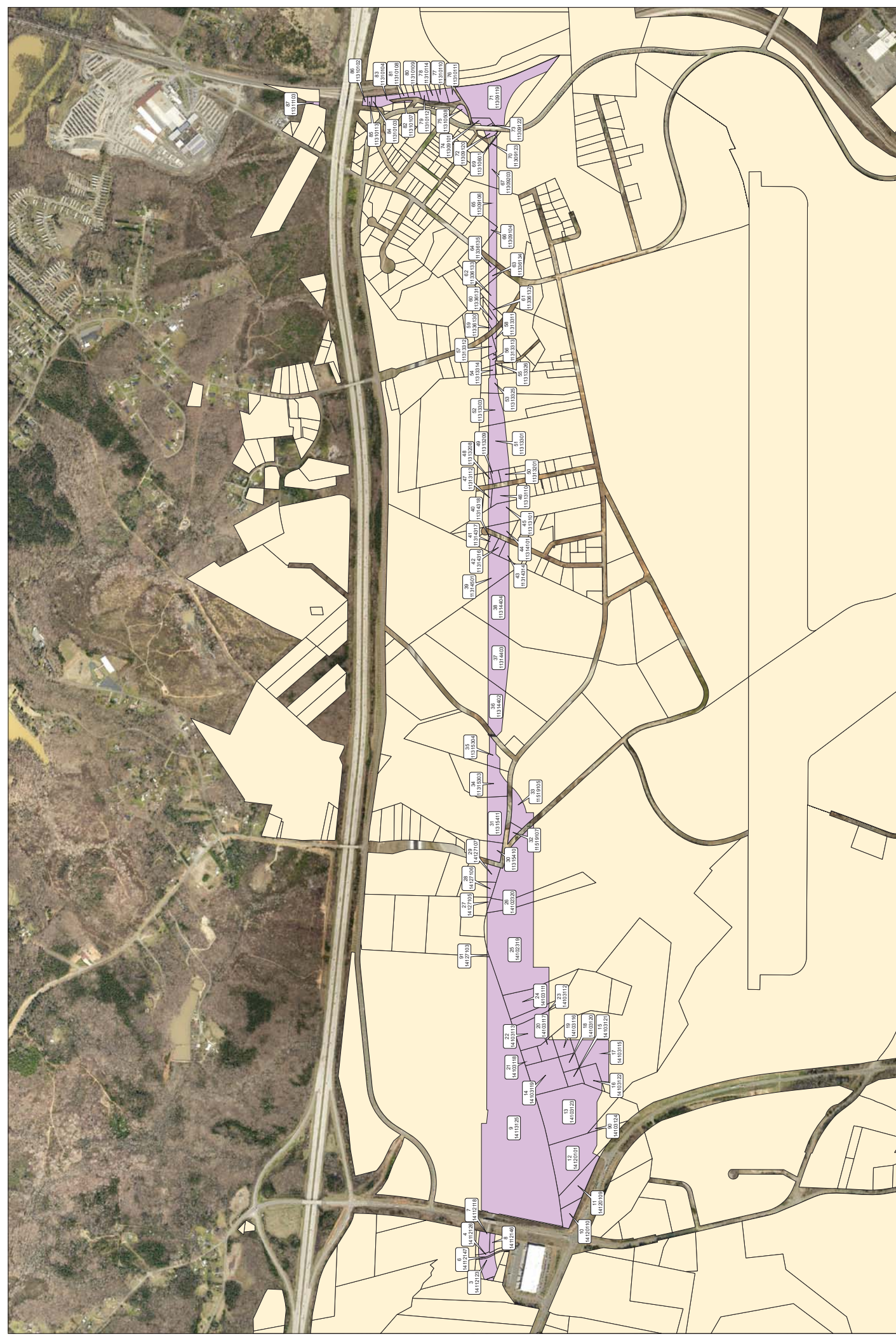
THIS THE ____ DAY OF _____, 2019.

EXHIBIT A

Parcel	Owner Name	Tax Id	Deed book& page
3	Brown, Paul Jackson Sr.	14112123	21512-814 21629-754
4	Brown, Paul Jackson Sr.	14112126	21512-814 21629-754
6	BROWN PAUL J JR, BROWN ROBERT O, SMITH BARBARA BROWN, SMITH DAVID A, BROWN WILLIAM F, BROWN MARILYN, BROWN MARILYN S, BROWN JOSEPH O, BROWN BETTY M, RIDENHOUR EDWARD D, RIDENHOUR ALISON, CUNNINGHAM JANE	14112147	21529-700
7	Brown, Joseph O	14112118	21512-748 21512- 748
8	Brown, Joseph O	14112146	12540-282
9	REPLAT FROM MULTIPLE OWNERS	14113125	9725-506
10	Joe and Betty Brown	14120110	13173-152
11	Brown, Robert	14120109	12732-232
12	FESTO CORP	14120101	10769-139
13	Ricenhour Monrow	14103123	06216-376
14	Wachovia Bank & Trust Trustee	14103119	08128-581
15	Brown, Benjamin F	14103121	08128-553
16	Smith, Majorie	14103122	10046-980
17	Smith Majorie Brown	14103115	10046-980
18	Porter, Emelie & Dorthy Rames (sole heir)	14103120	08128-557
19	Wachovia Bank & Trust Trustee	14103116	08128-573
20	Cushman Joy and Emma Richardson	14103117	08128-563
21	Wall Esther Grier & Rufus Beatu & Eliabeth	14103118	08128-568
22	Cathy and Deal	14103113	07425-644
23	Victor Miller	14103112	06795-862
24	Janette Boyles	14103111	12315-113
25	Irene & Robert Bigham	14102319	02085-244
26	Charlee B Freeman	14102320	03299-158
27	Jones, W. R.Jr (by entirety)	14127105	11066-544
28	Norman, Paul C Inc The	14127106/08/09	13790-235
29	Mullen Publishing	14127107	11676-192
30	Wesyork Group LLC	11315410	18066-958
31	Griffith Family Trust (Edna & Bryce Griffith tst	11315411	10997-518
32	James H Ford	11519107	11353-077
33	Mangan Mary Frances	11519105	16210-172
34	KHOZOURIZADEH, KHOZOUFI	11315303	13301-346
35	BERRYHILL CHARLES PRICE JR ET AL BY WILL	11315304	11344-517
36	Berryhill Charles Price Jr. Et al by will	11314402	11344-517
37	Berryhill W. C. Heirs %Billy McSwain	11314403	11409-651
38	Berryhill Fred Jr (et al/D&b/w)	11314404	11351-285
39	Kahala Investors LLC %James McMilan	11314501	09724-503
40	Pistolis, Sam	11314318	
41	Pistolis, Sam	11314317	

			13233-298 13233-298 13233-298
42	Pistolis, Sam	11314316	
43	Prentzas, Christ	11314314	14522-237
44	Pribas, John G et al	11314101	13233-821 13233-821 13233-821
45	McGee, Susie G	11313101	14183-983
46	Oliver, Robert F	11313110	07126-402
47	Oliver, Robert F	11313112	07126-402
48	Oliver, Robert F	11313208	07126-402
49	Oliver, Robert F	11313209	17126-402
50	Oliver, Robert F	11313201	07126-402
51	AHEPA MARATHON Chapter No,2 Foundation	11313301	14711-130
52	Ertel, Andrea L	11313303	10294-414
53	Ertel, Thomas	11313325	14778-543
54	Waller, Janet	11313314	10764-339
55	Parson, Mary W	11313326	14393-746
56	Cathey, Ellen H (BY Entirety)	11313313	10540-098
57	Parsons, Jack & Mary Ellen	11313312	10934-968
58	Price, Clayton Gerald & Lisa Elaine Prophet	11313311	11631-310
59	Tarlton, Lucille G by entirety	11336130	11555-671
60	Sloan Billei Duncan	11336131	13769-488
61	Armstrong Shirle Ann & John Gary Nesbit	11336132	11718-340
62	Fincher, Lenora	11336133	13638-903
63	Lowder, Larry Thomas	11336134	11418-099
64	Simpson Charlie Crawford & Matilda	11336135	11787-186
65	Smith, Aurelius Clifford	11309106	10610-416
66	Cox, Floy M(EST)	11309104	12450-534
67	Charlotte Mecklenburg Board of Education	11309203	4251-474 4251-474
69	Smith, Corrine L (by entirety)(estate)	11310601	10046-337
70	Franklin, John Courtney & Michelle Caruso	11309123	12247-579
71	Franklin, John Courtney & Michelle Caruso	11309119	12247-579
72	Thrower, George C Jr.	11309120	11326-781
	Piece 1 - 11309120 - .400 acre remnant	11309120	
	Piece 2 - Old Dowd Rd R/w - .25 acres	N/A	
73	Piece 3 - 11309122 - .050 acre remnant north of old dowd	11309122	
74	Thrower, Malcolm	11309101	11704-145
	Piece 1 - 11309101 - .520 acre remnant	11309101	
	Piece 2 - Old Dowd Rd R/W - .15 acres	N/A	
	Piece 3 - 11309121 - .004 acre remnant south of old dowd	11309121	
75	Jordon, James	11310508	10681-943
76	Tarlton, Luther Mack & Martha	11310111	11156-587 11156-587
77	Tarlton, Luther Mack & Martha	11310110	11156-587 11156-587
78	Tarlton, Diane Elaine	11310114	10143-482 1014-402

79	Tarlton, Diane Elaine	11310112	10143-482 1014-402
80	Dye Erma Jean	11310109	11615-135
81	Player, Michael Vaugh	11310108	11369-335
82	Presnell, Patsy	11310107	10420-688
83	Adams, J.H. & John W	11310104	13017-311
84	Hatley, Helen and Daniel Lynn	11310103	10528-230
85	Hatley, Danny & Wife Patsy	11310113	11100-956
86	Hatley, Helen	11310102	11487-899
87	Wright, Ronald D	11311103	14561-417
90	Brown. E.G.	14103124	06546-124
91	Witherspoon & Thorne Properties	14127103	13790-216



- NSRR Purchase Area
- Airport Owned Parcels

Norfolk Southern

Created by: Bailey Stryker &
Zach Yarbrough

Map Date: 2/14/2019

Map Date: 09/11/2019



0 625 1,250 2,500 FT.

EXHIBIT B

1200889

CITY OF CHARLOTTE
CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
GROUND LEASE FOR INTERMODAL RAIL FACILITY
with
NORFOLK SOUTHERN RAILWAY COMPANY

Date: MARCH 28, 2012

VMS 13857

CITY OF CHARLOTTE
CHARLOTTE DOUGLAS INTERNATIONAL AIRPORT
GROUND LEASE for RAIL INTERMODAL FACILITY

This Lease Agreement ("Lease") made and entered into this 28th day of MARCH, 2012, by and between the **CITY OF CHARLOTTE**, a municipal corporation of the State of North Carolina (hereinafter called "City"), and **NORFOLK SOUTHERN RAILWAY COMPANY**, a **Virginia** corporation (hereinafter called "Lessee"),

WITNESSETH

THAT, WHEREAS, the City is owner and operator of Charlotte Douglas International Airport (hereinafter "Airport") located in Charlotte, Mecklenburg County, North Carolina; and

WHEREAS, Lessee is a common carrier of freight by rail that presently operates a facility on land within the urban core of the City ("Existing Facility") at which Lessee transfers freight containers, trailers, and chassis between rail cars and truck drawn semi-trailers ("Intermodal Trucks") along with other related activities normally performed at such facilities; and

WHEREAS, Lessee wishes to lease from the City the Surplus Property (as defined below) for the purpose of constructing and operating a larger and more efficient facility (the "New Intermodal Facility") upon which to relocate the activities from the Existing Facility and to receive from the City an option to purchase certain Surplus Property and real estate interests; and

WHEREAS, the City is in favor of the closure of the Existing Facility and the construction of a New Intermodal Facility on portions of the Surplus Property ("Intermodal Area") to be leased to Lessee with an option to purchase and has determined that the New

Intermodal Facility in the Intermodal Area would be compatible with the operation of the Airport; and

NOW, THEREFORE, in consideration of the premises, the amounts to be paid by the Lessee to the City hereunder and the mutual covenants, terms, conditions, privileges, obligations and agreements contained herein, the City hereby leases and demises a portion of the Surplus Property to Lessee and Lessee does hereby lease and take such portion of the Surplus Property from City upon all the terms and conditions hereof and the City and Lessee do furthermore hereby agree and covenant as follows:

ARTICLE I DEFINITIONS

Section 1.01 "Airport" shall mean the Charlotte/Douglas International Airport.

Section 1.02 "Adequate Net Worth" shall have the meaning set forth in Section 9.06, below.

Section 1.03 "Adjusted Appraised Value" shall mean the fair market value of the unimproved Leased Premises as determined by a re-appraisal of the Leased Premises (defined below) no earlier than 180 days prior to each successive fifth anniversary of the Date of Beneficial Occupancy (defined below).

Section 1.04 "Annual Ground Rental" shall have the meaning described in Section 4.01, below.

Section 1.05 "Appraised Value" shall mean the fair market value of the unimproved Initial Leased Premises as established by the appraisal prepared by Jack C. Morgan, Jr., MAI, CRE dated March 24, 2010, attached hereto as Exhibit "C" and incorporated herein by reference thereto;

Section 1.06 "Aviation Director" shall mean the City's Aviation Director and shall include such person or persons who may from time to time be authorized by the Aviation Director to act for the Aviation Director with respect to any or all matters pertaining to this Lease.

Section 1.07 "City" shall mean the **City of Charlotte**, a municipal corporation of the State of North Carolina.

Section 1.08 "County" shall mean Mecklenburg County, North Carolina.

Section 1.09 "Date of Beneficial Occupancy" or "D.B.O." shall mean the earlier of (i) the twenty-four (24) month anniversary of the date of execution of this Lease; or (ii) the date the New Intermodal Facility is available for conducting Lessee's Business; provided, however, D.B.O. shall be no earlier than the date of completion of all of the Roadway Improvements (defined below)

Section 1.10 "Design Professionals" shall mean City's and Lessee's in-house designers or professional engineering consultants hired by City or Lessee.

Section 1.11 "Effective Date" shall mean the date set forth at the beginning of this Lease, upon which date this Lease shall become effective for all purposes.

Section 1.12 "Environmental Laws" shall mean any and all statutes, laws, rules, regulations, administrative orders and requirements, as now exist or as may hereafter be adopted, of the City, the County, the State and/or the United States, as may now or at any other time be or have been in effect, pertaining to health, safety, or the environment, and or regulating, establishing liens for the cleanup of, imposing liability or standards of conduct concerning, or in any manner relating to any Hazardous Materials, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., as such laws, regulations, and requirements have been amended or supplemented to date and as the same may be further amended or supplemented from time to time.

Section 1.13 "Expansion Area One" shall mean the area so depicted on Exhibit "A" hereto.

Section 1.14 "Expansion Area Two" shall mean the area so depicted on Exhibit "A" hereto.

Section 1.15 "Expansion Area Three" shall mean the area so depicted on Exhibit "A" hereto.

Section 1.16 "Expansion Option" or "Expansion Options" shall mean one or more of three options granted to Lessee hereunder to add additional portions of the Surplus Property

to the Leased Premises. The Expansion Options comprise Expansion Option One, Expansion Option Two and Expansion Option Three as further defined herein.

Section 1.17 “Expansion Option One” shall mean the option to add a portion or all of the land area comprising Expansion Area One to the Leased Premises.

Section 1.18 “Expansion Option Two” shall mean the option to add the land comprising Expansion Area Two to the Leased Premises.

Section 1.19 “Expansion Option Three” shall mean the option to add a portion or all of the land comprising Expansion Area Three to the Leased Premises.

Section 1.20 “Extension Option” shall have the meaning set forth in Section 2.03, below.

Section 1.21 “Extension Term” shall have the meaning set forth in Section 2.03, below.

Section 1.22 “FAA” shall mean the Federal Aviation Administration or any agency that succeeds to the powers and responsibilities of the FAA with respect to regulation and certification of airports.

Section 1.23 “Hazardous Material” shall mean any substance, product, waste, pollutant, material, chemical, contaminant, constituent, mixture or other material which is or becomes listed, regulated, or addressed under any Environmental Law, including, without limitation, all types of chemical substances, petroleum products, flammable explosives, radioactive, materials, urea formaldehyde, PCBs, asbestos or material containing asbestos, and any other illegal, regulated, hazardous, toxic, dangerous or otherwise harmful waste, substance or material.

Section 1.24 “Initial Leased Premises” shall mean the portion of the Surplus Property demised as of the Effective Date, being 179 acres, more or less, and depicted and circumscribed in red on Exhibit “A” attached hereto and made part hereof.

Section 1.25 “Intermodal Operations” shall mean the transfer between truck and rail of containers, trailers, or chassis.

Section 1.26 “Lease” shall mean this Lease Agreement, as the same may be modified or amended from time to time in accordance with its terms.

Section 1.27 “Lease Term” shall mean the term of this Lease set forth in Section 2.03 hereof.

Section 1.28 “Lease Year” shall mean a twelve month period during the Lease Term commencing on the Date of Beneficial Occupancy or any anniversary thereof.

Section 1.29 “Leased Premises” shall mean, as of the Effective Date, the Initial Leased Premises. Should Lessee subsequently exercise one or more of its Expansion Options, Leased Premises shall then mean the Initial Leased Premises and the additional portions of the Intermodal Area added to the Leased Premises by the exercise of the Expansion Options by Lessee.

Section 1.30 “Leasehold Improvements” shall mean Lessee’s Improvements.

Section 1.31 “Lessee’s Business” shall mean any Intermodal Operations, or the operation of other rail activities on the Leased Premises (provided such other rail activities do not impair the operation of the Airport or impact Airport safety or security), including all necessary maintenance and administrative functions related thereto, along with other related activities normally performed at such facilities, twenty-four hours per day, seven days per week. Lessee’s Business shall not include the transport or storage onto the Leased Premises of Hazardous Materials, except (i) fuel and lubricants needed to operate equipment at the facility, and (ii) any Hazardous Materials that are lawfully transportable in intermodal containers or trailers.

Section 1.32 “Lessee’s Improvements” shall mean the construction of all tracks, parking areas, storage areas, maintenance areas, roads, buildings, lighting, fencing, drainage systems and any other fixtures or personal property acquired, constructed and installed by Lessee on the Leased Premises. The location of Lessee’s Improvements on the Airport are depicted on the drawings attached hereto as Exhibit “B” and made part hereof.

Section 1.33 “Option Term(s)” shall have the meaning set forth in Section 2.03, below.

Section 1.34 “Plans and Specifications” shall mean those certain final Plans and Specifications for the Leasehold Improvements, prepared by the Design Professionals. The Plans and Specifications for the Lessee’s Improvements may be freely modified or amended by Lessee upon notice to but without the consent of the City provided that the City does not advise Lessee within a reasonable period of time that such modifications or amendments will or are likely to adversely impact the operation of the Airport or violate regulations or conditions of regulatory approval for this Lease or for the construction of the New Intermodal

Facility. Upon any such modification or amendment, the term "Plans and Specifications" as used herein shall be deemed to mean and include such modifications and amendments.

Section 1.35 "Purchase Option" shall have the meaning set forth in Article V hereof.

Section 1.36 "Purchase Option Term" shall have the meaning set forth in Section 5.01, below.

Section 1.37 "Release" shall mean and include, without limitation, any and all discharging, spilling, leaking, dumping, emitting, emptying, seeping, injecting, escaping, leaching, disposing and the like in violation of any Environmental Law.

Section 1.38 "Roadway Improvements" shall mean (i) the abandonment and/or relocation of any and all public and airport roads located within the Leased Premises and all of the Expansion Areas, including the airport access road running beneath the Josh Birmingham overpass immediately adjacent to Lessee's mainline; (ii) the extension of West Boulevard between the entrance to the New Intermodal Facility and Interstate 485 (including the construction of a grade separation over the proposed New Intermodal Facility tail track); (iii) the construction of traffic ramps connecting Interstate 485 to Garrison Road and the proposed West Boulevard extension; (iv) the construction of roadway bridges at Old Dowd Road to cross Lessee's railroad tracks; (v) the relocation of Steele Creek Road to serve as road access to the New Intermodal Facility; and (vi) the construction of a fire station access road connecting to and from relocated Steele Creek Road / West Blvd extended, as depicted on Exhibits "A" and "B" attached hereto, which Lessee shall be permitted to use in common with the City.

Section 1.39 "Site" shall mean the land area comprising the Initial Leased Premises as depicted on Exhibit "A" hereto.

Section 1.40 "State" shall mean the State of North Carolina.

Section 1.41 "Surplus Property" shall mean land owned by the City at the Airport that is not needed by the City for Airport operations.

Section 1.42 "Taxiway Bridges" shall mean the bridges that have been constructed by the City to permit the taxiing of aircraft over the Initial Leased Premises. The location of the Taxiway Bridges in relation to Lessee's Improvements and the Site is depicted on the drawing attached hereto as Exhibit "B" and made part hereof.

Section 1.43 "Transportation Security Administration" or "TSA" shall mean the agency of the United States Department of Homeland Security vested with the power and responsibility to enforce federal security requirements on airports or any successor to the TSA with respect to airport security.

ARTICLE II

LEASED PREMISES; LEASE TERM; OPTIONS TO EXPAND

Section 2.01 Leased Premises. The Leased Premises are the areas of Surplus Property described in Section 1.29 hereof.

Section 2.02 Utilities to Site. The City agrees to allow Lessee to tie into existing and planned electric, water and sewer utilities at or near the Site at Lessee's expense.

Section 2.03 Lease Term.

(a) The term of this Lease shall commence as of the Effective Date and shall continue for a term ending on the last day of the twentieth (20th) Lease Year, unless sooner terminated as described herein.

(b) Provided Lessee is not in default under any of the terms, conditions and covenants of this Lease, Lessee shall have the right to extend the term of this Lease for three additional consecutive periods of ten (10) years each ("Option Terms") upon the same terms and rentals provided for herein. Each Option shall be exercisable by Lessee upon delivering written notice to the City at least one year before the expiration of the then current term.

(c) Subject to the consent of City and provided that Lessee is not in default under any of the terms, conditions and covenants of this Lease, Lessee shall have the additional option ("Extension Option") to further extend the term of this Lease for one final period of twenty years (the "Extension Term"). The Extension Option shall be exercisable by Lessee upon delivering written notice at least eight years prior to the expiration of the third Option Term. The City shall have 360 days from the date of said written notice to decline in writing to Lessee to accept the exercise of the Extension Option. If the City does not so decline to accept the exercise of the Extension Option within such 360 day period, the exercise of the Extension Option shall become effective upon the expiration of the third Option Term and shall be binding upon Lessee and the City. If the City declines in writing to consent to the

exercise by Lessee of the Extension Option, then Lessee shall have the right to terminate this Lease at any time within the remainder of the Option Term.

Section 2.04 Encumbrances on Leased Premises. The Leased Premises shall be accepted by Lessee subject to any and all then existing easements or other encumbrances (including, without limiting the generality hereof, the Taxiway Bridges), and City shall have the right to install, lay, construct, maintain, repair and operate such Taxiway Bridges, sanitary sewers, drains, storm water sewers, pipelines, manholes, connections, water, oil or gas pipelines, and telephone and power lines and such other appliances and appurtenances necessary or convenient in connection therewith, over, in, upon, through, across and along the Leased Premises, or any part thereof, and to enter thereupon at reasonable times for any and all such purposes; provided, however, that City shall repair or replace any of Lessee's Improvements damaged or destroyed in the exercise of such rights, and no right of City provided for in this Section shall be so exercised as to interfere unduly with the Lessee's Business hereunder. City hereby represents and warrants that as of the Effective Date there are no easements or other encumbrances on the Leased Premises that would restrict the use thereof by Lessee as intended herein, or that would in any way increase the financial obligations of Lessee hereunder. City shall not place any easements or other encumbrances on the Leased Premises during the Term hereof that may have a material adverse effect on Lessee's use of the Leased Premises or increase Lessee's financial obligations hereunder.

Section 2.05 Option to Expand Leased Premises – Area One. From time to time during the first ten years after the Date of Beneficial Occupancy, Lessee shall have the right to exercise all or part of Expansion Option One by sending written notice to City. Immediately upon the exercise of all or a part of Expansion Option One, the Leased Premises shall be expanded to include the area described as Expansion Area One (or applicable portion thereof) on Exhibit "A." Expansion Option One may be exercised in whole or in part, and Lessee shall be free to exercise multiple parts of this Option in stages within the first ten (10) years after D.B.O.

Section 2.06 Option to Expand Leased Premises – Area Two. At any time during the first ten years after the Date of Beneficial Occupancy, Lessee shall have the right to exercise Expansion Option Two by sending written notice to City. Immediately upon the exercise of

Expansion Option Two, the Leased Premises shall be expanded to include the area described as Expansion Area Two on Exhibit "A."

Section 2.07 Option to Expand Leased Premises – Area Three; Option to Return.

From time to time during the first ten years after the Date of Beneficial Occupancy, Lessee shall have the right to exercise all or part of Expansion Option Three by sending written notice to City. Immediately upon the exercise of Expansion Option Three, the Leased Premises shall be expanded to include the area (or portion thereof) described as Expansion Area Three in Section 1.15 of this Lease. Expansion Option Three may be exercised in whole or in part, and Lessee shall be free to exercise multiple parts of this Option in stages within the first ten (10) years after D.B.O.

At any time on or after the date when Lessee exercises Expansion Option Three or any portion thereof, but no later than ten years after the Date of Beneficial Occupancy, Lessee shall have the right to exercise an option for a temporary rail easement (the "Rail Access Easement") and a temporary roadway easement (the "Road Access Easement"), the locations of which are generally depicted on Exhibit "A." The City shall grant the Rail Access Easement or the Road Access Easement, or both, as the case may be, within ninety (90) days of receipt of written notice from Lessee that it intends to exercise either or both options. The Rail Access Easement shall permit Lessee to construct, operate and maintain a single track rail line, a road twenty four feet (24') in width, ditches, and slope embankments between Option Area Three and those components of the New Intermodal Facility located north of the relocated West Boulevard, also as depicted on Exhibit "A," and shall further permit Lessee to enter onto City's property adjacent to the Rail Access Easement as necessary to construct and maintain Lessee's track, track structure, railroad, and roadway facilities within the Rail Access Easement Area. The Rail Access Easement term shall be of sufficient duration to allow Lessee to operate between the non-contiguous portions of the Leased Premises through the term of this Lease and any extensions thereof. Once the Rail Access Easement is granted to Lessee, the area of City's land subject to the Rail Access Easement shall be added to the acreage comprising the Leased Premises for purposes of determining the annual Ground Rental due City for as long as the Rail Access Easement exists. The Road Access Easement shall permit Lessee to construct, operate and maintain a roadway of at least twenty-four (24) feet in width plus ditches and 2:1 shoulders between Option Area Three and Byrum Drive,

and shall further permit Lessee to enter upon City's property adjacent to the Road Access Easement as necessary to construct and maintain the roadway. The Road Access Easement term shall be of sufficient duration to give Lessee, its successors and assigns vehicular access between Option Area Three and Byrum Drive until such time as West Boulevard is relocated and permits direct access to and from Option Area Three. Once the Road Access Easement is granted to Lessee, the area of City's land subject to the Road Access Easement shall be added to the acreage comprising the Leased Premises for purposes of determining the annual Ground Rental due City for as long as the Road Access Easement exists.

Within ninety (90) days of the 10-year anniversary of any exercise of any portion of Expansion Option Three or within ninety (90) days of the commencement of any Option Term, Lessee shall have the right to remove from the Leased Premises any portion of Expansion Area Three or the Rail Access Easement by sending written notice to City. Upon the exercise of such right, the Leased Premises shall be reduced by the amount of the area described in Lessee's notice, this Lease shall immediately terminate with respect to such area, and the Ground Rental shall be adjusted to reflect the reduction in size of the Leased Premises.

Section 2.08 Independence of Expansion Options. The exercise of any Expansion Option is not dependent upon the exercise of any other Expansion Option.

Section 2.09 Restriction on Improvements to the Expansion Areas. For so long as Lessee holds an unexpired Expansion Option or portion thereof, City shall not make any improvements to any Expansion Area that remains subject to an Expansion Option unless Lessee consents in writing.

Section 2.10 Use and Relocation of Stormwater Detention Facility. Subject to any and all permitting requirements, Lessee shall have the right to discharge surface water into City's stormwater detention facility. If it becomes necessary to enlarge the existing stormwater detention facility, City shall undertake the work at the joint expense of City and Lessee. The cost of the expansion work shall be allocated among City and Lessee in direct proportion to the volume of stormwater originating from the property under the control of the City relative to the volume of stormwater originating from the property under the control of the Lessee. If City should relocate or modify this facility to accommodate construction of any airport facilities or for any other reason, City shall allow Lessee to discharge its surface water

into City's relocated or modified facility. Furthermore, City shall either arrange for Lessee's drainage facilities to be modified or extended to properly discharge into such relocated or modified facility, or shall reimburse Lessee for the cost of such modifications or extensions. City shall also be responsible for the cost of obtaining any new or additional permits required for such modifications or extensions.

ARTICLE III

RIGHTS OF LESSEE RELATING TO LEASED PREMISES

Section 3.01 Rights to Use Leased Premises. During the Lease Term the Lessee shall have the right to quiet enjoyment of the Leased Premises in the conduct and exercise of the Lessee's Business, twenty-four hours per day, three hundred sixty-five days per year, and for no other purpose, activity or line of business whatsoever, unless provided for by separate written agreement with the City; provided, however, Lessee shall not assert the breach of the covenant of quiet enjoyment in any action by the City asserting an Event of Default described in subsections 12.01 (c) or (d) or Section 12.03 hereunder.

Section 3.02 Other Operating Rights and Duties of Lessee. Commencing on the Effective Date, Lessee shall have the following operating rights, privileges, and duties during the Lease Term in connection with Lessee's rights to occupy and use the Leased Premises in the conduct of Lessee's Business:

(a) The right (which shall extend to Lessee's employees, patrons, guests and invitees), in common with others, to use the public portions of the Airport and appurtenances thereto.

(b) The right to install and maintain appropriate signs on such exterior portions of the Leased Premises as the Lessee may deem appropriate, provided that the design, installation and maintenance of such signs shall be consistent with the standards and policies of the City existing on the Effective Date or as may be hereafter developed and amended, and provided the written approval of the Aviation Director is obtained prior to installation in each instance. In the event changes to signs installed by the Lessee, for which approval was obtained from the Aviation Director, are necessitated by revisions or additions to the City's standards and policies, the City agrees that such changes shall be made at the City's expense.

(c) The right to use, in common with the City, a portion of City's planned fire station access road connecting to and from relocated Steele Creek Road / West Blvd extended, as shown on Exhibits "A" and "B," which road shall be built and maintained by the City.

Section 3.03 Limitation on Operating Rights. The Lessee shall not use the Leased Premises for any use not specifically granted herein without the prior written approval of the City, which approval may be denied for any reason in the sole and absolute discretion of the City.

Section 3.04 Prohibited Acts. In connection with the exercise of its rights to use and occupy the Leased Premises, or otherwise in its use of or on the Airport, Lessee shall not:

- (a) Conduct its operations in a manner that deprives the public of its rightful, equal and uniform use of Airport property;
- (b) Conduct its operations so as to interfere with reasonable use by others of the common facilities of the Airport; or
- (c) Conduct its operations in such a way as to hinder police, firefighting or other emergency personnel in the discharge of their duties or as to constitute a hazardous condition that would increase the risks normally attendant upon the operations contemplated under this Lease, while recognizing Lessee's obligations to perform its duty as a common carrier and interstate railroad operator.

Section 3.05 Additional Compliance Requirements. It is intended that the standards, obligations and duties imposed by this Article III shall be maintained and complied with by Lessee in addition to its compliance with all applicable governmental laws, ordinances and regulations, and in the event that any of said applicable laws, ordinances and regulations shall be more stringent than the standards, duties and obligations imposed on Lessee hereunder, then Lessee shall comply with such applicable laws, ordinances and regulations in its operations under this Lease. Noncompliance with any applicable governmental law, ordinance or regulation, the validity of which shall be contested in good faith and with reasonable promptness, shall not be interpreted as a violation of this covenant until such contest has been abandoned or the time for objection or appeal has expired.

Section 3.06 Finding of Compatibility of Operations. The parties hereto expressly agree that the Lessee's ownership and operation of the New Intermodal Facility upon the

Intermodal Area and as described herein are fully compatible with the safe and efficient operation of City's Airport.

ARTICLE IV

RENTAL PAYMENTS, FEES AND CHARGES

Lessee shall pay rental for the Leased Premises to the City in accordance with the provisions of Sections 4.01, 4.02, 4.03 and 4.04 below:

Section 4.01 Annual Ground Rental.

(a) To compensate the City for the fair market value of the ground area comprising the Initial Leased Premises, the Lessee shall pay an annual rental payment (herein referred to as the "Annual Ground Rental") for such ground area for each Lease Year commencing as of the Date of Beneficial Occupancy.

(b) For the first five years of the term hereof the Annual Ground Rental shall be the product of the Appraised Value of the Initial Leased Premises multiplied by ten percent (0.10).

(c) Upon each exercise of an Expansion Option or portion thereof, the City and Lessee shall jointly hire an MAI appraiser to appraise the fair market value of the unimproved real estate interest within the applicable Expansion Area as of the date of exercise of the Expansion Option. As of the date of said exercise, Annual Ground Rental shall be (retroactively, if necessary) adjusted to include the rental value of the applicable Expansion Area (or portion thereof). For purposes of this section 4.01, the rental value of any portion of an Expansion Area shall be ten percent (10%) of the fair market value determined by the appraiser.

(d) Beginning on the fifth anniversary of the Date of Beneficial Occupancy and on every successive fifth anniversary during the term hereof and any extensions hereto the City shall hire an MAI appraiser to appraise the fair market value of the property then comprising the Leased Premises, such fair market value to exclude all improvements to the Leased Premises by whomever made. City shall provide Lessee of a copy of said appraisal for its information and concurrence. If the Lessee concurs in the result of the appraisal the result shall become the Adjusted Appraised Value. If the Lessee objects to the results of the appraisal the City and Lessee shall cooperate in commissioning a second appraisal using an

appraiser acceptable to both City and Lessee, in which case this second appraisal shall determine the Adjusted Appraised Value. If the City and Lessee cannot agree on the appraiser to conduct the second appraisal, the City shall hire an appraiser, the Lessee shall hire an appraiser and the two appraisers shall appoint a third appraiser. As a result the property value which is the average of the three appraisals shall be adopted as the Adjusted Appraised Value. The amount of the Annual Ground Rental rate per acre shall be adjusted to the Adjusted Appraised Value of the Leased Premises multiplied by ten percent (0.10). The Aviation Director shall give the Lessee written notice of the escalated Annual Ground Rental on the first business day of the calendar month in which each fifth anniversary of the Date of Beneficial Occupancy occurs.

(e) The Annual Ground Rental shall be payable by the Lessee in twelve equal monthly installments in advance, commencing on the Date of Beneficial Occupancy, and on the first day of each calendar month thereafter for the remainder of the Lease Term.

Section 4.02 Payment of Rentals. The rentals payable by Lessee hereunder shall be due and payable at the office of the Aviation Director on the dates described in the foregoing Sections of this Article IV. All such payments are to be made in lawful money of the United States of America. Such rentals shall be paid by check payable or other agreed upon method to the City of Charlotte.

Section 4.03 Absolute Net Lease; Non-terminable By Lessee.

(a) This Lease is a net lease and all rentals payable to the City under this Article IV hereof and all other sums payable hereunder to or on behalf of the City shall be paid without notice or demand and without setoff, abatement, suspension, deferment, reduction or deduction, except as otherwise expressly provided herein.

(b) This Lease shall not terminate, nor shall the Lessee have any right to terminate this Lease, nor shall the obligations and liabilities of the Lessee set forth herein be otherwise affected, except as otherwise expressly provided herein or by operation of law or by final decree or final judgment of any court having jurisdiction.

(c) Except as expressly provided herein, the Lessee waives all rights to (i) any abatement, suspension, deferment, reduction or deduction of or from the rental payments required to be made to the City under this Article IV or (ii) quit, terminate or surrender this Lease or the Leased Premises or any part thereof.

(d) It is the intention of the parties hereto that the obligations of the Lessee hereunder shall be separate and independent covenants and agreements, that the rental payments to be made by the Lessee under this Article IV and all other sums payable by the Lessee to or on behalf of the City shall continue to be payable in all events and that the obligations of the Lessee hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease.

(e) The Lessee covenants and agrees that it will remain obligated under this Lease in accordance with all of its terms and provisions, and that it will not take any action to terminate, rescind or avoid this Lease or any portion thereof as a result of the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting the City or any assignee of the City in any such proceeding.

Section 4.04 Delinquent Rent. Without waiving any other right of action available to the City, in the event that Lessee is delinquent for a period of ten (10) days or more in paying the City any rental payable pursuant to this Lease, Lessee shall pay the City interest thereon at the rate of eighteen percent (18%) per year from the date that is fifteen days following the date such rental became due and payable to City until paid.

ARTICLE V

OPTION TO PURCHASE

City hereby grants to Lessee exclusive options to purchase for fair market value (each, a "Purchase Option") a fee simple interest in any or all of the Leased Premises and any or all of the Expansion Areas (or any portion or portions thereof), whether then currently part of the Leased Premises or otherwise, except that Lessee shall not have the option to acquire a fee simple interest in (a) those portions of the Leased Premises beneath the Taxiway Bridges, (b) those portions of the Leased Premises north of the northernmost Taxiway Bridge, and (c) those portions of the Leased Premises beneath certain overhead roadway bridges depicted on Exhibit "A." Upon the exercise of this option, whether in whole or in part, City shall grant to Lessee for no additional consideration a permanent non-exclusive easement over a portion of City's planned fire station access road connecting to and from relocated Steele Creek Road / West Blvd extended, all as depicted on Exhibit "A." City hereby also grants to Lessee an exclusive option to acquire permanent exclusive surface easements sufficient to support

Lessee's railroad and roadway construction, maintenance, and operations over those portions of the Initial Leased Premises (a) beneath the Taxiway Bridges, (b) north of the northernmost Taxiway Bridge, and (c) beneath certain overhead roadway bridges, all as depicted on Exhibit "A." City hereby also grants to Lessee further options (i) to acquire a permanent exclusive surface easement for railroad and roadway construction, maintenance, and operating purposes (the "Permanent Rail Access Easement") sufficient to support Lessee's railroad and roadway operations between Expansion Area Three and those portions of the Leased Premises that are not contiguous to Expansion Area Three, which easement shall permit Lessee to construct, operate and maintain a single track rail line, a road twenty four feet (24') in width, ditches, and slope embankments between Option Area Three and those components of the New Intermodal Facility located north of the relocated West Boulevard, also as depicted on Exhibit "A," together with the right to enter onto City's property adjacent to the Permanent Rail Access Easement as necessary to construct and maintain Lessee's track, track structure, railroad, and roadway facilities within the Permanent Rail Access Easement Area; and (ii) to acquire a permanent exclusive easement for access roadway construction, maintenance, and operating purposes (the "Permanent Road Access Easement"), which easement shall permit Lessee to construct, operate and maintain a roadway of at least twenty-four (24) feet in width plus ditches and 2:1 shoulders between Option Area Three and Byrum Drive, together with the right to enter upon City's property adjacent to the Permanent Road Access Easement as necessary to construct and maintain the roadway. All of the areas subject to the options granted hereby are depicted on Exhibit "A," attached hereto and made part hereof. The options granted in this Article V may be exercised in whole or in part, and Lessee shall be free to exercise multiple parts of these options at any time within the Purchase Option Term (defined below). All of the areas subject to the options granted hereby shall be exercised in accordance with the following terms:

Section 5.01 Term of Option; Notice of Exercise. Any Purchase Option or any portion thereof shall be effective immediately and shall expire ten (10) years after DBO. If it elects to exercise any Purchase Option within this period (the "Purchase Option Term"), Lessee shall notify City in writing of this election.

Section 5.02 Ripening of Option. Upon the delivery of notice described in Section 5.01, the Purchase Option shall ripen into a binding sales contract, and the terms of this

Article V shall automatically become the terms of said contract without the execution of any further instruments.

Section 5.03 Entry on Property. Throughout the Purchase Option Term, upon advanced written notice to City and provided its representatives sign City's standard form right of entry and obey City's safety instructions and directions, Lessee shall have the right to come upon any of the real property subject to the Purchase Option and not already within the possession or control of Lessee and have its representatives and other persons retained by it to come upon said real property for the purpose of study, examination, the making of surveys and topographical surveys, soil tests, borings and other examinations which may be useful in determining the conditions affecting the making of improvements on said property. All costs and expenses involved in the making of such studies, examinations and tests shall be borne by Lessee.

Section 5.04 Survey and Legal Description. The area and legal description of any real property for which Lessee exercises the Purchase Option shall be determined by an accurate field survey as soon as practicable after the exercise of such Purchase Option, or relevant portion thereof, at Lessee's expense.

Section 5.05 Cooperation by City. City agrees to cooperate with Lessee as fully as necessary to effectuate the conveyance of any real property subject to the Purchase Option, which cooperation shall include, without limitation, obtaining approval from the FAA (if required), executing petitions and other documents, providing historical information about the use of said real property, and providing for interviews with knowledgeable persons, in procuring any necessary land use approvals or in conducting environmental audits or site assessments.

Section 5.06 Closing Contingencies. Closing of the sale of any real property or portion thereof subject to the Purchase Option shall be contingent upon (i) satisfactory results from any soil tests, environmental assessments or environmental audits Lessee chooses to have performed, (ii) satisfactory results from any title investigation, and (iii) regulatory approvals necessary to the transfer of a real property interest from City to Lessee, including but not limited to approval by the FAA. Lessee shall be the sole arbiter of whether these contingencies are met, and if Lessee elects not to close because they are not met, City shall have no claim against Lessee for damages.

Section 5.07 Delivery of Title. Within thirty (30) days after delivery of the exercise of any Purchase Option, City shall convey the real property or easement, as the case may be, to Lessee by general warranty deed, the form of which is attached to this Lease as Exhibit "D." Possession of the real property or easement area shall pass at closing.

Section 5.08 Fair Market Value. Fair market value for purposes of this Article V shall be the value of the unimproved real estate interest determined as of the estimated time of the conveyance of the real property or easement interest for which any Purchase Option is exercised by a licensed MAI appraiser jointly selected by the City and Lessee at the joint expense of the City and Lessee. If the City and Lessee are unable to jointly agree to the selection of an appraiser within thirty (30) days of Lessee's exercise of the Purchase Option, then City and Lessee each shall hire an appraiser at its own expense and direct these appraisers to prepare appraisals of the real property within sixty (60) days of the expiration of the thirty day joint selection period. If the higher of the two appraisals exceeds the lower appraisal by ten (10) percent or less, fair market value shall be the average of the two appraisals. If the higher appraisal exceeds the lower appraisal by more than ten (10) percent, the two appraisers shall mutually select a third appraiser within fifteen (15) days of the completion of both reports. The third appraiser shall be directed to complete his appraisal within sixty (60) days of his selection. The amount set forth in this third appraisal shall be the fair market value for purposes of this Section 5.08. Fair market value shall be paid to City upon the date of conveyance of the real property to Lessee or the date upon which fair market value is finally determined, whichever is later.

Section 5.09 Responsibility for Taxes and Fees. Lessee shall pay all transfer taxes and recording fees relative to the sale of any real property for which a Purchase Option is exercised.

ARTICLE VI

OPERATING AND MAINTENANCE, ALTERATIONS, REPAIRS AND UPKEEP

Section 6.01 Lessee's and City's Operating and Maintenance Responsibilities.

(a) **"Lessee's O&M"** shall mean all major maintenance on and repair of the Leased Premises and improvements thereto excepting only City's O&M described in paragraph (b)

below. Lessee shall perform Lessee's O&M at its sole cost and expense. City shall have no maintenance or repair responsibility whatsoever with respect to the Leased Premises except for "City's O&M".

(b) **"City's O&M"** shall mean fire protection and "outside the fence" security services, the maintenance of stormwater management systems constructed by the City, including the stormwater detention facility described in Section 2.10, the maintenance of fencing around the Leased Premises, the Taxiway Bridges, and facilities to accept stormwater from the Leased Premises as required by law and regulation. City shall perform City's O&M at its sole cost and expense, except that the cost of the maintenance of the stormwater detention facility shall be shared between City and Lessee in direct proportion to the volume of stormwater originating from the property under the control of the City relative to the volume of stormwater originating from the property under the control of the Lessee.

Section 6.02 Changes to Lessee's Business and Alterations to Leased Premises.

Lessee shall have the right to use the Leased Premises for purposes other than Intermodal Operations or to make alterations, enlargements and expansions (collectively "Alterations") to the Leasehold Improvements subject to the notice and consent requirements of the City as provided in this Section 6.02. Prior to changing Lessee's Business from Intermodal Operations or making any Alterations (excluding parking and track configuration and location, interior lighting fixtures and electrical outlets, re-lamping, plumbing fixtures and interior doors within any structure on the Leased Premises), Lessee shall provide written notice of such change of use or proposed Alterations to the Aviation Director in sufficient detail to enable the Aviation Director to determine whether the proposed change of use or Alterations are objectionable to the City because of their anticipated impact on Airport operations, safety or security. If the Aviation Director has objection to such proposed change of use or Alterations he shall give notice of such objection to Lessee within thirty (30) days of the date of notice by Lessee, and shall state in such notice the reasons for his objection to such proposed change of use or Alterations. If Lessee has not received such notice of objection from the Aviation Director after such thirty (30) days Lessee may commence to implement such change of use or Alterations. If the Aviation Director does provide notice of his objections to such proposed change of use or Alterations, Lessee and the Aviation Director shall attempt to determine whether there are agreeable modifications to such proposed use or

Alterations which eliminate the Aviation Director's objections. If the Lessee and the Aviation Director cannot reach agreement on such change or use or Alterations, Lessee shall have the option to either abandon its proposed use or Alterations or submit to arbitration pursuant to Article XIX hereunder the reasonableness of the Aviation Director's objection; provided, however, Lessee shall not commence to implement any such objectionable use of the Leased Premises or Alterations unless and until such arbitration is complete finding that the proposed use or Alterations will not negatively impact Airport operations, safety or security; and further provided, that the City may engage the FAA or the TSA to rule on issues concerning the proposed impact of such use or Alterations on Airport operations, safety or security and the ruling or finding of the FAA or TSA on these questions will be dispositive and controlling. All Alterations to the Leased Premises made by the Lessee shall be made at the Lessee's expense, and shall be made in a workmanlike manner without damage to the Leased Premises, except such that is repaired or corrected by the Lessee. City shall have the right to require that Lessee execute an appropriate amendment to this Lease to properly reflect the circumstances of such change of use or Alterations to the Leasehold Improvements; provided that the City shall not have the right to require an increase in the rentals payable by Lessee hereunder without Lessee's consent.

Section 6.03 Title to Improvements. Title to the Lessee's Improvements shall be in Lessee until the expiration of the term hereof. Thereafter title to the Lessee's Improvements that have the nature of improvements to land or "fixtures" shall be and vest in City (except for any of Lessee's Improvements within a portion of the Leased Premises for which Lessee has exercised a Purchase Option, title to which shall vest in Lessee upon the delivery by City of the deed to such area to Lessee) and title to Lessee's Improvements that have the nature of personal property shall remain in Lessee provided that under no circumstances shall track and track materials be considered a "fixture" for purposes of this section. The Lessee hereby irrevocably waives any and all claims to ownership of or right to compensation for the Lessee's Improvements that are or become by virtue of their construction or installation "fixtures" and/or part of the real property of the City, excepting only any such claim to partial reimbursement that the Lessee may make in connection with a termination of this Lease prior to the expiration of the term hereof by reason of a Default by the City as described in Article XIV hereof.

Section 6.04 Condition of Leased Premises Upon Surrender. Upon expiration or termination of the term of this Lease (except for any portion of the Leased Premises for which Lessee has exercised a Purchase Option), the Lessee shall immediately surrender to the City the Leased Premises and that portion of the Lessee's Improvements the title to which has vested in the City in accordance with Section 6.03 hereof in good working order and repair, and in substantially the same condition in which such Leased Premises were delivered to Lessee, reasonable wear and tear and casualty excepted. Lessee shall have the right to remove all of its removable personal property and trade fixtures from the Leased Premises provided such removal is done within one hundred eighty (180) days of such termination and in a manner so as not to deface or otherwise adversely affect the physical appearance of the Leased Premises. Lessee shall continue to pay a prorated portion of the Annual Ground Rental on such portions of the Leased Premises as it continues to occupy for the period of such occupancy.

Section 6.05 Temporary Closure for Repair. Portions of the Airport and access roads may be closed from time to time without liability to Lessee in case of emergency or in order to make repairs or renovations thereto, but in such event the City shall be obligated to provide temporary access to the Leased Premises that does not unreasonably restrict operation of Lessee's Business.

Section 6.06 Access to the Leased Premises by the City. The City or its duly appointed representatives shall have the right to enter the Leased Premises to inspect the Leased Premises at reasonable intervals during the Lessee's regular business hours, or at any time in case of emergency or matters related to safety, to determine the Lessee's compliance with the provisions of this Lease, provided City's representatives comply with Lessee's safety requirements and instructions. Except in case of emergency or matters related to safety, the City shall give the Lessee reasonable notification in advance of any such entry. The Lessee shall have no claim against the City for interference with the Lessee's interest in the Leased Premises during such periods of inspection provided it is conducted in accordance with the terms of this Lease.

ARTICLE VII

UTILITIES

The Lessee shall pay directly to the proper authorities charged with the collection thereof all charges for water, sewer, gas, electricity and other utilities used or consumed on the Leased Premises, whether called deposits, charges, taxes, assessments, fees or otherwise, including without limitation, water and sewer use charges and taxes, if any, all such charges to be paid prior to the date that the same shall become delinquent, provided, however, that Lessee shall not be required to pay for any utilities described in Section 6.01(b) hereof. No such payment shall be considered a payment of rent entitling the Lessee to a credit under any other provision of this Lease. Except as set forth in Section 2.02 of this Lease, it is understood and agreed that the Lessee shall make its own arrangements for connecting to such utilities and that the City shall not be liable for any interruption or failure in the supply of any such utilities to the Leased Premises. If for any reason the City is charged directly by the respective utility for any of such utilities or services, the Lessee shall from time to time, within thirty days of the City's invoice (which invoice shall be accompanied by copies of the applicable utility bills) therefor, pay to the City such charges.

ARTICLE VIII

TAXES

Section 8.01 Payment of Taxes; Maintenance of Licenses and Permits. The Lessee shall pay, on or before their respective due dates, to the appropriate collecting governmental authority, all applicable federal, State and local taxes (including all property taxes) and fees, which are now or may hereafter be levied upon the Leased Premises, or upon Lessee's leasehold interest, or upon Lessee's Business conducted on the Leased Premises, or upon any of Lessee's property used in connection therewith. Lessee shall maintain in current status all applicable federal, State and local licenses and permits required for the operation of the Lessee's Business.

Section 8.02 Right of Protest. The Lessee shall have the right, with prior written notice to the City, to protest to any proper taxing authority, at its own expense, by whatever legal means, any tax, levy, assessment, or other governmental or similar charge relating to the Leased Premises it deems inappropriate or unlawful.

Section 8.03 Proof of Payment. The Lessee covenants to furnish to the City, promptly upon written request, proof of the payment of any tax, assessment or other governmental or similar charge, which is payable by the Lessee as provided for herein.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

Section 9.01 Indemnification - City Held Harmless. It is an express condition of this Lease that, except where caused or contributed to by Airport operations, by the negligence or willful misconduct of City, or by the failure of City to perform its obligations under this Lease, City, its elected officials, officers, agents and employees shall be free from any and all claims, debts, demands, liabilities or causes of action of every kind or character, whether in law or in equity, by reason of any death, injury or damage to any person or persons or damage to or destruction of property or loss of use thereof, whether it be the person or property of Lessee, its agents or employees, or of any third persons, from any cause or causes to the extent arising from the negligence or misconduct of Lessee or from Lessee's failure to perform its obligations under this Lease; and Lessee shall indemnify and save harmless the City, its elected officials, officers, agents and employees against and from any and all such claims, demands, debts, liabilities and causes of action (including attorneys' fees and costs).

Section 9.02 Liability Insurance. Lessee shall maintain in force during the term of this Lease commercial general liability insurance - bodily injury and property damage liability - as shall protect the Lessee and City from claims of bodily injury and property damage in an amount not less than \$125,000,000 bodily injury and property damage combined single limits each occurrence/aggregate. This insurance shall include coverage for products/completed operations, personal injury liability and contractual liability assumed under the indemnity provision of this Lease. The City shall be named as an additional insured under the commercial general liability policy.

Lessee shall maintain in force during the term of this Lease commercial automobile liability insurance providing bodily injury and property damage liability covering all owned, non-owned and hired automobiles for limits acceptable to City but not less than \$5,000,000 bodily injury and property damage each occurrence/aggregate.

Section 9.03 Workers' Compensation and Employer's Liability Insurance. Lessee shall maintain workers' compensation and employer's liability insurance in the amounts and form required by the laws of the State of North Carolina.

Section 9.04 Fire and Extended Coverage. Lessee, at its own cost and expense, shall insure for fire and extended coverage risks all Leasehold Improvements. Such insurance shall be in an amount equal to the full insurable value of all such Leasehold Improvements. All fire insurance policies shall contain loss payable endorsements in favor of the parties as their respective interests may appear hereunder. Lessee agrees that any payments received from such insuring companies by reason of loss under such policy or policies shall be applied toward repair and reconstruction of the Leasehold Improvements or paid to the City in accordance with Article XI hereof.

Section 9.05 Certificates Evidencing Coverage: Insurer Acceptable to City. A certificate evidencing all insurance coverage required of Lessee under this Article IX shall be filed with the City by Lessee prior to the commencement of construction of Lessee's Improvements, and such certificate shall provide that such insurance coverage will not be canceled or reduced without at least thirty days prior written notice to the City. No later than fifteen days following the date of expiration of any such policy, a certificate showing that such insurance coverage has been renewed shall be filed with the City. If such insurance coverage is canceled or reduced, the Lessee shall, within fifteen days after receipt of written notice from the City of such cancellation or reduction in coverage, file with the City a certificate showing the required insurance has been reinstated or provided through another insurance company or companies. The company or companies furnishing insurance pursuant to this Article shall be qualified to issue insurance effective in the State of North Carolina and be of sound and adequate financial responsibility to fulfill their obligations hereunder, and to that end the selection of such insurance companies shall be subject to the approval of City, which approval shall not be unreasonably withheld.

Section 9.06 Self Insurance. The City agrees that Lessee may self-insure with respect to any of the insurance required by this Article IX so long as Lessee has and maintains an Adequate Net Worth. During any such period of the Term hereof that Lessee wishes to self-insure, Lessee shall provide to City Lessee's certificate evidencing such self insurance program along with evidence of its net worth. The annual report of Lessee that is audited by

an independent certified public accountant shall be sufficient evidence of its net worth. For the purposes of this section, "Adequate Net Worth" for the first Lease Year shall mean at least \$125,000,000. For subsequent Lease Years, Adequate Net Worth shall mean \$125,000,000 increased (but not decreased) by increases in the Consumer Price Index, all items, for the year in question as compared to the CPI for the first Lease Year. Should Lessee elect to self-insure pursuant to the provisions set forth herein, or thereafter elects to terminate such self insurance program, it shall give at least thirty (30) days' prior written notice thereof to the City.

Section 9.07 Waiver of Subrogation. City and Lessee mutually agree that with respect to any loss which is covered by insurance then being carried by them respectively, or required to be carried hereunder, to the extent permitted by the applicable insurance policy or policies, the party carrying or required to carry such insurance and suffering any such loss hereby releases the other of and from any and all claims with respect to such loss and City's and Lessee's insurance companies shall have no right of subrogation against the other or any party hereto on account thereof; provided, however, this Section 9.07 shall not apply to any loss that is self insured by Lessee.

ARTICLE X

ASSIGNMENT AND SUBLEASING

Section 10.01 Assignment or Subleasing. Lessee shall neither assign nor transfer this Lease or any right or leasehold interest granted to it by this Lease without the consent of the City, such consent not to be unreasonably withheld (with the understanding that Lessee may in the future request the consent of the City to sublet the Leased Premises or a portion thereof to a qualified third party operator, and/or to sublet the Third Expansion Area or a portion thereof to a qualified container yard operator); provided however, Lessee may assign, sublet or transfer this Lease in its entirety without such consent to any successor-in-interest of Lessee with or into which Lessee may merge or consolidate, or the parent or a subsidiary or affiliate of Lessee, or any entity which may succeed to the assets of Lessee or a major portion thereof. No such assignment or sublease shall serve to release the Lessee or any successor-in-interest of Lessee from any of its obligations, duties or responsibilities under this Lease unless the City agrees thereto in writing. Any such sublease shall be in writing and promptly upon the execution thereof, Lessee shall furnish a copy to the City. Any purported assignment or

sublease in violation hereof shall be void. In no case shall the activities, uses or privileges authorized herein at the Leased Premises, or any obligations of Lessee hereunder, or any portion thereof, be assigned, for any period or periods, after the occurrence and continuation of an Event of Default by the Lessee hereunder.

Section 10.02 Sub-Lease Rentals. In any sub-lease of any portion of the Leased Premises, Lessee shall require such sub-lessee to pay Lessee a ground rental equal to or greater than the Annual Ground Rental payable by Lessee to City pursuant to Section 4.01 hereof. In addition to the ground rental, Lessee may charge such sub-tenant a facility rental for the use of Lessee's Improvements. In the event any such sub-lease ground rentals received by Lessee under any such sub-lease of the Leased Premises or part thereof exceeds the Annual Ground Rental payable by Lessee to City for such sub-leased premises, Lessee shall pay to City as additional rental hereunder an amount equal to one-half of such excess sub-lease ground rentals. Such amounts shall be remitted to City by Lessee on the same schedule as same are received by Lessee from such sub-tenant.

Section 10.03 Lessee Primarily Liable. In the event the City consents to any assignment or subletting on the part of the Lessee of any rights or privileges granted in this Lease, the Lessee shall continue to be primarily liable for any and all payments due the City and the performance of all other duties to be performed by the Lessee pursuant to the terms of this Lease.

ARTICLE XI

DAMAGE OR DESTRUCTION TO LEASED PREMISES

In the event of damage or casualty to any part of the Leased Premises, the party with first knowledge of such casualty shall notify the other party. Lessee shall have the option to demolish Lessee's Improvements or repair such damage and replace damaged property at Lessee's election. Should the Lessee elect to repair or rebuild it shall timely notify and provide City with an estimate of the date of completion of such repair or rebuilding. Should Lessee elect not to repair and rebuild the damage Lessee shall have the option, but not the obligation, to terminate this Lease. Should Lessee elect to terminate this Lease for such cause it shall give City written notice of termination no less than ninety days in advance of the effective date of such termination. In the event of such termination due to unrepaired

casualty, the City may cause Lessee to remove all of Lessee's Improvements and return the Leased Premises to City in the same condition as they were delivered to Lessee on the Effective Date. Should Lessee elect not to terminate this Lease pursuant to this Article XI, it shall continue to fulfill all of its obligations hereunder subject to Section 12.03 hereof.

ARTICLE XII

DEFAULT BY LESSEE

Section 12.01 Default. The happening of any one or more of the following listed events and the expiration of any notice and cure periods herein provided (which events, upon such expiration, are hereinafter referred to singularly as "Event of Default" and plurally as "Events of Default") shall constitute a breach of this Lease on the part of Lessee, namely:

(a) The filing by, on behalf of, or against Lessee of any petition or pleading to liquidate or reorganize, voluntary or involuntary, under any Bankruptcy Act or law, which petition or pleading is not dismissed or withdrawn within sixty days after the date of filing.

(b) The commencement in any court or tribunal of any proceeding, voluntary or involuntary, to declare Lessee insolvent or unable to pay its debts, which is not dismissed or withdrawn within sixty days after the date of filing.

(c) The failure of Lessee to pay any rent or any other amount payable under this Lease within sixty (60) days after the receipt of written notice from the City that the same is due and payable.

(d) The failure in any material respect of Lessee to perform, fully and promptly, any act required of it under the terms of this Lease, or otherwise to comply with any term or provision hereof within the shorter of –

- (i) the time specifically required by the applicable Lease provision, or
- (ii) ninety (90) days after written notice by the City to the Lessee to do so, unless such default cannot be cured within such period and Lessee has in good faith commenced and is prosecuting the cure thereof, in which case the Lessee shall have a reasonable extension of such period in order to cure such default.

(e) The appointment by any court or under any law of a receiver, trustee or other custodian of the property, assets or business of Lessee, who is not dismissed within sixty days after the date of appointment.

(f) The assignment by Lessee of all or any part of its property or assets for the benefit of creditors.

Section 12.02 Waiver. No waiver by the City of default by the Lessee of any terms, covenants, or conditions herein to be performed, kept and observed by the Lessee shall be construed to be a waiver of any subsequent default. The acceptance by the City of rental or the performance of all or any part of this Lease for or during any period or periods after default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by the Lessee, shall not be deemed a waiver of any right on the part of the City to declare a default or cancel this Lease for a subsequent default by Lessee.

Section 12.03 Abandonment. The failure of Lessee to utilize at least a portion of the Leased Premises over a continuous period in excess of twenty-four consecutive months for reasons that are not otherwise excused under this Lease shall be deemed an abandonment of the Leased Premises by Lessee and therefore a failure to perform under this Lease permitting City to give notice of default under Section 12.01(d) above. Any failure to utilize the Leased Premises during a Force Majeure event or during recapture by the United States as described in Section 18.16 shall not be considered an abandonment pursuant to this Section.

ARTICLE XIII

EFFECT OF DEFAULT

Upon the happening of an Event of Default as defined in Sections 12.01(c) and (d) and Section 12.03 above and the failure of the Lessee to cure such default in the time period set forth in said Article XII, the City shall have the right to terminate this Lease by written notice from the City to the Lessee, which termination shall be effective as of the date of said written notice, unless Lessee shall contest in good faith the alleged default. In the event Lessee shall contest the alleged default, City may not terminate this Lease or evict Lessee from the Leased Premises without first having obtained a judgment from a court of competent jurisdiction finding Lessee to be in default and an order of eviction from said court, and further provided Lessee shall have the right, at its own expense, to appeal such judgment of default and order of eviction to any state or federal court having jurisdiction over the matter, and City shall not have the right to terminate this Lease until (i) a final adjudication of Lessee's appeal upholding the judgment and order of eviction and (ii) Lessee fails to cure any finally

adjudicated default within a reasonable period of time following such final adjudication. Upon any such termination of this Lease, whether by lapse of time or otherwise, Lessee shall promptly surrender possession and vacate the Leased Premises and deliver possession thereof to the City, subject to Lessee's right to remove personal property as described in Section 6.04, and Lessee hereby grants to the City full and free license to enter into and upon the Leased Premises in such event and with or without process to expel or remove Lessee and any others who may be occupying the Leased Premises and to remove therefrom any and all property, using for such purpose such force as may be necessary without being guilty or liable for trespass, eviction, forcible entry or detainer and without relinquishing the City's right to rent or any other right given to the City hereunder or by operation by law. Except as otherwise expressly provided in this Lease, Lessee hereby expressly waives the right to service of demand for the payment of rent or for possession of the Leased Premises or to re-enter the Leased Premises, including any and every form of demand and notice prescribed by any statute or other law.

ARTICLE XIV

TERMINATION BY CANCELLATION; DEFAULT BY CITY

Section 14.01 Right of Lessee to Terminate by Cancellation. Lessee may terminate this Lease and cancel all of its obligations hereunder at any time that Lessee is not in default in the payment of any rentals, fees or charges to the City hereunder by giving written notice to be served as hereinafter provided upon or after the happening of any one of the following events:

(a) The inability of the Lessee to use the Leased Premises because of the issuance of any order, rule or regulation by the United States or an instrumentality thereof preventing the Lessee from operating at the Leased Premises for cause or causes not constituting a default under this Lease, including but not limited to any rejection of this Lease by the FAA or any adverse determination by the FAA as to its legality, validity or business terms;

(b) The default by the City in the performance of any covenant or agreement herein required to be performed by the City and the failure of the City to remedy such default for a period of ninety (90) days after receipt from the Lessee of written notice to remedy the same, unless such default cannot be cured within such ninety (90) day period and the City has in

good faith commenced and is prosecuting the cure thereof, in which case the City shall have a reasonable extension of such period in order to cure such default; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if the City shall have remedied the default prior to receipt of the Lessee's notice of cancellation;

(c) The assumption by the United States or an instrumentality thereof of the operation, control or use of the Airport or any substantial part thereof in such a manner as to substantially restrict the Lessee from operating its business at the Airport;

(d) The issuance by any court of competent jurisdiction of an injunction restraining the use of the Leased Premises.

Section 14.02 Termination Resulting from Exercise of Purchase Option. Upon the delivery of title to Lessee of all or any portion of the Leased Premises pursuant to the exercise of a Purchase Option as set forth in Section 5.07, this Lease shall immediately terminate with respect only to said property and to no other. However, any Purchase Option described in Article V shall survive termination of the Lease or any portion thereof. If after the exercise of a Purchase Option any portion of the Leased Premises remains under lease to Lessee, then the Lease shall continue in full force and effect with respect to such property and the Annual Ground Rental shall be immediately adjusted to reflect the reduction in size of the Leased Premises.

Section 14.03 Lessee's Other Remedies. In recognition that termination of this Lease may not be an adequate remedy for Lessee upon a default by City, Lessee shall have, in addition to any other remedy available to Lessee at law or in equity, the right to seek from a court of competent jurisdiction an order of specific performance requiring City to cure any such default which is curable by City.

Section 14.04 Waiver. The performance by either party to this Lease of all or any part of this Lease for or during any period or periods after a default of any of the terms, covenants or conditions hereof to be performed, kept or observed by the other party, or the occurrence of such other event as may excuse performance, shall not be deemed a waiver of any right on the part of such performing party (i) to cancel this Lease for failure by the non-performing party so to perform, keep or observe any of the terms, covenants or conditions hereof to be performed, kept and observed, or by reason of such occurrence, or (ii) to enforce any other right that the performing party may have by reason of such failure or occurrence.

No waiver by either party of any of the terms, covenants or conditions hereof shall be construed to be or act as a waiver by such party of any subsequent default or occurrence.

Notwithstanding any default by the City hereunder, except as expressly set forth herein, the Lessee shall have no right to offset any amount claimed by the Lessee to be owed to it by the City against any rental payments required to be made to the City hereunder.

ARTICLE XV

HOLDING OVER

Section 15.01 Tenancy at Will. Any holding over by the Lessee after the expiration or termination of this Lease, without the written consent of the City, except for the period provided herein for removal of property, shall not be deemed to operate as an extension or renewal of this Lease, but shall only create a tenancy at will, but otherwise on all the terms and conditions herein provided, which may be terminated by the City at any time. In the event of holding over after notice of termination by the City, the City shall be entitled to collect from the Lessee during each month of holding over, as liquidated damages for such holding over, one-twelfth (1/12) of an amount equal to one hundred forty percent (140%) of the total amount of all rental payments paid by the Lessee under Article IV hereof during the preceding full year of the Lease Term.

Section 15.02 Approval of Holding Over by the City. In the event the City approves in writing any holding over by the Lessee, all provisions of this Lease shall remain in full force and effect except to the extent the same are required by City to be modified as a condition of its approval and the Lessee shall continue to pay all amounts required to be paid by it to the City in accordance with the terms and conditions presently applicable herein and as modified by City in its written approval, to the end of Lessee's occupancy, or until such time as a new lease is negotiated, or the holding over is terminated by the City.

ARTICLE XVI

ENVIRONMENTAL PROTECTION

Section 16.01 Compliance with Environmental Laws. The Lessee agrees to comply with all applicable Environmental Laws. It is an express condition of this Lease that the Lessee shall comply with all applicable rules and regulations of any authority of competent

jurisdiction regarding the Lessee's operations at the Airport and reporting and clean up of any Releases causing contamination of the environment.

Section 16.02 Handling of Hazardous Materials. Lessee shall not cause, permit or suffer any Hazardous Materials to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Leased Premises or any portion thereof, by Lessee, its agents, employees, contractors, invitees or permitted subtenants or assigns, except in compliance with the applicable Environmental Laws. Lessee shall not cause, permit or suffer the existence or the commission by Lessee, its agents, employees, contractors or invitees, or by any other person, of a violation of any applicable Environmental Laws upon, about or beneath the Leased Premises or any portion thereof.

Section 16.03 Indemnification by Lessee for Environmental Claims. Except to the extent (i) caused or contributed to by Airport operations or activities (ii) caused by the acts or omissions of the City, its employees, agents, or contractors, or (iii) occurring or arising from events prior to the Effective Date of this Lease, Lessee covenants and agrees, at its sole cost and expense, to defend, indemnify and hold City harmless from and against any and all damages (including without limitation all reasonably foreseeable consequential damages), losses, liabilities, obligations, penalties, costs (including without limitation, the cost of any required or necessary inspection, audit, or cleanup and the preparation of any closure or other required plans, consent orders, license applications, or the like as required by the agency exercising competent jurisdiction), personal injury or death, damage to property, claims, litigation costs, disbursements or expenses including, without limitation, attorneys' and experts' reasonable fees and disbursements which may at any time be imposed upon, incurred by or asserted or awarded against City, and arising from or out of the use, generation, storage, disposal of or the Release of any Hazardous Materials by Lessee, its agents, employees, contractors, invitees or permitted subtenants or assigns, upon, about, beneath or affecting all or any portion of the Leased Premises or any surrounding areas to the extent the Leased Premises or surrounding areas have been contaminated as a result of the use or Release of Hazardous Materials by Lessee, its agents, employees, contractors, invitees or permitted subtenants or assigns on the Leased Premises during the term of the Lease.

Section 16.04 Release of Hazardous Materials. Should Lessee cause or permit any intentional or unintentional Release of Hazardous Materials upon, about or beneath the Leased Premises, whether or not such Release results in damage to soil, surface water, ground water, flora, fauna or humans on the Leased Premises, or within waters of the State or the United States, or on other properties, it shall promptly notify all federal, State and local regulatory agencies of the Release to the extent required by applicable Environmental Laws and shall notify City of the Release, in writing, within seven days of determining that such a Release has occurred. Lessee shall further notify City within seven days after the receipt by Lessee of notice of any demand or claim or the commencement of any action, suit or proceeding in respect of any of the matters referenced in this Section 16.04. It is expressly understood and agreed that failure by City to object to any actions taken by Lessee hereunder shall not be construed to be an approval by City of Lessee's actions, nor shall it be construed as a waiver by City of any right related thereto. It is further expressly understood and agreed that Lessee's actions related to the cleanup or other handling of a Release shall not be subject to the City's approval or consent, so long as such cleanup or other handling is in compliance with applicable Environmental Laws.

Section 16.05 No Liens Allowed. Lessee shall not create or suffer to exist with respect to the Leased Premises and Leasehold Improvements, or permit any of its agents, employees, contractors or invitees to create or suffer to exist any lien, security interest or other charge or encumbrance of any kind on the Airport or the Leased Premises arising out of any construction of or improvements to Lessee's Improvements or subsequent alterations thereto and including specifically any Environmental Laws, including, without limitation, any lien imposed pursuant to §107(f) of the Superfund Amendments and Reauthorization Act of 1996 (42 U.S.C. §9607(1)) or any similar statute or regulation. Should any such lien, security interest or other charge or encumbrance be filed against the Leased Premises, Lessee shall cause said lien, security interest or other charge or encumbrance to be removed from the Leased Premises or shall provide a bond satisfactory to City for the payment or satisfaction thereof. Said actions shall be taken by Lessee as soon as practicable; provided that said actions shall be taken in no event later than sixty days from the filing, posting or notice of such lien, security interest or other charge or encumbrance.

Section 16.06 Lessee to Take Remedial Action. Lessee shall, at its sole cost and expense, promptly take all remedial actions with respect to the Leased Premises which are required under applicable Environmental Laws by any federal, State or local governmental agency or political subdivision exercising competent jurisdiction over such remedial actions to the extent reasonably necessary to remove any Hazardous Materials from the Leased Premises and restore the Leased Premises to compliance with and to the extent required by applicable Environmental Laws. The preceding sentence applies only to remedial action which is necessitated by the presence upon, about or beneath the Leased Premises of any Hazardous Materials arising from Lessee's use or occupancy of the Leased Premises or arising from Lessee's violation of any applicable Environmental Laws related to Lessee's use or occupancy of the Leased Premises. Lessee shall take all actions necessary to restore the Leased Premises to the condition existing as of the D.B.O, notwithstanding any lesser standard of remediation allowable under applicable law or governmental policies. Any such remediation shall be performed in a good, safe and workmanlike manner and shall minimize impact on the business conducted at the Leased Premises.

Section 16.07 Lessee's Failure to Perform. Should Lessee fail to perform or observe any of its obligations or covenants contained in this Article XVI, then City shall have the right, but not the duty, without limitation upon any of the other rights of City pursuant to this Lease, to enter the Leased Premises itself or through its agents, consultants or contractors and perform the same. To the extent such actions by City are deemed required by applicable Environmental Laws, Lessee agrees to indemnify City for the reasonable costs thereof and liabilities therefrom as set forth in Section 16.03 above.

Section 16.08 Survival. For any obligation that accrued under this Article XVI with respect to any portion of the Leased Premises while this Lease was effective as to said portion of the Leased Premises, that obligation will survive the termination of this Lease.

ARTICLE XVII

EQUAL EMPLOYMENT OPPORTUNITY, NON-DISCRIMINATION

PUBLIC USE AND FEDERAL GRANTS

Section 17.01 Equal Employment Opportunity. Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no

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

Section 17.02 Certification of Non-Discrimination. By the execution of this Lease, the Lessee certifies as follows:

“We, the supplier of goods, materials, equipment or services covered by this bid or contract, will not discriminate in any way in connection with this contract in the employment of persons, or refuse to continue the employment of any person, on account of the race, creed, color or national origin of such persons.”

Section 17.03 Federal Grants and Public Use. The parties acknowledge that the Airport will be operated as a public airport, subject to the provisions of the Federal Aviation Act of 1958, so that nothing contained in this Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958. The City reserves the right to further develop or improve, as it sees fit, the Airport, its landing area and taxiways, and to construct other airports, regardless of the desires or views of Lessee and without interference or hindrance therefrom.

Section 17.04 Non-Discrimination. Lessee for itself, its successors and assigns, as part of the consideration hereof, does hereby covenant and agree that to the extent within its power:

(a) No person shall be excluded from participation in, denied the benefit of, or be otherwise subjected to discrimination in the use of the Airport's facilities because of his or her race, color, sex or national origin.

(b) In the construction of any improvements on, over or under the Airport and the furnishing of services thereat, no person shall be excluded from participation in, or denied the benefits of such construction or service, or otherwise be subjected to discrimination, because of his or her race, color, sex or national origin.

(c) Lessee shall use the Leased Premises in compliance with all other applicable requirements imposed by or pursuant to 49 CFR Part 21, as said regulations may now or hereafter provide.

(d) Lessee, for itself, its heirs, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises for a purpose involving the provision of similar services or benefits, the Lessee, shall maintain and operate such facilities and services in compliance with all other applicable requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Offices 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.

(e) In the event Lessee is adjudicated to be in breach of any of the above nondiscrimination covenants, and fails to cure any such curable breach within the time prescribed by law or judicial order for such cure, the City shall have the right to terminate this Lease and to re-enter and repossess the Leased Premises and hold the same as if said Lease had never been made or issued. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 have been followed and completed including exercise or expiration of appeal rights.

Section 17.05 Recapture by United States Government. To the extent such reservations and restrictions apply to the Leased Premises, this Lease shall be subject to those reservations and restrictions concerning recapture by the United States described in paragraph B of that certain deed dated May 13, 1946 from the United States to the City of Charlotte, recorded at Book 1196, Page 342, of the Mecklenburg County Public Registry.

Section 17.06 Right of Flight. The City reserves the right of flight for the passage of aircraft above the surface of the Leased Premises in accordance with the criteria of the FAA. The Lessee acknowledges and agrees that the grant and demise of this Lease is subject to such reserved right of flight, which shall include the right to cause in such air space such noise as may be inherent in the operation of aircraft now known or hereafter used for navigation of and flight in the air. Further, the Lessee understands and agrees that the City reserves the right to

use said air space for landing at, taking off from, and operating aircraft on and over the Airport, and that the grant and demise hereof are subject to such reserved right.

ARTICLE XVIII

GENERAL PROVISIONS

Section 18.01 Restrictions and Regulations. The activities conducted by Lessee pursuant to this Lease shall be subject to:

(a) Any and all orders, directions or conditions issued, given or imposed by, the City with respect to the use of the public roadways, driveways, curbs, sidewalks, parking areas or public areas on the Airport; and

(b) Any and all applicable laws, ordinances, rules, statutes, regulations or orders, including, but not limited to, environmental statutes, regulations or orders of any governmental authority, federal, state or municipal, lawfully exercising authority over the Airport or Lessee's operations,.

Section 18.02 Waivers. Every provision herein imposing an obligation upon City or Lessee is a material inducement and consideration for the execution of this Lease. No waiver by City or Lessee of any of the terms, covenants or conditions of this Lease, or noncompliance therewith, shall be deemed or taken as a waiver at any time thereafter of the same or any other term, covenant or condition herein contained, nor of the strict and prompt performance thereof. No delay, failure or omission of the City to re-enter the Leased Premises or to exercise any right, power, privilege or option arising from any default, or subsequent acceptance of fees then or thereafter accrued shall impair any such right, power, privilege or option or be construed to be a waiver of any such default or acquiescence therein. No notice by City shall be required to restore or revive time as being of the essence hereof after waiver by City of default in one or more instances.

Section 18.03 Attorneys' Fees Allowable as Costs. In the event an action is brought under this Lease, the prevailing party in any such action shall be entitled to recover from the other such costs and fees incurred as a result of said action as shall be determined by the court. Such fees shall include, but not be limited to, expert witness fees, court reporter fees, investigation fees, court costs, and attorneys' fees.

Section 18.04 Situs of Service of Process. The Lessee agrees all actions or proceedings arising directly or indirectly from this Lease shall be litigated only in courts having situs within the State of North Carolina and Lessee hereby consents to the jurisdiction of any local, State or federal court located within the State of North Carolina, and waives personal service of any and all process upon the Lessee herein, and consents that all such service of process shall be made by certified mail, return receipt requested, directed to the Lessee at the address hereinafter stated, and service so made shall be complete two (2) days after the same shall have been posted as aforesaid.

The parties hereto expressly understand and agree that if the Lessee is not a resident of the State, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, then, in any such event, the Lessee does hereby designate its North Carolina registered agent as its agent for the purposes of service of process in any court action between it and the City arising out of or based upon this Lease, which said service shall be made as provided by the laws of the State by serving the Lessee's registered agent or such other person or persons as the law of the State may allow.

Section 18.05 Lease Binding Upon Successors. This Lease shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

Section 18.06 Time of Essence. Time is expressly agreed to be of the essence of this Lease.

Section 18.07 Applicable Law. This Lease and every question arising hereunder shall be construed or determined according to the laws of the State of North Carolina.

Section 18.08 Quiet Enjoyment. The City agrees that, upon payment of all rents, fees, charges and other payments required under the terms of this Lease and upon observing and keeping the conditions and covenants of this Lease on its part to be observed and kept, Lessee shall lawfully acquire and hold, use and enjoy the Leased Premises during the term of this Lease.

Section 18.09 Lessee's Dealings with City. Whenever in this Lease, the Lessee is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with the City, the Lessee shall deal with the City's authorized representative; and unless or until the City shall give Lessee written notice to the contrary, the City's authorized representative shall be the Aviation Director.

Section 18.10 Notices. Any notice, consent or approval required or authorized by this 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, may be delivered by hand, mailed or transmitted by telecopy (provided a copy of such notice is delivered by mail within 24 hours of such transmission). Any notice given or confirmed by mail shall be sent by certified mail with return receipt requested, postage prepaid, addressed to the party to be served at the last address filed by such party with the other party. Any notice delivered by hand or transmitted by telecopy as herein provided shall be deemed served upon such delivery or transmission, and any notice given by mail as provided herein shall be deemed served on the date that such notice shall be deposited in the United States mail in the manner described herein.

(a) Notice to the City shall be addressed to it and delivered to the office of the Aviation Director, Charlotte/Douglas International Airport, Post Office Box 19066, Charlotte, North Carolina 28219, either by registered or certified mail, postage prepaid, or at such other office as it may hereafter designate by notice to the Lessee in writing.

(b) Notice to the Lessee shall be addressed to the attention of:

Vice President Intermodal Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510

with a copy to:

Vice President Law
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510

either by registered or certified mail, postage prepaid, or at such other office in the continental United States as it may hereafter designate by notice to the City in writing.

Section 18.11 Drug Free Workplace. Lessee will provide a Drug-Free Workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of controlled substance is prohibited in the facilities and specifying the actions that will be taken against employees for violation of such prohibition.

(b) Notifying the City within ten days after receiving notice that an employee working at the New Intermodal Facility has been convicted of a criminal drug statute.

(c) Taking one of the following actions within thirty days of receiving notice under subparagraph (b)(ii) with respect to any employee who is so convicted, subject to the terms of any collective bargaining agreement(s) to which Lessee may be a party:

(i) Taking appropriate personnel action against such employee up to and including termination; or

(ii) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state or local health law enforcement or other appropriate agency.

(d) Making a good faith effort to continue to maintain a Drug-Free Workplace through implementation of subparagraphs (a) through (c).

Section 18.12 Independent Contractor. The parties hereto agree that the Lessee is an independent contractor and not subject to direction or control by the City, except as specified in this Lease, and except by general rules and regulations adopted for the control and regulation of the Airport and its facilities.

Section 18.13 Interpretation. The language of this Lease shall be construed according to its fair meaning, and not strictly for or against either City or Lessee. The Section headings appearing herein are for the convenience of the parties and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of provisions of this Lease. If any provision of this Lease is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

Section 18.14 Memorandum of Lease in Lieu of Recording. The parties agree that should either desire that adequate legal notice of this Lease be given on the public records of Mecklenburg County, North Carolina, the other will agree to the execution of a memorandum of this Lease containing a sufficient description of the parties, the Leased Premises and term of this Lease to comply with the minimum requirements for the giving of such notice.

Section 18.15 Warranty of Title. The City represents and warrants that it has good and merchantable fee simple title to the Leased Premises and has full right to lease the Leased Premises to Lessee. Lessee understands that its sole interest in the Leased Premises shall be that of a tenant.

Section 18.16 Force Majeure. It is expressly understood and agreed that if the curing of any default (other than the failure to pay taxes) or the performance of any other covenant, agreement, obligation or undertaking herein contained (other than the payment of taxes) is delayed by reason of: war, riots or civil commotion; acts of God; governmental restrictions, regulations, or interferences; fire or other casualty; strikes; picketing; shortages of labor or material; or any circumstances reasonably beyond the control of the party obligated or permitted under the terms hereof to do or perform the same and without such party's fault, regardless of whether any such circumstance is similar to any of those enumerated or not, each such party shall be excused from doing or performing the same during such period of delay. Notwithstanding the foregoing, the terms "governmental restrictions, regulations or interferences" as used in this Section above shall not include any actions of City that are directly related to this Lease.

Section 18.17 Incorporation of Exhibits. All exhibits referred to in this Lease are intended to be and hereby are specifically made a part of this Lease.

Section 18.18 Entire Agreement. The provisions of this Lease contain the entire understanding between the parties hereto as to the matters set forth herein and said Lease may not be changed, altered or modified except as described below. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to this Lease or the making or entering into this Lease, except as are expressly set forth herein, and that no claim or cause for termination shall be asserted by either party against the other, and such party shall not be liable by reason of the making of any representations or promises not expressly stated in this Lease, and other written or parol

agreement with the other party being expressly waived. No amendment, modification, or alteration of the provisions of this Lease shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by both parties.

Section 18.19 No Unilateral Condition of Employment. Nothing in this Lease shall be interpreted as a unilateral condition of employment modifying or amending any collective bargaining agreement between Lessee and any of its employees.

ARTICLE XIX

ARBITRATION

Section 19.01 AAA Arbitration. City and Lessee adopt the following arbitration provisions to set forth a procedure for addressing disputes arising under Section 6.02 of this Lease. Any such dispute shall be determined by arbitration by a single arbitrator pursuant to the Commercial Rules of the American Arbitration Association ("AAA") in effect at the time the demand for arbitration is filed. Unless otherwise agreed by the parties, the location of the arbitration shall be in Charlotte, North Carolina. The decision of the arbitrator shall be final and binding. The party filing the arbitration shall be solely responsible for the filing fee with AAA. The compensation and any costs and expenses of the arbitrator shall be borne equally by the parties. Each party to the arbitration shall pay the compensation, costs, fees and expenses of its own witnesses, experts and counsel. The arbitrator shall not have the power to award attorney's fees. Judgment to enforce the decision or award of the arbitrator may be entered in any court having jurisdiction.

Section 19.02 Service of Process; Binding Arbitration. Service of process in connection therewith shall be made by certified mail. In any judicial proceeding to enforce this agreement to arbitrate, the only issues to be determined shall be the existence of the agreement to arbitrate and the failure of one party to comply with that agreement, and those issues shall be determined summarily by the court without a jury. All other issues shall be decided by the arbitrator, whose decision thereon shall be final and binding. There may be no appeal of an order compelling arbitration except as part of an appeal concerning confirmation of the decision of the arbitrator.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed, in triplicate, with all the formalities required by law, the day and year first above written.

**NORFOLK SOUTHERN RAILWAY
COMPANY (LESSEE)**

By: 

Title: Vice President Int'l ops.

Date: March 25, 2012

ATTEST:


Deputy City Clerk

By: 

Aviation Director

Notes:

1. All distances are horizontal ground distances and are in U.S. Survey feet unless otherwise noted.
2. This survey was performed on the ground during the dates of January 3, 2010 through January 11, 2010 & again on December 5, 2012 through December 11, 2012 without the benefit of a title examination by an attorney and is subject to easements, right of way and restrictions of record.
3. The right of way of Norfolk Southern Corporation was taken from plans provided by Patrick Engineering, Inc.
4. Project datum was localized about NGS Monument CLT "C" using a combined scale factor of 1.000161117 (Grid to Ground), 0.999838909 (Ground to Grid).

LOCATION MAP not to scale

Inset "WB"

Inset "S"

Inset "A"

Inset "N"

Runway 36L-18R

TAXIWAY W

Runway 36C-18C

TAXIWAY W

Proposed 4th Parallel Runway

Runway 36C-18C

TAXIWAY W

Runway 36C-18C

TAXIWAY W

Runway 36C-18C

TAXIWAY W

Runway 36C-18C

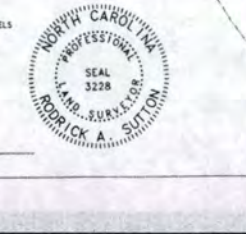
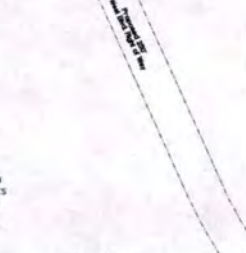
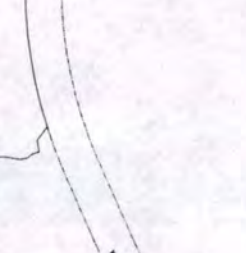
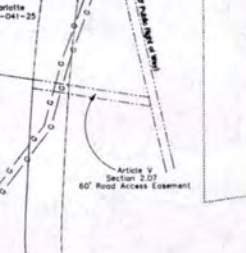
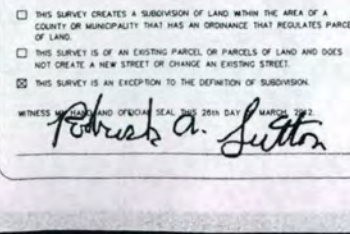
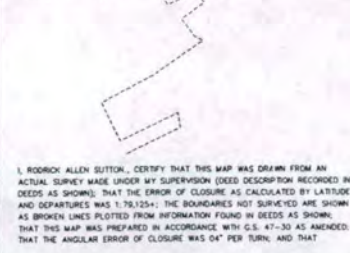
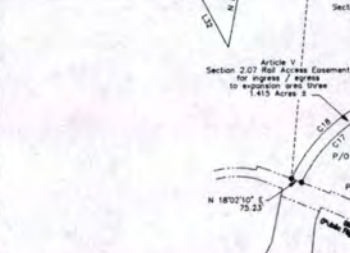
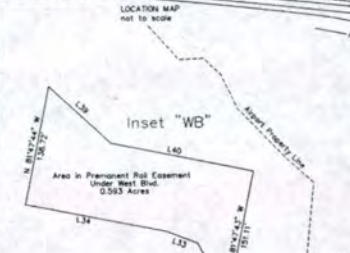
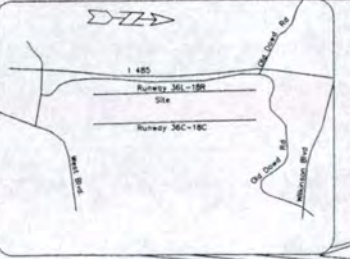
TAXIWAY W

Runway 36C-18C

TAXIWAY W

Runway 36C-18C

TAXIWAY W



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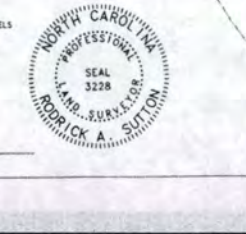
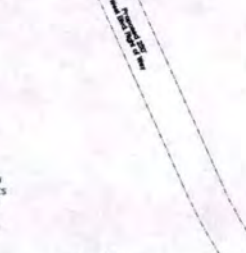
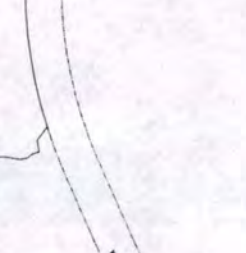
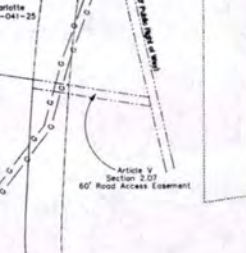
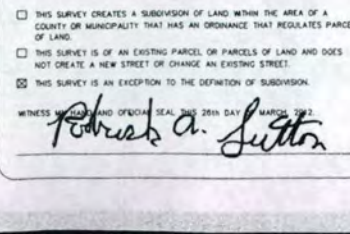
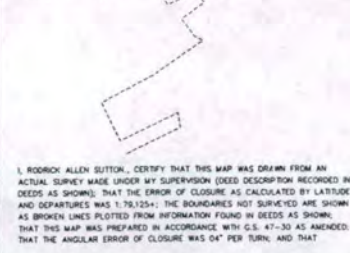
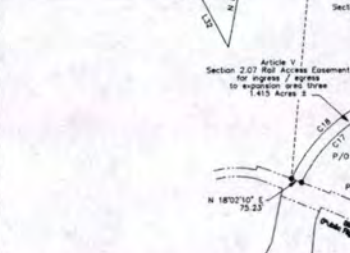
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WITNESS MY HAND AND OFFICIAL SEAL THIS 26th DAY OF MARCH, 2013

Rodrick A. Sutton



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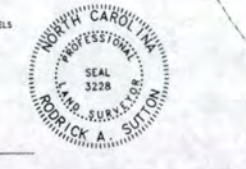
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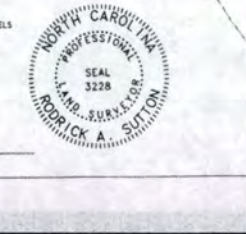
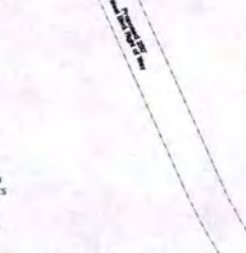
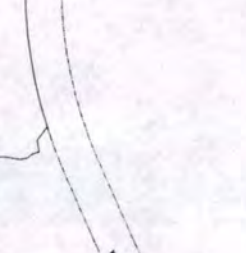
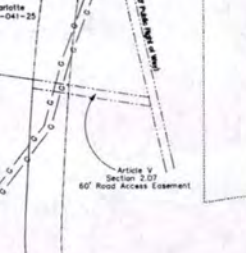
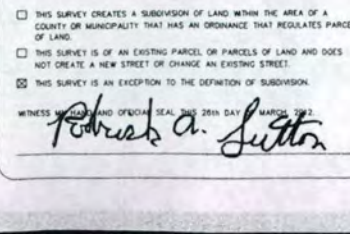
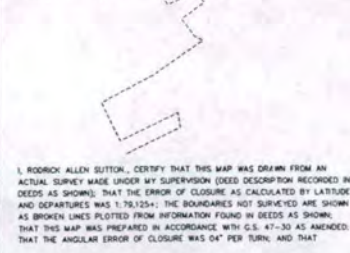
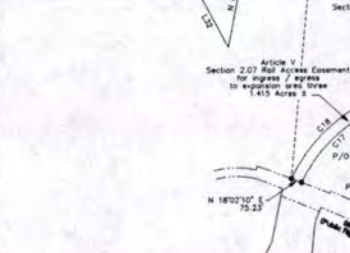
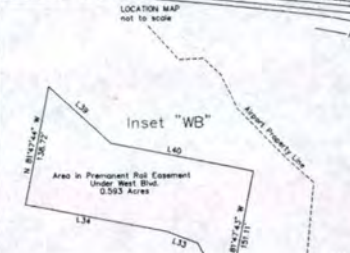
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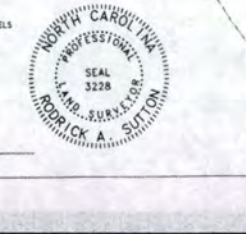
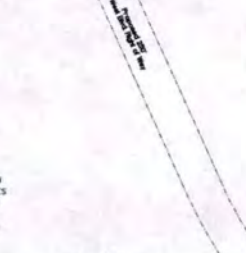
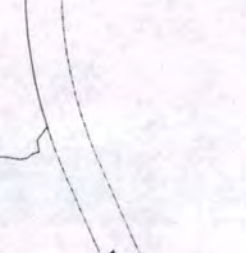
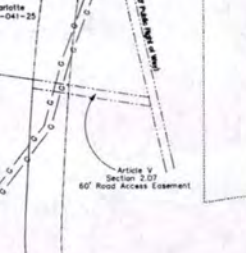
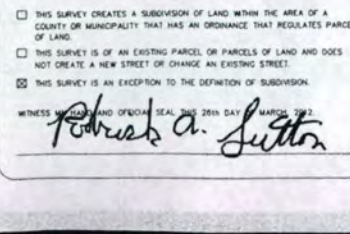
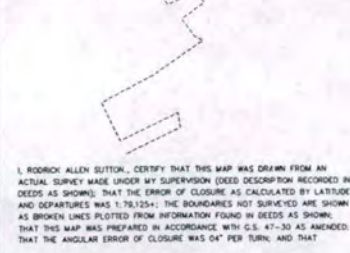
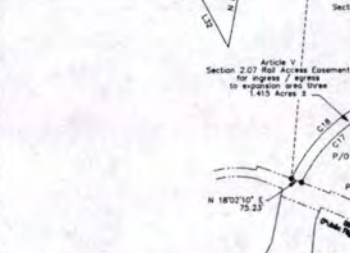
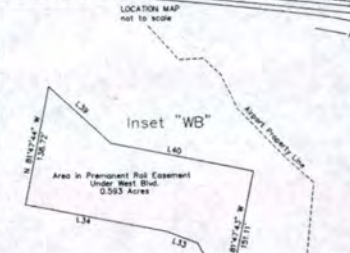
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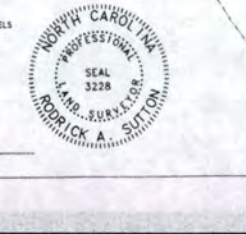
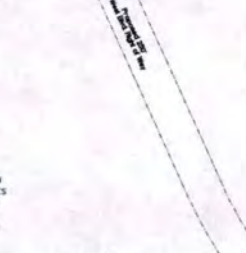
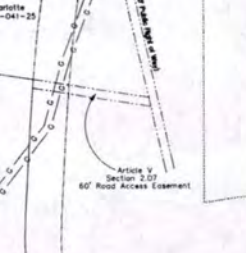
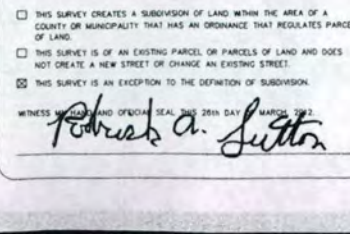
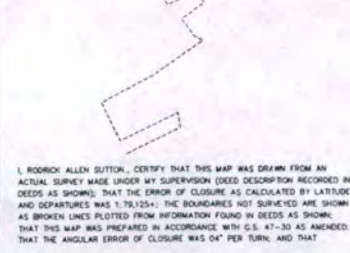
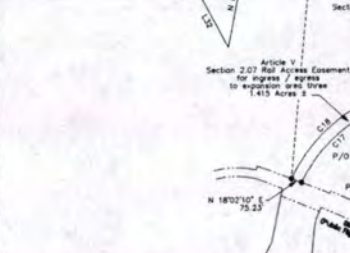
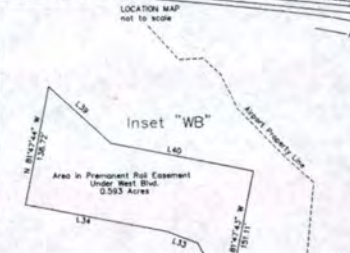
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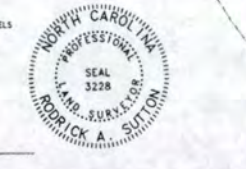
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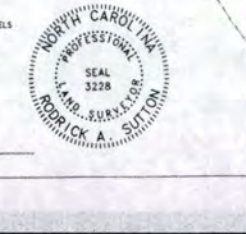
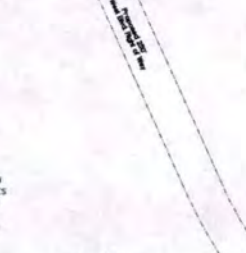
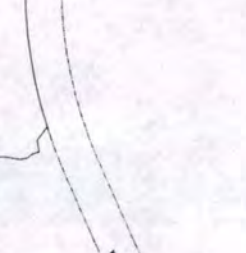
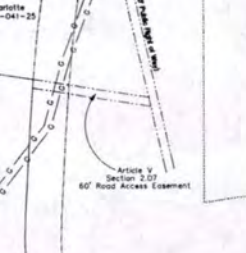
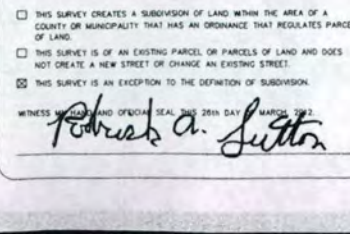
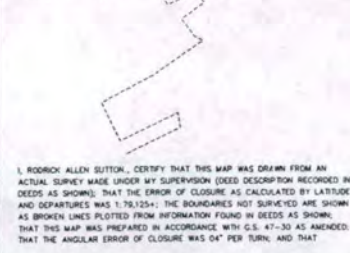
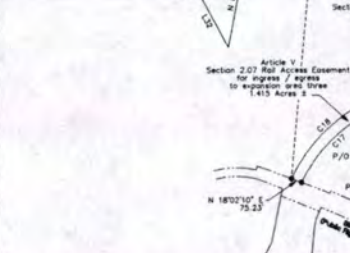
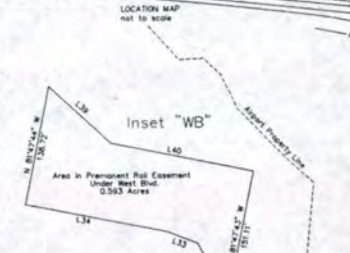
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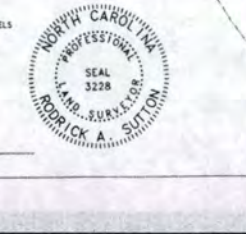
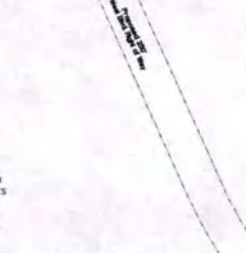
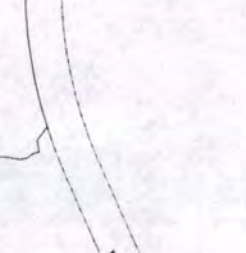
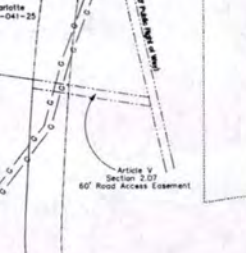
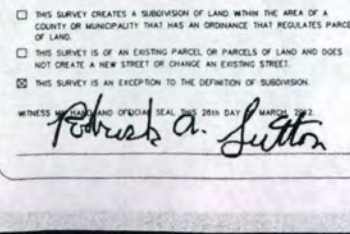
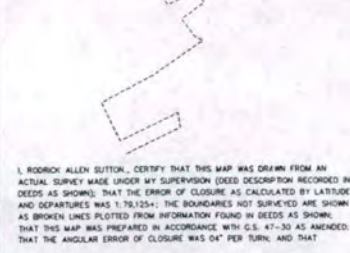
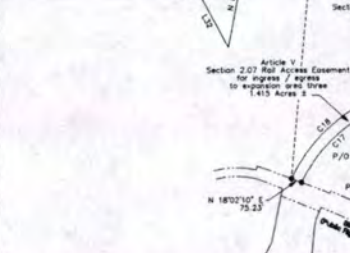
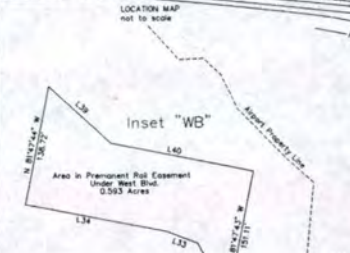
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WITNESS MY HAND AND OFFICIAL SEAL THIS 26th DAY OF MARCH, 2013

Rodrick A. Sutton



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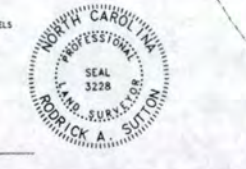
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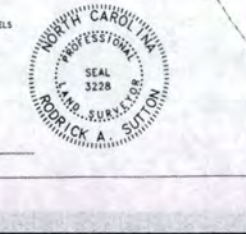
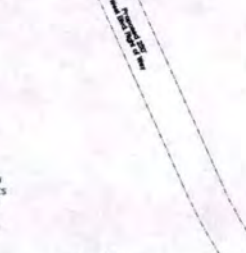
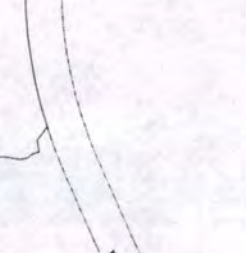
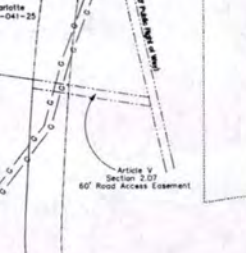
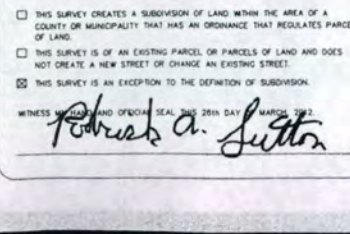
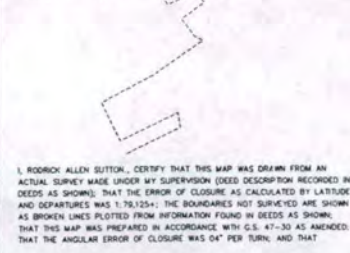
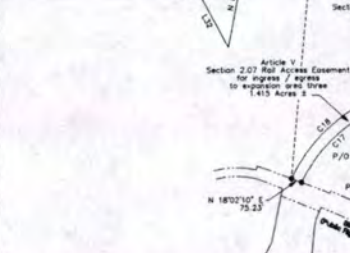
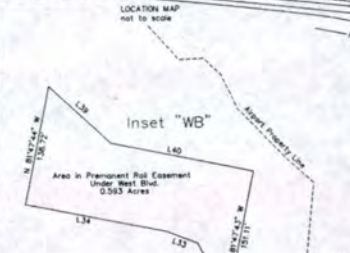
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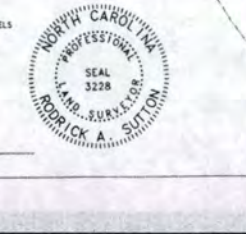
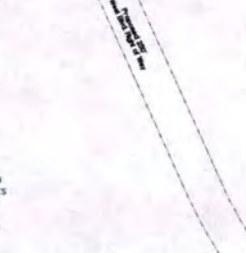
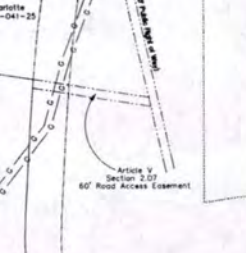
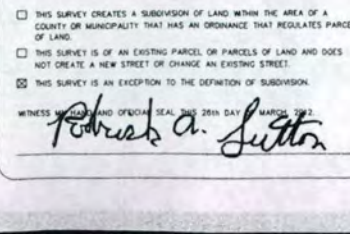
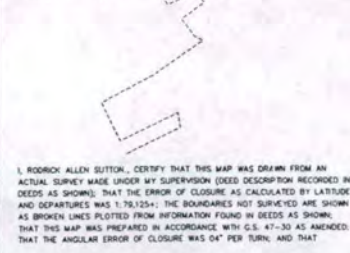
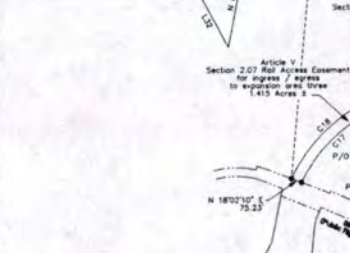
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Notes:
 1. All distances are horizontal ground distances and are in U.S. Survey feet unless otherwise noted.
 2. This survey was performed on the ground during the dates of January 5, 2010 through January 11, 2010 & again on December 5, 2012 through December 11, 2012, without the benefit of a title examination by an attorney and is subject to easements, right of way and restrictions of record.
 3. A portion of this property is located in Zone 18E & 18F FIDM map # 3710453000 & 3710451000 3/2/2009.
 4. Project datum was localized about NGS Monument CL 1 "E" using a combined scale factor of 1.00018117 (Grid to Ground), 0.999818829 (Ground to Grid).



NUMBER	DIRECTION	DISTANCE
L1	S 56°33'34" E	137.49
L2	N 77°24'04" E	78.55
L3	S 19°09'03" E	51.38
L4	S 41°40'29" E	40.35
L5	S 14°01'00" E	52.90
L6	S 08°37'10" W	104.64
L7	S 04°22'12" E	57.02
L8	S 62°09'45" W	35.89
L9	S 34°43'28" W	97.33
L10	S 53°47'11" W	156.57
L11	S 56°36'56" W	148.01
L12	N 88°22'28" W	53.38
L13	S 58°24'02" W	42.86
L14	S 17°58'56" W	39.85
L15	S 22°00'56" E	59.69
L16	S 33°02'56" E	117.02
L17	S 37°47'35" E	100.79
L18	S 19°30'29" E	66.43
L19	S 10°57'31" W	66.01
L20	S 19°43'31" E	59.17
L21	S 01°14'30" E	46.26
L22	S 25°50'24" W	62.61
L23	S 13°22'24" E	78.74
L24	S 00°38'05" E	73.97
L25	S 41°31'43" E	81.94
L26	S 85°59'50" E	122.24
L27	S 64°26'47" E	41.64
L28	S 132°41'2" E	27.22
L29	S 02°58'40" W	61.70
L30	S 26°49'20" E	163.32
L31	S 32°45'30" E	185.32
L32	S 32°47'51" W	52.52
L33	S 48°21'41" W	64.64
L34	S 25°36'49" W	24.24
L35	S 53°07'48" W	26.60
L36	S 28°34'47" W	35.75
L37	S 71°15'43" W	38.26
L38	S 43°45'47" W	18.01
L39	S 71°13'55" W	53.86
L40	S 80°35'11" W	83.03
L41	N 78°41'26" W	70.54
L42	N 81°24'39" W	51.02
L43	S 71°29'30" W	19.75
L44	N 70°41'07" E	52.73
L45	N 80°03'46" W	54.93
L46	S 80°38'27" W	82.09
L47	N 84°56'30" W	25.52
L48	S 68°17'39" W	26.71
L49	N 75°12'23" W	25.69
L50	S 78°11'35" W	74.14
L51	S 62°35'25" W	42.77
L52	S 80°10'45" W	34.94
L53	S 58°39'28" W	46.99
L54	S 71°16'27" W	64.13
L55	S 65°07'35" W	32.12
L56	S 33°10'21" W	24.56
L57	N 77°57'48" W	19.95
L58	S 79°28'13" W	25.06
L59	S 60°53'26" W	36.57
L60	S 54°53'25" W	33.92
L61	S 76°43'44" W	23.61
L62	N 80°06'00" W	39.38
L63	S 71°32'13" W	19.26
L64	S 24°55'17" W	12.32
L65	N 81°31'32" W	51.30
L66	N 51°54'42" W	54.18
L67	S 83°43'01" W	12.15
L68	S 54°50'46" W	62.32
L69	S 48°19'24" W	129.17
L70	S 40°07'47" W	31.23
L71	S 22°59'53" W	43.92
L72	N 78°40'00" W	185.85
L73	S 09°28'41" W	24.40
L74	N 78°46'54" W	15.16
L75	N 81°40'14" W	22.43
L76	S 72°50'25" W	15.96
L77	N 84°02'22" W	35.63
L78	N 63°21'04" W	31.35
L79	N 51°58'27" W	30.18
L80	S 75°54'34" W	16.06
L81	N 62°37'02" W	45.23
L82	N 47°49'07" W	21.59
L83	S 73°36'40" W	40.11
L84	N 85°11'15" W	45.66
L85	N 68°47'38" W	63.28
L86	N 76°39'22" W	27.89
L87	N 63°47'49" W	38.96
L88	S 63°45'27" W	60.27
L89	N 82°36'25" W	26.69
L90	S 32°33'01" W	13.54
L91	S 78°09'41" W	26.53
L92	N 66°51'16" W	84.93
L93	N 63°17'35" W	39.99
L94	S 69°50'30" E	34.61
L95	S 72°00'44" E	21.21
L96	S 76°21'14" E	21.21
L97	S 80°41'44" E	21.21
L98	S 85°02'14" E	21.21
L99	S 87°12'29" E	131.55
L100	S 87°12'29" E	148.78
L101	N 11°59'39" E	200.44

See Sheet 1 of 2

Exhibit "A"
 City of Charlotte
 Charlotte Douglas International Airport
 Ground Lease for Intermodal Rail Facility
 with
 Norfolk Southern Railway Corporation
 SHEET 2 OF 2

L. RODRICK ALLEN SUTTON, CERTIFY THAT THIS MAP WAS DRAWN FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED IN DEEDS AS SHOWN), THAT THE ERROR OF CLOSURE AS CALCULATED BY LATITUDES AND DEPARTURES WAS 1/79,125"; THE BOUNDARIES NOT SURVEYED ARE SHOWN AS BROKEN LINES PLOTTED FROM INFORMATION FOUND IN DEEDS AS SHOWN; THAT THIS MAP WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED; THAT THE ANGULAR ERROR OF CLOSURE WAS 04" PER TURN; AND THAT

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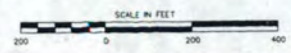
WITNESS MY HAND AND OFFICIAL SEAL THIS 26th DAY OF MARCH, 2012.

Robert A. Sutton

PROFESSIONAL LAND SURVEYOR
 SEAL 3228
 RODRICK A. SUTTON

LEGEND

- Lease Line
- Expansion Area Lease Line
- Road Right of Way
- Tie Line
- Prop. Right of Way
- Airport Property Line
- Scaled 100 Year Flood Line
- Existing Iron as noted
- Set Iron as noted
- CP Computed Point



Surveyed by:
 Norfolk Southern Intermodal Facility
 Leased Premises, Expansion Areas, & Easement Areas
 at Charlotte Douglas International Airport
 City of Charlotte, Mecklenburg County, NC Steele Creek Township

Date: March 26, 2012
 SCALE: 1" = 200'
 JOB NO.: 10005

Computed by C.A. Byrd
 Drawn by C.A. Byrd
 Checked by R.A. Sutton

AccuTech Surveying & Mapping, LLP
 546 Newell Street NW
 Concord, NC 28025
 Tele: (704) 784-3286
 Fax: (704) 784-3581
 accutech@accutechs surveying.com

EXHIBIT C

**MARKET VALUE APPRAISAL -
SUMMARY REPORT**

OF

**PROPOSED INTERMODAL SITE -
CHARLOTTE/DOUGLAS
INTERNATIONAL AIRPORT**

IDENTIFIED AS:

**. 165± ACRES
BETWEEN RUNWAYS
18 R / 36 L & 18 C / 36 C**

INTEREST APPRAISED:

FEE SIMPLE & EASEMENTS

AS OF:

MARCH 24, 2010

PREPARED FOR:

**MR. T. J. ORR, AVIATION DIRECTOR
C/DIA
PO BOX 19066
CHARLOTTE, NC 28219**

FILE#: 0-115-004

JC Morgan Co

REAL ESTATE SOLUTIONS

March 25, 2010

Mr. T. J. Orr, Aviation Director
Charlotte/Douglas International Airport
PO Box 19066
Charlotte, North Carolina 28219

RE: Proposed Intermodal Site, 165± Acres, Charlotte/Douglas International Airport, Charlotte, NC

Dear Mr. Orr,

At your request, I have observed and appraised the above referenced real estate. The objective of this analysis was to form an opinion about the market value, as of March 24, 2010, for fee simple and easement ownership interests in the subject property, assuming no adverse leases, liens, or encumbrances other than normal covenants and restrictions of record. Authorization for my engagement in this matter was communicated to me verbally, followed thereafter with an electronic message. Copies of such communications are on file in my office.

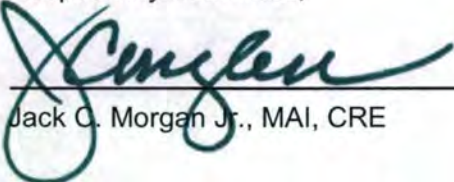
This assignment involves an dependent tract of land comprised of fee simple 2 parcels accounting for 155.8 acres and three easement tracts equaling 8.945 acre for total area of 164.745 acres. The tract is linear in shape located immediately between Runways 18 R / 36 L and 18 C / 36 C. Rail access is provided to the Norfolk-Southern rail corridor immediately north of C/DIA property and vehicular access to the proposed relocation of West Blvd. to the south. Current use of the subject facilitates runway separation. Any and all proposed uses of the land are subject to Federal Aviation Regulations, Part 77 – Objections Affecting Navigable Airspace. Further description of the appraised property is discussed later in the attached report.

Valuation of the subject property was accomplished via the appraisal process and communicated in the attached Summary report. This appraisal process and this report type conform to the version of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect on this report's preparation date of March 25, 2010. The attached appraisal report conveys my value opinions along with market data and reasoning appropriate for a Summary report. It was prepared solely for the intended use and intended user(s) identified in the attached report. Unauthorized users do so at their own risk.

This letter is not an appraisal report hence it must not be removed from the attached 37-page report. If this letter is disjoined from the attached report, then the value opinions set forth in this letter are invalid because the analyses, opinions, and conclusions cannot be properly understood.

In general, valuation of the subject property involves no atypical issues. The value opinions herein are affected by all the information, extraordinary assumptions, hypotheses, limiting conditions, facts, descriptions and disclosures stated in the attached appraisal report. After careful consideration of all factors pertaining to and influencing value, the data and analysis firmly supports a final value opinion for the subject real estate as of March 24, 2010, at **\$9,720,000**:

Respectfully Submitted,



Jack C. Morgan Jr., MAI, CRE

4430 Forest Hills Drive • Charlotte, North Carolina 28226
Tel: 704.554.9500 • Fax: 888.819.8258 • E-Mail: jack@jcmorganco.com

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Digital Images
Comparable Land Sales
Copyright Protection
End of Report



Overview . . .

Salient Information													
Property Type	Industrial land, oriented toward distribution networks												
Real Estate Appraised	Vacant land, Subject property consists of 5 parts that to 164.745 acres.												
County	Mecklenburg												
Land Size – Estates Valued	155.800 Acres (94.6%) Fee Simple Estate, 8.945 Acres (5.4%) Granted Perpetual Easements 164.745 Acres (100.0%) Total												
Client	City of Charlotte / Charlotte/Douglas International Airport												
Most Likely Buyer	Developer												
Structural Improvements	None												
Site Improvements	Public utility supports available, public street at southern end of subject, rail access at northern end of subject.												
Flood Hazard	Outside Hazard Zone												
Earth Quake Zone	2												
Zoning Classification	Industrial (I-2) by the City of Charlotte												
Highest and Best Use	As Vacant: Industrial/Distribution Development												
Effective Value Date	March 24, 2010												
Report Preparation Date	March 25, 2010												
City of Charlotte Value Indications	<table><tr><td><u>Tract</u></td><td><u>Acres</u></td><td></td><td><u>\$/Acre</u></td><td>=</td><td><u>Indicated Value</u></td></tr><tr><td>Fee Simple + Easements</td><td>164.745</td><td>x</td><td>\$59,000</td><td></td><td>\$9,720,000</td></tr></table>	<u>Tract</u>	<u>Acres</u>		<u>\$/Acre</u>	=	<u>Indicated Value</u>	Fee Simple + Easements	164.745	x	\$59,000		\$9,720,000
<u>Tract</u>	<u>Acres</u>		<u>\$/Acre</u>	=	<u>Indicated Value</u>								
Fee Simple + Easements	164.745	x	\$59,000		\$9,720,000								

Noteworthy Issues

The Norfolk-Southern Rail Road has agreed to purchase (or lease) and The City of Charlotte has agreed to sell (or lease) the 164.745 acre tract of land that consist of both fee simple (155.8 acres) and easement (8.945 acres) areas. The subject tract is located between Runways 18 R / 36 L and 18 C / 36 C. The site is linear in shape to facilitate northern and southern access points and integration into the airport's multi-faceted distribution plan. Approximately 30 acres of the 165± acres are dedicated to linkage between the existing Norfolk-Southern rail corridor immediately north of the airport with rail car storage in Base Areas A and B, and access to the proposed relocation of West Blvd. to the south. General parameters regarding respective parcels have been established by the two parties. One or more issues, that may or may not affect value, are noted subsequently to give the reader a preview of peculiarities addressed in this report:

- Though the appraised real estate is unusually linear in shape, the valuation process employs the average unit concept since it's probably use outside the aviation category is for industrial distribution.
- At the instruction of the client, the three perpetual easements totaling 8.945 acres are valued as though the grantor (City of Charlotte) retains no rights of ownership.
- For the most part, base topographical elevation of the subject tract will be about 40 feet below the elevation of Runway 18 R / 36 L. The City of Charlotte will retain typical aviation restricted air rights over and above the appraised property as describe in *"Federal Aviation Regulations, Part 77-Objections Affecting Navigable Airspace."*
- Grantee shall not be permitted to construct or permit to stand on said premises any building, structure, poles, trees, or other objects, whether natural or otherwise, of a height in excess of the more restrictive of (1) the Part 77 Surfaces of the Airport, (2) the sight line between the ACTC and the operating surfaces of the runway and taxiway systems, but no object shall be in excess of 150 feet above the ground. Notwithstanding any of the foregoing, Grantee shall not construct, install or permit any building, structure, poles, trees, or other objects, whether natural or otherwise, that would obstruct or obscure the view of the taxiways or runways from the air traffic control tower.
- Grantee shall file a notice consistent with requirements of FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or other item on said premises.
- Grantee shall not hereafter use nor permit nor suffer use of the subject property in such a manner as to create electrical interference with radio communication between the installation upon the airport and aircraft or as to make it difficult for fliers to distinguish between airport lights and others, or as to impair visibility in the vicinity of the airport, or as otherwise to endanger the landing, taking off, or maneuvering of aircraft.
- There is hereby reserved to the City of Charlotte, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein conveyed. This public right shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from or operation on the Charlotte/Douglas International Airport.
- The aforesaid covenants and agreements shall run with the land, as herein above described, for the benefit of the FAA and the City of Charlotte and their successors and assigns in the ownership and operation of the airport.
- Grantee shall not hereafter use, nor permit, nor suffer use of the land first above described in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.



Scope of Work . . .

Scope of Work

Introduction

The Uniform Standards of Professional Appraisal Practice (USPAP) defines scope of work as "*the type and extent of research and analysis in an assignment*". Scope of work includes, but is not limited to:

- the extent to which the property is identified;
- the extent to which tangible property is observed;
- the type and extent of data researched; and
- the type and extent of analyses applied to arrive at opinions or conclusions.

Assignment Elements

The purpose of this assignment (the problem to be solved) is to form one or more opinions about value. This purpose necessitates identification of seven assignment elements listed below. Unless specifically

- | | | |
|----|--|---|
| 1. | The Client (<i>the person who engaged the appraisal and an intended user</i>) | Mr. T. J. Orr
C/DIA |
| | Client's Interest In Property Appraised | Property Owner/Grantor |
| | | The intended user of this appraisal report is the airport sponsor and the FAA. The airport sponsor and FAA will rely on the appraisal and appraisal report to document the current fair market value of the real property. |
| 2. | Other Intended Users | |
| | | The intended use of this appraisal is to provide an appraised current fair market value (or as of the date of value specified for a retrospective appraised fair market value) of the fee simple and leased fee interest, as is applicable. |
| 3. | Intended Use Of Report (<i>To aid</i>) | |
| 4. | Standard / Definition Of Value Used To Form The Value Opinion | Market Value |
| 5. | Key Dates | |
| | Effective Value Date
(<i>point in time the value applies</i>) | March 24, 2010 |
| | Report Preparation Date
(<i>date the report was prepared</i>) | March 25, 2010 |
| | Date Property Appraised Was Observed By One Or More Appraisers Signing This Report | Land Observed March 24, 2010 |
| 6. | Assignment Conditions | |
| | Extraordinary Assumptions | Property would be available on the open market |
| | Hypothetical Conditions | Acreage Sizes of Several Parcels |
| | Jurisdictional Exceptions | Not Applicable |
| | Expected Public or Private On-Site or Off-Site Improvements Affect Value | Not Expected |

Assemblage of Estates or Component Parts Affects Value	Not Applicable
Other	Not Applicable

Relevant Characteristics

The 7th assignment element is relevant characteristics about the property appraised. These characteristics are typically categorized as physical, legal, and economic.

As a preview, the industrially zoned tract totals 165± acres, anticipates both rail and state-maintained access and is linear in shape to accommodate the proposed use. More details about the physical attributes of the property appraised are presented later in the Subject section of this report. Some relevant characteristics considered are listed below. Atypical issues are detailed elsewhere herein.

Unless specifically stated otherwise, the estate appraised (listed below) assumes no adverse leases, liens or encumbrances other than normal covenants and restrictions of record.

7a. Physical

Existing Property Use	Vacant Land
Property Use Reflected In One Or More Value Opinions	Industrial Development
Sources of Information About the Property Appraised Included	Perimeter Observation, Aerial Photography, Mecklenburg County Online Records, GIS Mapping as Provided by Client

7b. Legal

Category Of Property Appraised	Real Property
Estate Appraised	Fee Simple
Legal Issues Considered	Federal Aviation Air-Rights Restrictions
Environmental Concerns	No Known Environmental Concerns

7c. Economic

Effect Of Lease(s) On Value	No Leases Hence Not Applicable
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Extent of Services Provided

Number of Final Value Opinions Developed	Four
Value Opinion(s) Reflect The Worth Of the Property Appraised	As Is
Extent Of Report Preparation	Summary
Report Preparation Complies With Requirements Set Forth In USPAP Standard Rule	2-2(a)
Other Reporting Requirements	Not Applicable
Extent Of Data Research	Extensive

Data Sources	Private Data Provider Service; Online Public Records; Other Appraisers; Real Estate Sales Agents; Buyers and / or Sellers
Documents Considered	Survey
Data Verification	Direct & Indirect Methods
Extent Of Subject Observation By Appraiser Signing Report	On-Site Observation As Available form Airport Administrative Office, Aerial Photography

Other Intended Use Considerations

Client's Prior Engagement Of Appraisal Services	Numerous
Loan To Value Ratio	Not Applicable
Atypical Issues	No Atypical Issues
Assignment Complexity	Moderate to High Complexity
FIRREA Compliance	Not Applicable
Insurable Value	Insurable Value Is Not An Intended Use

Miscellaneous Matters

Other Than Signatories, Name(s) Of Person(s) Providing Significant Real Property Assistance To The Development Of The Value Opinion(s)	No Real Property Assistants
Extent And Type Of Real Property Assistance	No Real Property Assistance
Scope of Work Agreement	Memo of Agreement in File

Appraisal Development

Appraisal development is the extent of research and analyses that produce one or more credible opinions of value for one or more specifically identified intended users and an explicitly stated intended use. In this context, credible is defined as "worthy of belief".

Depending upon the intended use, intended users, and agreements between the appraiser and the client, the appraisal development process may include several, but not necessarily all of the following tasks.

- observation of the property appraised
- research for appropriate market data
- data verification
- consideration of influential market area, physical, economic, and governmental factors
- determination of the subject's highest and best use(s), if appropriate
- development of one or more applicable approaches to value
- reconciliation of value indications
- preparation of this report

In most cases, the core valuation process begins with a highest and best use analysis. This is essential because it establishes a framework for the proper selection of comparables. Cited comparables should have the same highest and best use as the property appraised.

If some property modification like new construction is contemplated, a feasibility analysis may be appropriate. In some cases, feasibility may simply be justified by inferred market evidence like low vacancy or rising rents.

According to USPAP, all approaches that are applicable to the interest being appraised and necessary to produce credible results must be developed. The type of highest and best use; extent of feasibility considered; and the relevance of each major approach are listed below.

Highest and Best Use	An Inferred Analysis
Feasibility Analysis (a more detailed study separate from highest & best use)	Separate Feasibility Analysis Will Not Be Developed
Cost Approach	Not Applicable And Not Included In Report
Sales Comparison	Applicable And Included In Report
Income Approach	Not Applicable And Not Included In Report

Paraphrasing the "Appraisal of Real Estate", 12th edition published by the Appraisal Institute, page 283 says feasibility analyses may involve data and considerations that are not directly related to highest and best use determinations. Such analyses may be more detailed, have a different focus, or require additional research.

Applicable and necessary approaches were selected for development after consideration of available market data, intended use, and intended user(s). An approach considered not applicable was omitted because this methodology is not appropriate for the property interest being appraised, or sufficient data to properly develop the approach was not available. Any approach judged not applicable, yet included in this report, was developed solely at our client's request. Data used to develop an inapplicable but included approach has a low to nil degree of comparability to the subject. Hence, no emphasis was given an approach deemed not applicable but included. Furthermore, no liability or responsibility is assumed for an approach considered not applicable but included at the client's request.

Report Reliance & Use Restrictions

No liability is assumed, expressed, or implied by JC Morgan Co, or the appraiser for unauthorized use of this report. Only those persons, parties, entities, companies, corporations, partnerships, associations, or groups that are clearly and explicitly identified as an intended user on page 3 may rely on, and use this report. There are no implied, suggested, inferred, consequential, or indirect intended users of this report. Unauthorized users should not use, or rely on any portion of this document. Unauthorized users do so at their own risk and peril.

Scope of Work Exclusion - Insurable Value

The cost approach may or may not have been developed herein. Unless explicitly stated otherwise, the cost approach was developed solely to support the subject's market value. Use of this appraisal, in whole or part, for another purpose is not an expected intended use. Nothing in this appraisal should be used, or relied upon, for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The signatory / signatories to this report assume no liability for, and do not guarantee that any insurable value inferred from this report will result in the subject property being adequately insured for any loss that may be sustained. Since labor costs, material costs, building codes, construction intervals, and governmental regulations are constantly changing, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than this report's effective value date.

Extraordinary Assumptions & Disclosures

An extraordinary assumption is defined by USPAP to be “an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion or conclusions”. Extraordinary assumptions presume as fact otherwise uncertain information. In other words, this type assumption involves uncertainty about an underlying premise. An example is a survey that displays a lot size. If the lot size is later found to be much smaller, then the value conclusion may be negatively affected.

USPAP Standard Rule 1-2(f) requires the identification of all extraordinary assumptions that are necessary for credible assignment results. This appraisal employs the following extraordinary assumptions.

- Features of the subject site such as legal description, dimensions, size, etc. were obtained from the client. All information obtained from such sources is assumed reasonably correct.
- All subject parcels are assumed to be or could reasonably become zoned for industrial warehouse / distribution development.
- Observation of the subject tract was conducted from the north and west perimeters, as well as from accessing the site from the south and traveling to about the center of the property, along with aerial photographs.
- Property ownership is The City of Charlotte and real estate tax information for the subject property is not pertinent at this time.
- A public water system and public sewer main are available or would be made available to the subject’s property lines. This appraisal assumes these systems possess sufficient capacity to adequately serve the intended use of the subject improvements, if any. This appraisal also assumes the water is potable and non-contaminated. If these systems are inadequate to properly serve the subject’s intended use, then the subject’s value and marketability would be adversely affected.
- Assumptions and presumptions discussed in the Noteworthy Issues section of this report, if any, are incorporated by way of reference into these Extraordinary Assumptions & Disclosures.
- A recently issued title policy was not furnished to the appraiser. If a value-impairment is identified or suggested in a title policy, another professional report, or some other document, this appraisal does not address issues that are significantly atypical for a valuation of this type property unless specifically identified in the Scope of Work and/or Noteworthy Issues section of this report.

The above extraordinary assumptions as well as other assumptions anywhere herein are integral premises upon which the conclusions in this document are based. If any of these assumptions are later found to be materially untrue or inaccurate, then this report’s assignment results may or may not be affected.

Hypothetical Conditions

USPAP defines a hypothetical condition as "that which is contrary to what exists but is supposed for the purpose of analysis". Hypothetical conditions assume conditions that are contrary to known fact. An illustration is the current valuation of a proposed tract of land. For the purpose of a rational analysis, it is assumed the tract of land exists with respect to size, shape, zoning, etc., on the effective value date, but it is known that the tract of land is no so defined or existent. Another example is a new zoning classification, that a property does not have today, but the new zoning is assumed for the purpose of a logical current valuation. Uncertainty is not involved with a hypothetical condition. An essential premise underlying the valuation is known not to exist on the date of value.

USPAP Standard Rule 1-2(g) requires the identification of all hypothetical conditions that are necessary for a credible value opinion. This appraisal employs the following hypothetical conditions:

- The appraised tract as defined herein does not exist at this time as a separate parcel, but rather is a portion of a larger assembled tract of land, known as the Charlotte/Douglas International Airport, that will subsequently become the defined autonomous tract of land.

Definitions

"Market Value" is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

Buyer and seller are typically motivated;

Both parties are well informed or well advised and each acting in what he or she considers his or her own best interest;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

"Fee Simple Estate" is the Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

"Easement" is an interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right of way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.

"Permanent Easement" is an easement conveyed in perpetuity.

Assemblage

USPAP Standard Rule 1-4(e) requires an analysis of the assemblage of various estates or component parts that affect value. In this case, future assemblages are possible, but this potential is not considered relevant in this assignment. Said assemblages may affect the average unit value, but only marginally if at all.

Personal Property & Intangibles

Personal property is movable and **not** permanently affixed to the real estate. Examples of personal property are freestanding ranges, refrigerators, tables, desks, chairs, beds, linen, silverware, hand tools, and small utensils. An intangible is a nonphysical asset like franchises, trademarks, patents, goodwill, and mineral rights. Personal and intangible property included in this appraisal's value opinion, if any, is considered typical for this type real estate, yet insignificant to the value opinion. Therefore, non-realty is not itemized or valued herein. Moreover, this report's final value conclusion **excludes** unaffixed equipment, detached trade fixtures, and chattel unless specifically stated to the contrary.

Professional Standards Disclosure

All leading professional appraisal organizations, the U.S. Congress, all state legislatures, and numerous legal jurisdictions recognize the Uniform Standards of Professional Appraisal Practice (USPAP), promulgated by the Appraisal Foundation. Revised annually to keep it contemporary, these standards set forth ethical practices and proper procedures for a competent appraisal. This appraisal fully complies with all relevant portions of the USPAP version in effect on the date this report was prepared. It also complies with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), a federal law.

Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document.
2. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" refer collectively to "JC Morgan Co", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
3. These conditions are an integral part of this appraisal report, and are a preface to any certification, definition, description, fact, or analysis. Moreover, these conditions are intended to establish as a matter of record that the purpose of this report is to provide one or more value opinions for the subject property. All value opinions are prepared solely for the explicitly identified client and other explicitly identified intended users.
4. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report. The Appraiser's maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) is limited to the fee paid to JC Morgan Co for that portion of their services, or work product giving rise to liability. In no event shall the Appraisers be liable for consequential, special, incidental or punitive loss, damages or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all contingent and limiting conditions, assumptions, and disclosures. Use of this report by third parties shall be solely at the risk of the third party.
5. As part of this appraisal, information was gathered and analyzed to form value opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
6. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
7. This appraisal is not an engineering, construction, legal, or architectural study. It is not an examination or survey of any kind. Expertise in these areas is not implied. The Appraiser is in no way responsible for any costs incurred to discover, or correct any deficiency in the property. In the case of limited partnerships, syndication offerings, or stock offerings in the real estate, the client agrees that in case of lawsuit (brought by the lender, partner, or part owner in any form of ownership, tenant, or any other party), the client will hold JC Morgan Co, its officers, contractors, employees and associate appraisers completely harmless. Acceptance of, and/or use of this report by the client, or any third party is prima facie evidence that the user understands, and agrees to all these conditions.
8. For appraisals of multifamily property, only a portion of all dwellings was observed. A typical ratio of observed dwellings roughly approximates 10% of the total number of units, and this ratio declines as the number of dwellings grows. It is assumed the functionality, physical condition, and interior finish of unseen units are similar to the functionality, physical condition, and interior finish of observed units. If unobserved dwellings significantly differ from those that were viewed in functionality, physical condition, or finish, the Appraiser reserves the right to amend these analysis and/or value opinion(s).
9. Unless specifically stated otherwise herein, the Appraiser is unaware of any engineering study made to determine the bearing capacity of the subject land, or nearby lands. Improvements in the vicinity, if any, appear to be structurally sound. It is assumed soil and subsoil conditions are stable and free from features that cause supernormal costs to arise. It is also assumed existing soil conditions of the subject land have proper load bearing qualities to support the existing improvements, or proposed improvements appropriate for the site. No investigations for potential seismic hazards were made. This appraisal assumes there are no conditions of the site, subsoil, or structures, whether latent, patent, or concealed that would render the subject property less valuable. Unless specifically stated otherwise in this document, no earthquake compliance report, engineering report, flood zone analysis, hazardous substance determination, or analysis of these unfavorable attributes was made, or ordered in conjunction with this appraisal report. The client is strongly urged to retain experts in these fields, if so desired.

20. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
21. This appraisal was prepared by JC Morgan Co and consists of trade secrets and commercial or financial information, which is privileged, confidential, and exempt from disclosure under 5 U.S.C. 522 (b) (4). Please notify JC Morgan Co of any request for reproduction of this appraisal report.
22. The Appraiser is not required to give testimony or produce documents because of having prepared this report unless arrangements are agreed to in advance. If the Appraiser is subpoenaed pursuant to court order or required to produce documents by judicial command, the client agrees to compensate the Appraiser for his appearance time, preparation time, travel time, and document preparation time at the regular hourly rate then in effect plus expenses and attorney fees. In the event the real property appraised is, or becomes the subject of litigation, a condemnation, or other legal proceeding, it is assumed the Appraiser will be given reasonable advanced notice, and reasonable additional time for court preparation.
23. Effective January 26, 1992, the Americans with Disabilities Act (ADA) - a national law, affects all non-residential real estate or the portion of any property, which is non-residential. The Appraiser has not observed the subject property to determine whether the subject conforms to the requirements of the ADA. It is possible a compliance survey, together with a detailed analysis of ADA requirements, could reveal the subject is not fully compliant. If such a determination was made, the subject's value may or may not be adversely affected. Since the Appraiser has no direct evidence, or knowledge pertaining to the subject's compliance or lack of compliance, this appraisal does not consider possible noncompliance or its effect on the subject's value.
24. JC Morgan Co and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate. No responsibility is assumed by JC Morgan Co or the Appraiser for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
25. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence.
26. No part of this report shall be published or disseminated to the public by the use of advertising media, public relations media, news media, sales media, electronic devices, or other media without the prior written consent of JC Morgan Co. This restriction applies particularly as to analyses, opinions, and conclusions; the identity of the Appraiser; and any reference to the Appraisal Institute or its MAI, SRPA, or SRA designations. Furthermore, no part of this report may be reproduced or incorporated into any information retrieval system without written permission from JC Morgan Co, the copyright holder.

American & Latin headquarters with 160 additional jobs to the Queen City. During the month of December, commitments for 3,200 jobs were announced. Charlotte's educated workforce and low business costs represent crucial advantages that will help the area attract businesses.

Housing improves - More favorable economic conditions and incentives will help carry the housing market forward in 2010. Spurred by the tax credit for first-time homebuyers, sales of existing homes have begun to recover from the bottom of the first quarter. This is expected to continue in 2010, as the tax credit will be extended and expanded. While low rates will also help drive the recovery, improved household confidence will be one of the main determinants. The marked increase in sales and pending sales observed in recent months suggests that homebuyer appetite is gradually returning. This will facilitate the release of some of the pent-up demand accumulated since 2007. A still-high expected unemployment rate in 2010 will nonetheless make for only a gradual recovery in home sales.

Office space - In the next year, more than three million square feet of office space will come on line in Charlotte's central business district with the completion of four major office tower projects, including those for Bank of America, Duke Energy and NASCAR. This will exacerbate the vacancy resulting from space being vacated by Wachovia and associated business services. As a result, the central district vacancy rate could jump into the double digits from less than 1% in the third quarter. Likewise, the suburban market is loosening considerably, with a vacancy rate of 19.3% in the third quarter, compared to less than 17% at the end of 2007. It will take several years to absorb the new space and support lease rates.

Charlotte's recession will abate in early 2010, but sustainable job creation will not begin before midyear. Uncertainty in the banking industry conveys downside risks to the area. Banking will not drive as much growth as in the past. Nevertheless, Charlotte still has advantages in its highly educated workforce, mix of industries, and comparatively low living and business costs. This will ensure a successful transition toward a more diverse and dynamic economy. Charlotte is still expected to outpace the nation in the long run.

Forecast Risks

Upside

Research Center continues to attract biotech firms.
Charlotte's large pool of educated workers attracts dynamic businesses to the area.

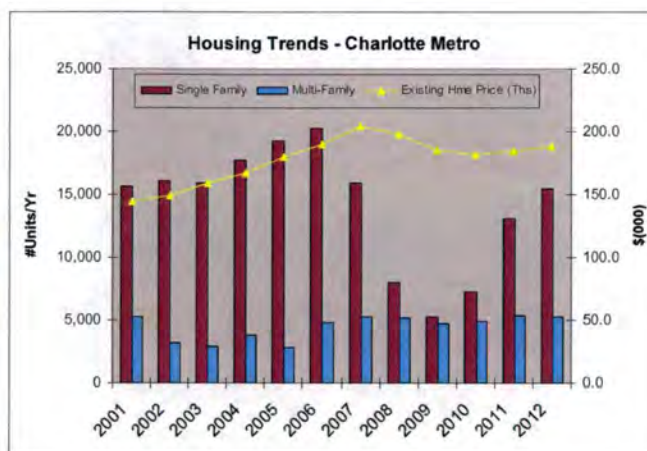
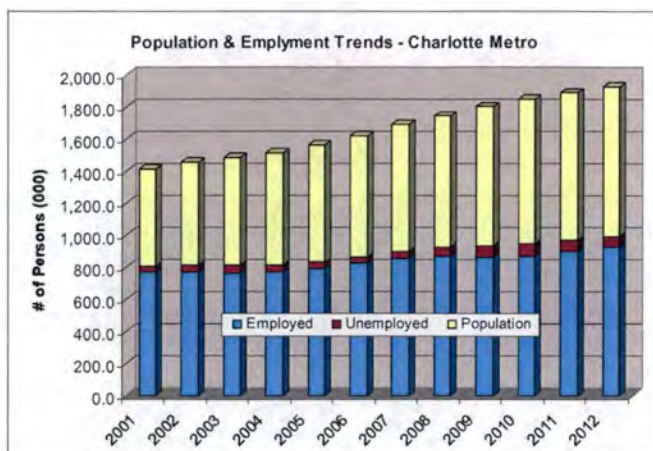
NASCAR Hall of Fame becomes national tourist destination

Downside

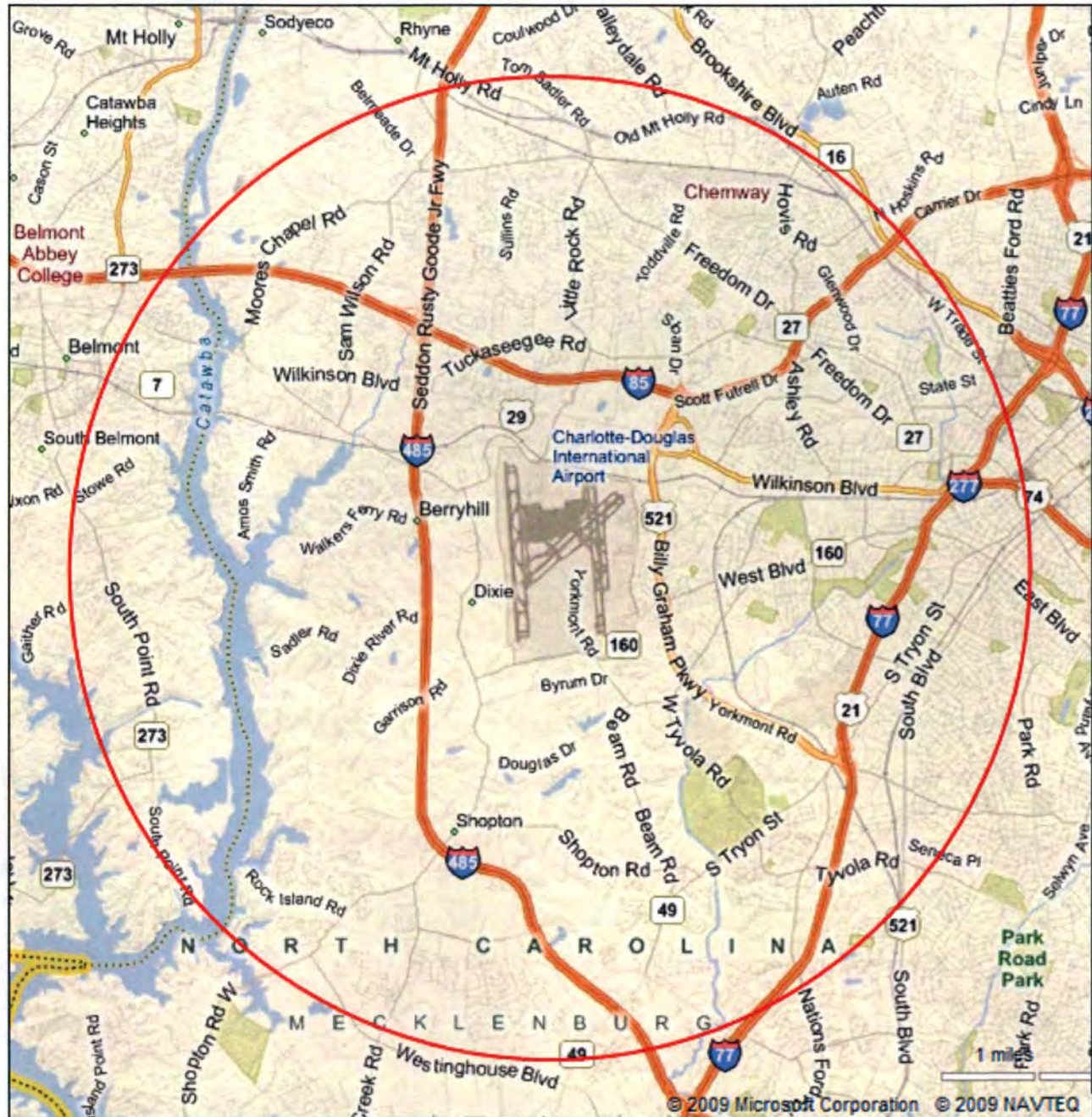
Bank restructuring results in more job cuts than anticipated.

Decline in Charlotte's traditional manufacturing accelerate.

Sale of Wachovia puts a large number of jobs at risk
SC incentives continue to take jobs away.



Proximity Profile



Focusing closer on the subject property, a 5-mile radius surrounding the center of Charlotte/Douglas International airport encompasses portions of Interstates 77, 85 and 485, including 18 exits of the 3 interstates, the Billy Graham Parkway in its entirety, a northern portion of the Arrowood Industrial Park, portions of the Catawba River and eastern edge of Gaston County, and the western fringes of Charlotte central business district. Additional major transportation arteries within close proximity of the subject include US Hwys. 29 and 74, (Wilkinson Blvd.), and NC Hwys. 27, 49, and 160, to mention a few.

A comprehensive Trend Report² for a 5-mile radius of the airport finds that the current population is projected at 71,582, and is expected to increase to 82,106 in 2013, a growth rate of 2.8%. This can be

² ESRI forecasts for 2009 & 2014, Business Analyst Online.

compared to state and national growth rate projections of 1.72% and 1.3% respectively. Median household incomes are estimated at \$54,800 compared to \$58,421 for the MSA and \$51,546 for all US households. For those persons 25 years or older, the educational breakdown finds that 20% do not have high school diplomas, 28.7% have graduated high school, 7% have some college and 19.6% carry a college degree or more. The median dwelling value in the defined area is \$145,700.

Proximity Delineation			
Western quadrant of Mecklenburg County, ranging from the Catawba River on the west to Charlotte's CBD on the east. The I-77/I-485 intersection on the south to Brookshire Blvd. to the north; generally speaking, a 5-mile radius of C/DIA.			
Proximity Features		General Land Uses	
<i>Economic Base / Expected Changes</i>	- Service / None Anticipated	Single-Family	25%
<i>Protection From Adverse Conditions</i>	- Average	Multifamily	3%
<i>Demand for Real Estate Like Subject</i>	- Adequate	Condominiums	0%
<i>Potential Additional Supply Like Subject</i>	- Minimal	Retail	4%
<i>Building Age Range {excluding extremes}</i>	- New to 50 Yrs	Office	5%
<i>Supply of Property Like Subject</i>	- Balanced	Industrial	5%
<i>General Appearance of Properties</i>	- Average - Good	Institutional	0%
<i>Location</i>	- Suburban	Public Use	40%
<i>Predominant Land Use</i>	- Distribution/Residential	<u>Other</u>	<u>18%</u>
<i>Anticipated Changes in Land Use</i>	- Transitioning from residential to Industrial and Distribution	Total	100%
<i>Growth Cycle</i>	- Stable & Re-Developing		
<i>Expressway Access</i>	- I-485 - Approximately 2 Miles W - I-77 - Approximately 4 Miles E - I-85 - Approximately 1 Miles N 6 Miles to Clt CBD		
<i>Employment Centers</i>	- 4 Miles to Arrowood Ind. Park 0 Miles to C/DIA	Other = Agricultural / Vacant	
<i>Property Compatibility</i>	- Average		
<i>Appeal to Market</i>	- Average - Good		
<i>Linkage</i>	Center of defined community represented by Josh Birmingham Blvd & Old Dowd Rd intersection, Josh Birmingham Blvd. being the primary entrance road to the airport. East/West travel is facilitated by Wilkinson Blvd. (US Hwy 74) & I-85 located 1 mile and 2 miles respectively to the north. North/South travel is facilitated by I-485, Billy Graham Pkwy & I-77, these routes being 2 to 4 miles on either side of the airport. Other highways bisecting the defined neighborhood include NC Hyws 27 & 49. Norfolk-South Railroad operates a major east/west corridor just south of and parallel to Wilkinson Blvd. while CXS maintains a north/south corridor from Wilkinson Blvd. southward. C/DIA is an international airport with more than 400 daily departures.		
Influential Forces:			
<i>Social Trends</i>	- Local & regional populations are expanding, work force provides above average education levels.		
<i>Economic Circumstances</i>	- Employment & wages remain competitive, economic base is diversifying, cost of living slightly below the national index.		
<i>Governmental Controls</i>	- Pro-growth city & county governments, adequate police & fire protection, accommodating building standards and codes.		
<i>Environmental Conditions</i>	- Mild climatic conditions & consistent topography and soils, sound primary transportation system.		

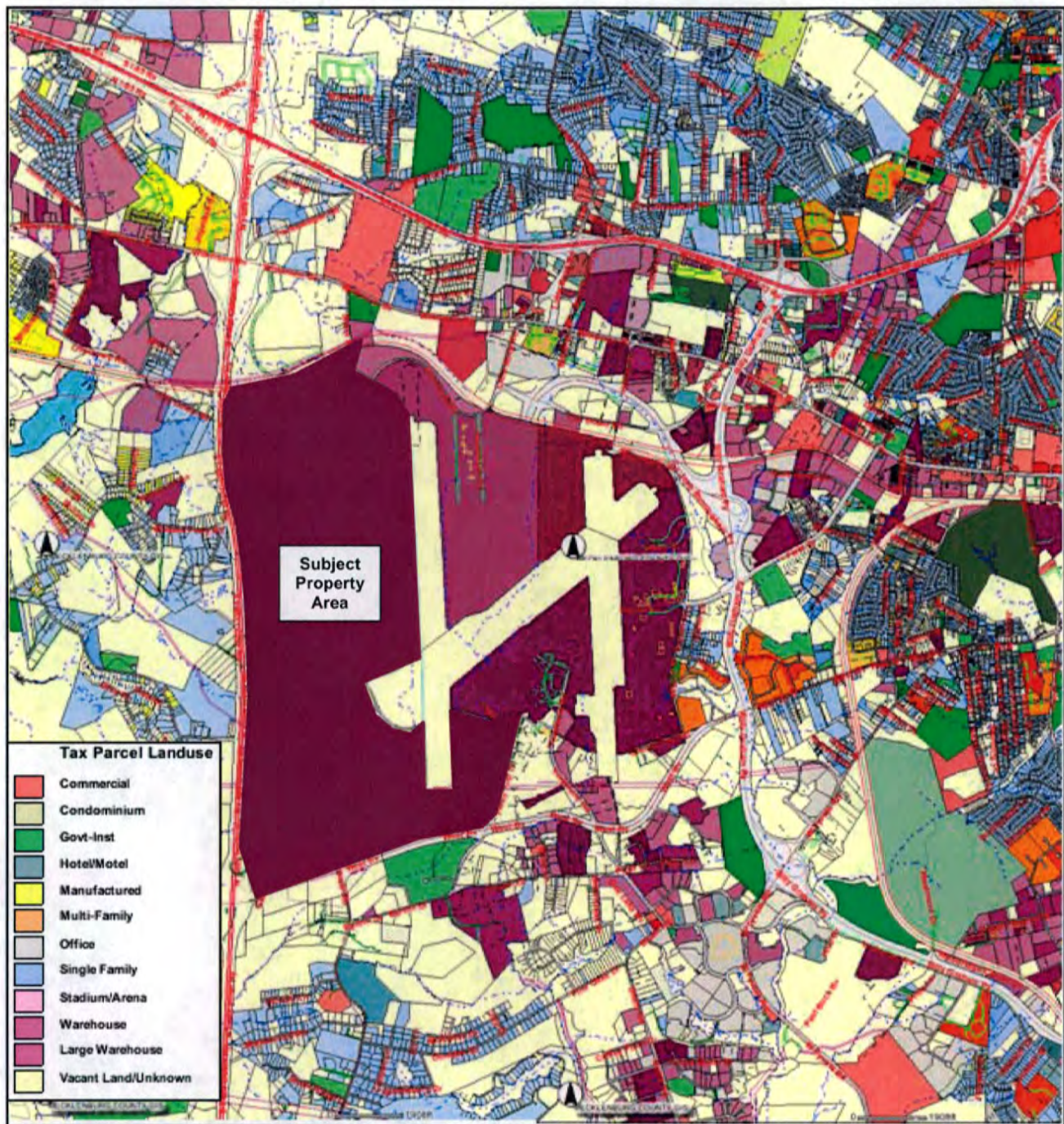


Figure 1 – Surrounding Land Use Map

Vicinity Description

The defined community, for purposes of this assignment, consists of a 5-mile radius centered at the Steele Creek Road / Byrum Drive intersection and incorporating census tracts 38.02, 38.03, 39.01, 39.02, 40, 59.01, 59.04 and 59.05. The land mass within the 5-mile radial circle is estimated at about 78 square miles. Statistics for the neighborhood's primary census tracts include:

Population: The current year population within the defined community is 71,582. The 2000 Census revealed a population of 58,352. The rate of change since 2000 was 2.5% annually. The five-year projection for the population in the market area is 82,106, representing a change of 2.8% annually through 2013.

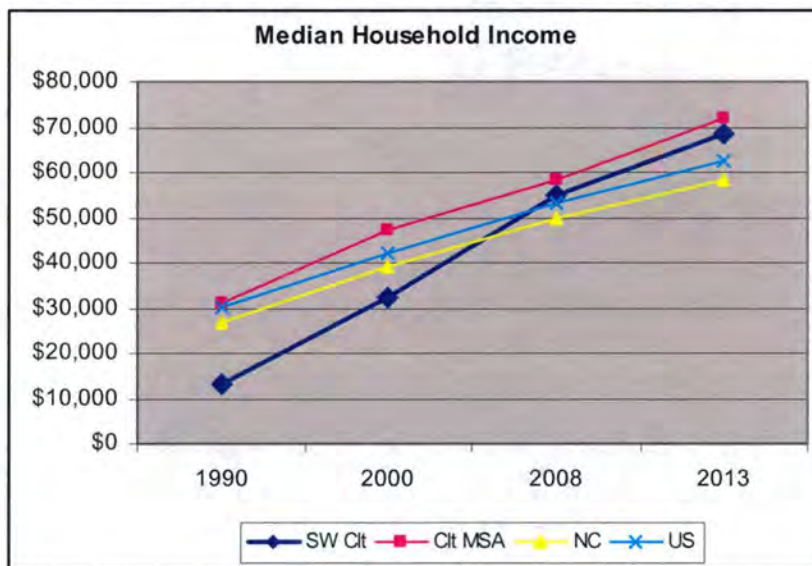
Currently the population is 49% male and 51% female. In 2008, the median age of the population in this area was 34.0, compared to the Charlotte-Gastonia-Concord MSA median age of 35.6 and the US median age of 36.5.

Households: There are currently 27,845 households in the defined community. The 2000 Census counted 22,159 households, which represents an annual increase of 2.8%. The five year projection of total households is 32,162, representing a change of 2.9% annually from the current year total. Average household size is currently 2.55, compared to 2.61 in the year 2000. The number of families in the current year is 18,016 in the market area.

Housing: Currently 54% of the 30,643 housing units in the market area are owner-occupied, 37.3% are renter occupied and 9.1% are vacant. In 2000 there were 23,829 housing units – 55% owner occupied, 39% renter occupied and 7% vacant. The rate of change in housing units since 2000 is 3%. Median home value in the market area is \$145,702, compared to median home values of \$165,186 and \$192,285 for the MSA and the US, respectively. In five years, the median home value is projected to change by 1.9% annually to \$159,900. From 2000 to the current year, median home value changed by 5% annually.

Income: Current median household income is \$54,800 in the market area, compared to \$58,421 for the MSA and \$53,154 for all US households. Median household income is projected to be \$68,423 in five years. In 2000, median household income was \$40,155, compared to \$28,617 in 1990. As illustrated in the adjacent table, the SW Airport community is making gains against the other geographic delineations.

Current per capita income is \$25,812 in the market area, compared to the MSA and US per capita incomes of \$30,675 and \$27,916, respectively. The per capita income is projected to be \$31,857 in five years. In 2000, the per capita income was \$18,397, compared to \$12,116 in 1990.



Employment: Currently 90.1% of the civilian labor force in the market area is employed and 9.9% is unemployed. In comparison, 91.1% of the US civilian labor force is employed and 9.9% is unemployed. In five years the rate of employment in the market area will be 90.2% and unemployment will be 9.8%. The percentage of the US labor force that will be employed in five years is 93.9% and 6.1% will be unemployed. In 2000, 70.2% of the population aged 16 years or older in the market area participated in the labor force, and 0.1% were in the Armed Forces.

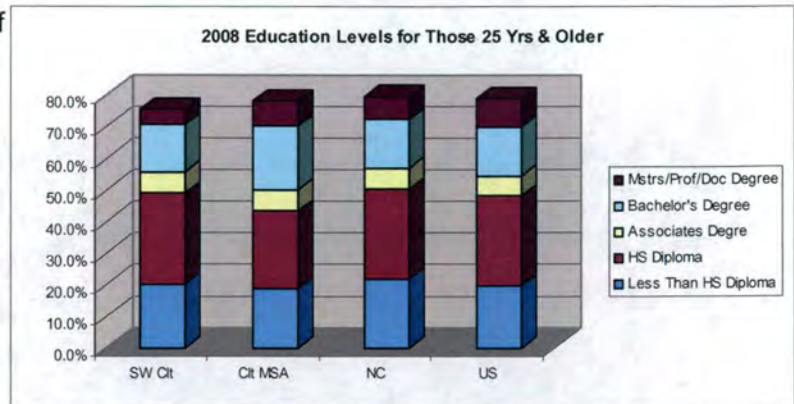
In the current year, the occupational distribution of the employed population is:

- 55.1% in white collar jobs (compared to 60.2% of US employment)
- 18.1% in service jobs (compared to 16.5% of US employment)
- 26.8% in blue collar jobs (compared to 23.3% of US employment)

In 2000, 74.9% of the market area population drove alone to work, and 1.5 worked at home. The average travel time to work in 2000 was 23 minutes in the market area, compared to the MSA and US averages of 26.3 and 25.5 minutes, respectively.

Education: The educational attainment of area is illustrated in the chart to the right.

Statistically, the SW Mecklenburg community appears to reflect a labor pool that is slightly less educated than the METRO area while property values in the immediate area are rising faster than the METRO area. This education margin is not expected change significantly as SW Mecklenburg remains the area with most affordable housing.





Subject Property . . .

Legal Description

Legal description of the subjects were not provided to the appraiser. Land areas were obtained from the client and I do not believe an official survey has been completed at the writing of this report. Subsequently described dimensions represent a rough estimate gleamed from the Mecklenburg County GIS maps. A professional surveyor and/or legal counsel should be undertaken to determine a true and accurate description of all parcels before relying upon, or using it as part of any conveyance, or any other document.



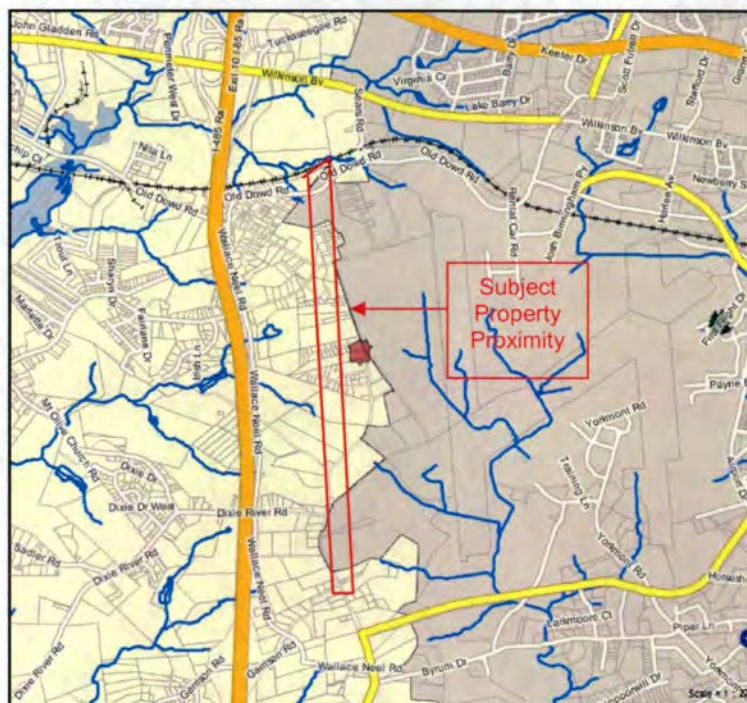
Sale History

The City of Charlotte has acquired nearly 5,000 acres over several decades for development of the Charlotte/Douglas International Airport. For the most part, the subject is a portions of as many as 100 parcels of land acquired for development of C/DIA's 3rd parallel runway. The master plan/acquisition program began in the late 1970s and continued through much of the 1st decade of the 21 century. Following acquisition of necessary land area, physical development of the 3rd parallel runway commenced in spring of 2007. The newest runway opened for business on January 4, 2010. The intermodal rail site to be developed between Runways 18 R / 36 L and 18 C / 36 C is part of the master plan. The defined real estate for this assignment represents some of the initial steps in completing this phase.

Flood Hazard

According to the appropriate Federal Emergency Management Agency (FEMA) flood maps, illustrated below, the subject property is located between Runways 18 R / 36 L and 18 C / 36 C is not located in areas requiring flood insurance.

Flood Maps published by FEMA are not precise. If anyone desires a precise determination of the subject's flood hazard classification, a professional engineer, licensed surveyor, or local governmental authority should make an exact determination.



Map Number	3710451300J
Flood Map Date	Mar. 2, 2009
Flood Zone	Out

- ▲ Structure Not in Floodplain by FEMA Letter
- ▨ FEMA Map Change Area
- ▨ FEMA Floodway Encroachment Area (FEMA restrictions apply)
- ▨ Community Encroachment (local restrictions apply)
- FEMA Floodplain (flood insurance required)
- Community Floodplain Area (flood insurance not required)
- Not in a Floodplain

Environmental Risks

Disclosure

During the course of this appraisal, the appraiser did **not** detect or attempt to discover any environmental hazard on, under, above, or within the subject real estate. No overt evidence of any environmental hazard are apparent to the untrained eye. It should be known the appraiser did not view the subject property with the intent of detecting any environmental hazard. It is beyond the expertise of the appraiser to detect or determine the chemical nature of any substance or gas. No effort was made to dismantle or probe any part of the property to discover enclosed, encased, or concealed hazards. No effort was exerted to ascertain the presence of any environmental hazard including but not limited to the following.

<i>Asbestos</i>	<i>Urea-formaldehyde insulation</i>
<i>Underground storage tanks</i>	<i>Soil contamination or deficiencies</i>
<i>Lead-based paint</i>	<i>Toxic mold</i>
<i>Radon</i>	<i>PCB</i>
<i>Chemical spills</i>	<i>Fire resistant treated plywood (FRTD)</i>

Flood hazards are detailed elsewhere in this report. Except as enumerated herein, the appraiser was not given the results of any environmental testing on or near the property being appraised. Neither observation of the subject property, or research conducted as part of a typical real estate appraisal suggest the presence of any hazardous substance or detrimental environmental condition affecting the subject. Nearby sites were not investigated to determine whether they are contaminated. Public information and other Internet sources were not researched to determine the presence of hazardous substances or detrimental environmental conditions in the subject's vicinity.

Federal, State, and local laws concerning any hazardous substance or gas are sometimes contradictory. Therefore, any needed clean up should comply with the most stringent laws. The appraiser is **not** informed or trained in environmental legalities. It is assumed no hazardous substance or gas adversely affects the subject real estate. If the subject is adversely influenced by a hazardous condition, then the subject's market value would be impaired.

Recommendation

The presence of any hazardous condition usually diminishes market value. The value opinion formed in this report assumes there is no environmental hazard affecting the subject real estate. No responsibility is assumed by the appraiser or JC Morgan Co for any hazard or for any expertise required to discover any environmentally hazardous condition. Our client is urged to retain an expert in this field, if desired.

Subject Site –

Location Immediately east of Runway 18 R / 36 L, running from Norfolk Southern rail corridor on the north to the proposed relocation of West Blvd. on the south.

Approx. Dimensions 1,600' x 13,200' Maximum

Land Areas	Easement Area #1	6.760 Acres
	Fee Simple Area #1	23.±00 Acres
	Easement Area #2	0.685 Acres
	Fee Simple Area #2	132.800 Acres
	Easement Area #3	1.500 Acres

Total Size 164.745 acres

Street Frontage 1190±' Prop. Relocation of West Blvd., 1,470±' Temporary West Blvd.

Easements	Intermodal facility operates under the Federal Aviation Regulations Part 77 ³	Alley	None
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Encroachments	None known; none assumed	Access	Typical
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Shape	Irregular, linear, see diagram below	Street Paving	Asphalt paved
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Curbs & Gutters	None	Sidewalks	None
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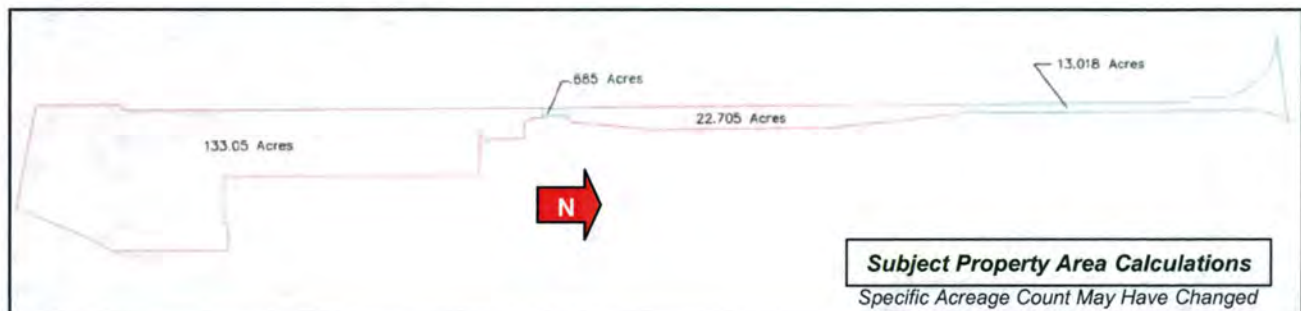
Topography	Level; Site elevation for easement areas and fee simple areas will be at approximately 702' msl, runways are at 740' – 744' msl. 2 to 1 slopes will be required to lower subject elevation. Slope areas are not included in the subject's 165± acreage count.	Utilities:	
		Gas	Piedmont Natural
		Electric	Duke Energy
		Water/Sewer	C-MUD

Major Flaws Considering proposed use, no flaws anticipated.

Private Site Improvements None

Overall Features

Tract is atypical in shape primarily and size in general. Economic climate is not supportive of large undeveloped industrial tracts, but the subject offers and provides satisfaction of and for a specific use, a rail intermodal site. The unique features of multiple transportation alternatives are atypical physical features as compared to similar alternatives. Its overall locational attributes are at least average to good relative to competitive parcels.



³ Federal Aviation Regulations – Part 77, Objections Affecting Navigable Airspace, FAA publication May 1, 1965.

Real Estate Taxes

North Carolina law requires county assessors to value every parcel of real estate at 100% of market value not less than every eight years. Mecklenburg County's most recent valuation was January 1, 2003. The next scheduled valuation is January 2011. Property assessment for the subject tract is not available as the subject is the assemblage of many smaller parcels that were acquired over the years. It is interesting to note that a rather large sampling of the parcels, ranging in size from 2 acres to 500 acres reflect an average acreage assessed value of about \$60,000.

Assessed values are multiplied by the county and city tax rates to achieve the property tax allocation. The tax rates for Charlotte and Mecklenburg County, as of 12/31/2009, are 0.4586% and 0.8387% respectively. Because the subject tracts are owned by the City of Charlotte, they are not subject to taxation.

Real estate taxes are a primary mechanism used by local government to gather the monies needed to fund operations. Too little funds can limit governmental services. Excessive tax burden can hinder real estate values. Regarding the subject tracts, anticipated property taxes should not be unduly burdensome once return to private enterprise.

Zoning & Land Use Restrictions

The subject tracts fall within the City of Charlotte Zoning Ordinance. Specific classification for all parcels is I-2, reflected are as follows:

Section 9.1101. Industrial Districts established; purposes.

- (2) The purpose of the I-2 (General Industrial) district is to create and protect wholesaling and industrial areas for manufacturing, processing and assembling of parts and products, distribution of products at wholesale, transportation terminals, and a broad variety of specialized industrial operations. Whenever possible, areas of this district should be separated from residential districts by natural or structural boundaries such as drainage channels, sharp breaks in topography, strips of vegetation, traffic arteries and similar features.

Section 9.1102. Uses permitted by right.

The following uses shall be permitted by right in the I-1 and I-2 districts, provided that they meet all the requirements of this Part and all other provisions established in these regulations:

(Petition No. 2006-112, §9.1102, 10/17/07)

- (1) Airports (I-2 only).
- (34) Heliports and helistops, unlimited (I-2 only).
- (35) Highway and railroad rights-of-way.
- (56) Railroad freight yards, repair shops and marshalling yards (I-2 only).
- (73) Truck terminals (I-2 only).
- (76) Warehousing (I-2 only).
- (77) Warehousing, within an enclosed building.

Section 9.1105. Development standards for industrial districts.

All uses and structures permitted in the I-1 and I-2 districts shall meet the applicable development standards established in this Section and all other requirements of these regulations:

- (1) Area, yard and bulk regulations shall be as follows:

(Petition No. 2006-112 §9.1105(1), 10/17/07)

	<u>I-1</u>	<u>I-2</u>
(a) Maximum Floor Area Ratio	80	1.00
(b) Minimum lot area (square feet)	8,000	8,000
(c) Minimum lot width (feet)	50	50
(d) Minimum setback (feet)	20	20
(See Section 12.102 if the lot abuts a		

residential zoning district; if the lot is fronted on three or more sides by streets; or if the lot is irregularly shaped)		
(e) Minimum side yard (feet) (See Section 12.102 if the lot is adjacent to a railroad rights-of-way or alley; abuts two or more streets; or is a corner lot; or is an irregularly shaped lot)	0 or 5*	0 or 5*
(f) Minimum rear yard (feet) (See Section 12.102 if the lot is adjacent to a railroad rights-of-way or alley; abuts two or more streets, or is an	10	10
(g) Maximum height (feet) ²	40	40

² A building in a district may be erected to a height in excess of 40 feet, provided the minimum side yard is increased 1 foot for every 2 feet in building height in excess of 40 feet. If a building abuts a residential zoning district, it may not be constructed above the 40-foot limit unless the side and/or rear yard which abuts the residential zoning district is increased 1 foot for each foot in building height in excess of 40 feet. Height requirements for other permitted structures are set forth in Section 12.108.

PART 77--OBJECTS AFFECTING NAVIGABLE AIRSPACE

Subpart C--Obstruction Standards

77.23 Standards for determining obstructions.

(a) An existing object, including a mobile object, is, and a future object would be, an obstruction to air navigation if it is of greater height than any of the following heights or surfaces:

- (1) A height of 500 feet above ground level at the site of the object.
- (2) A height that is 200 feet above ground level or above the established airport elevation, whichever is higher, within 3 nautical miles of the established reference point of an airport, excluding heliports, with its longest runway more than 3,200 feet in actual length, and that height increases in the proportion of 100 feet for each additional nautical mile of distance from the airport up to a maximum of 500 feet.

(3) A height within a terminal obstacle clearance area, including an initial approach segment, a departure area, and a circling approach area, which would result in the vertical distance between any point on the object and an established minimum instrument flight altitude within that area or segment to be less than the required obstacle clearance.

(4) A height within an en route obstacle clearance area, including turn and termination areas, of a Federal airway or approved off-airway route, that would increase the minimum obstacle clearance altitude.

(5) The surface of a takeoff and landing area of an airport or any imaginary surface established under 77.25, 77.28, or 77.29. However, no part of the take-off or landing area itself will be considered an obstruction.

(b) Except for traverse ways on or near an airport with an operative ground traffic control service, furnished by an air traffic control tower or by the airport management and coordinated with the air traffic control service, the standards of paragraph (a) of this section apply to traverse ways used or to be used for the passage of mobile objects only after the heights of these traverse ways are increased by:

(1) Seventeen feet for an Interstate Highway that is part of the National System of Military and Interstate Highways where overcrossings are designed for a minimum of 17 feet vertical distance.

(2) Fifteen feet for any other public roadway.

(3) Ten feet or the height of the highest mobile object that would normally traverse the road, whichever is greater, for a private road.

(4) Twenty-three feet for a railroad, and,

(5) For a waterway or any other traverse way not previously mentioned, an amount equal to the height of the highest mobile object that would normally traverse it.

(Amdt. 77-5, Eff. 5/2/68); (Amdt. 77-9, Eff. 5/16/71)

77.25 Civil airport imaginary surfaces.

The following civil airport imaginary surfaces are established with relation to the airport and to each runway. The size of each such imaginary surface is based on the category of each runway according to the type of approach available or planned for that runway. The slope and dimensions of the approach surface applied to each end of a runway are determined by the most precise approach existing or planned for that runway end.

(a) Horizontal surface. A horizontal plane 150 feet above the established airport elevation, the perimeter of which is constructed by swinging arcs of specified radii from the center of each end of the primary surface of each runway of each airport and connecting the adjacent arcs by lines tangent to those arcs. The radius of each arc is:

- (1) 5,000 feet for all runways designated as utility or visual;
- (2) 10,000 feet for all other runways. The radius of the arc specified for each end of a runway will have the same arithmetical value. That value will be the highest determined for either end of the runway. When a 5,000-foot arc is encompassed by tangents connecting two adjacent 10,000-foot arcs, the 5,000-foot arc shall be disregarded on the construction of the perimeter of the horizontal surface.

(b) Conical surface. A surface extending outward and upward from the periphery of the horizontal surface at a slope of 20 to 1 for a horizontal distance of 4,000 feet.

(c) Primary surface. A surface longitudinally centered on a runway. When the runway has a specially prepared hard surface, the primary surface extends 200 feet beyond each end of that runway; but when the runway has no specially prepared hard surface, or planned hard surface, the primary surface ends at each end of that runway. The elevation of any point on the primary surface is the same as the elevation of the nearest point on the runway centerline. The width of a primary surface is:

- (1) 250 feet for utility runways having only visual approaches.
- (2) 500 feet for utility runways having non-precision instrument approaches.
- (3) For other than utility runways the width is:
 - (i) 500 feet for visual runways having only visual approaches.
 - (ii) 500 feet for non-precision instrument runways having visibility minimums greater than three-fourths statute mile.

(iii) 1,000 feet for a non-precision instrument runway having a non-precision instrument approach with visibility minimums as low as three-fourths of a statute mile, and for precision instrument runways. The width of the primary surface of a runway will be that width prescribed in this section for the most precise approach existing or planned for either end of that runway.

(d) Approach surface. A surface longitudinally centered on the extended runway centerline and extending outward and upward from each end of the primary surface. An approach surface is applied to each end of each runway based upon the type of approach available or planned for that runway end.

- (1) The inner edge of the approach surface is the same width as the primary surface and it expands uniformly to a width of:
 - (i) 1,250 feet for that end of a utility runway with only visual approaches;
 - (ii) 1,500 feet for that end of a runway other than a utility runway with only visual approaches;
 - (iii) 2,000 feet for that end of a utility runway with a non-precision instrument approach;
 - (iv) 3,500 feet for that end of a non-precision instrument runway other than utility, having visibility minimums greater than three-fourths of a statute mile;
 - (v) 4,000 feet for that end of a non-precision instrument runway, other than utility, having a non-precision instrument approach with visibility minimums as low as three-fourths statute mile; and
 - (vi) 16,000 feet for precision instrument runways.
- (2) The approach surface extends for a horizontal distance of:
 - (i) 5,000 feet at a slope of 20 to 1 for all utility and visual runways;
 - (ii) 10,000 feet at a slope of 34 to 1 for all non-precision instrument runways other than utility; and,
 - (iii) 10,000 feet at a slope of 50 to 1 with an additional 40,000 feet at a slope of 40 to 1 for all precision instrument runways.

(3) The outer width of an approach surface to an end of a runway will be that width prescribed in this subsection for the most precise approach existing or planned for that runway end.

(e) *Transitional surface.* These surfaces extend outward and upward at right angles to the runway centerline and the runway centerline extended at a slope of 7 to 1 from the sides of the primary surface and from the sides of the approach surfaces. Transitional surfaces for those portions of the precision approach surface which project through and beyond the limits of the conical surface, extend a distance of 5,000 feet measured horizontally from the edge of the approach surface and at right angles to the runway centerline.



Analyses & Conclusions . . .

Value Introduction

For real estate that is predominantly unimproved vacant land, there are six valuation methods. The most frequently used sales comparison approach is employed in this report.

Market Conditions

The following comments pertain to real estate that is physically similar to the property being appraised and located in the same market area.

Sales Market

Current Supply & Demand
Inventory Level of Competing Sales
Sale Concessions
Marketing Times

Supply Moderately Exceeds Demand
Stable
Typically Reflected in Lowering Price
Extended

General Conditions

Financing Availability
Recent Past Value Trend
Expected Near Future Values

Limited
Graph Below Tells the Story
Stable

The latest results of the Moodys/REAL CPPI⁴ for all property types reflects a +1% return in January for the "All Properties National Index." This positive uptick appears to mark the bottom of real estate negative slide that began in 3rd and 4th quarters of 2007. The Industrial Properties Index illustrates a similar pattern but with a slightly less or softer degrees of change. Looking to a long term trend basis (1977=1.00), industrial properties appear to have fared slightly better than the "All Property" category with prices returning the "normal trend." However, industrial capacity far exceed demand suggesting a long period a price stability.



⁴ Moodys/REAL commercial property index (CPPI) is a periodic same-property round-trip investment price change index of the U.S. commercial investment property market based on data from MIT Center for Real Estate industry partner **Real Capital Analytics, Inc (RCA)**. The methodology for index construction has been developed by the MIT/CRE through a project undertaken in cooperation with a consortium of firms including RCA. The index is designed to track same-property realized round-trip price changes based purely on the documented prices in completed, contemporary property transactions. The index uses no appraisal valuations. The methodology employed to construct the index is a repeat-sales regression (RSR), as described in detail in **Geltner & Pollakowski (2007)**.

Highest and Best Use

A highest and best use analysis identifies the most probable and profitable competitive use for which the subject property could be used. Since economic conditions change, a property's highest and best use changes as well. This analysis is an essential step in the determination of market value because it forms a framework for the proper selection of comparables.

There are four main tests in a highest and best use study:

- (1) governmental requirements and limitations like zoning and private deed restrictions;
- (2) physical constraints;
- (3) financial feasibility, and
- (4) maximum productivity.

If more than one use survives the first three tests, then the use that produces the highest positive reward with the least risk is the highest and best use.

Highest and best use analyses can be categorized into two different levels of detail - inferred and fundamental. This appraisal's level of detail was disclosed in the Scope of Work - Appraisal Development section. A fundamental analysis forecasts demand from broad demographic and economic data like population and income. Existing supply is inventoried. Then the relationship of supply and demand is weighed to determine net demand. An inferred analysis is based on local trends and patterns from which inferences are made. Sales, listings, marketing intervals, and/or price change for other similar land infer there is adequate demand for the subject parcel at a price level congruous with this data. Inferred analyses emphasize historical data while fundamental analyses are based on future projections.

There are two types of highest and best use - "as though vacant" and "as though now improved". The former presumes the land is vacant and available for development. The later considers whether the building should be retained as is, renovated, remodeled, repaired, enlarged, demolished, or converted to an alternate use.

Zoning allows for practically all uses except residential. Jurisdictional limitations are imposed by the Federal Aviation Administration due to commercial airport proximity. Beyond the airport fence, large and small tracts are compatibly zoned for the most part. Physical attributes of the property appraised are well suited to serve the use selected below. Usage of the property in this manner produces a positive reward with acceptable risk. The potential for rezoning to a significantly different use is not necessary as the industrial classifications provide reasonable versatility. The subject unique location and Charlotte's antiquated intermodal rail yard north of the CBD allow the subject to by-pass the typical restrains of supply/demand factors. Based upon legalities, physical elements, as well as economic factors, the following highest and best use determinations were made for the subject real estate:

<i>Subject Property</i>	Industrial – Airport Facilitation and/or Warehouse/Distribution Development
<i>Subject is not Improved</i>	N/A

In light of the foregoing highest and best use determinations, the search criteria for comparables sales focuses initially on Charlotte's southwestern industrial sector for unimproved vacant land. The geographical scope expands as necessary in order to gain sufficient comparable sale data. This data was used to frame a value opinion for the property being appraised.

Land Value “As Is”

Introduction

The preferred method of valuing vacant land is the sales comparison approach. Sales of similar sites are gathered and compared to the parcel being appraised. Differences affecting value are noted. Adjustments to compensate for dissimilarities are applied to relevant transactions. Adjusted comparables produce an indication of value for the subject parcel.

Many factors can affect value. Those considered during this appraisal's land valuation process included, yet are not limited to, prominence of location, date of sale, size, shape and after sale expenditures. Other characteristics such as availability of utilities, zoning, topography and access often come into play. For this analysis, the search criteria sought all industrial sales in Mecklenburg County larger than 50 acres, where the conveyance occurred between 2005 through 2009. Eleven land sales during this period were identified with four comparable sales being more relevant. In order to address certain physical criteria of the subject property, a 5th sale with less than 50 acres was included. A combination of lease transaction at and involving C/DIA was added as the 6th comparable to provide an example of airport property and immediate proximity.

Comparable sale commentary – My initial thought was to collect sales from “inside-the-fence” of airports with similar stature as C/DIA. Such a goal overstated the subjects' land use plan and brought into question socio-geographic differences. Since the proposed user does not have special access to the airport, the subject land must be considered as a reasonable alternative to most any other rail served industrial land tract. The subject's location near C/DIA is just another physical characteristic. That said, the comparable selection process focused on the Charlotte/ Mecklenburg region.

For this analysis the quantitative adjustment chart provides background information for each comparable as well as highlights characteristic differences between the sales and the subject property. All conveyances analyzed for this assignment were completed on an “arm's length” basis unless specifically noted otherwise. Land sales shown herein are presented on a dollar per acre basis as a common denominator.

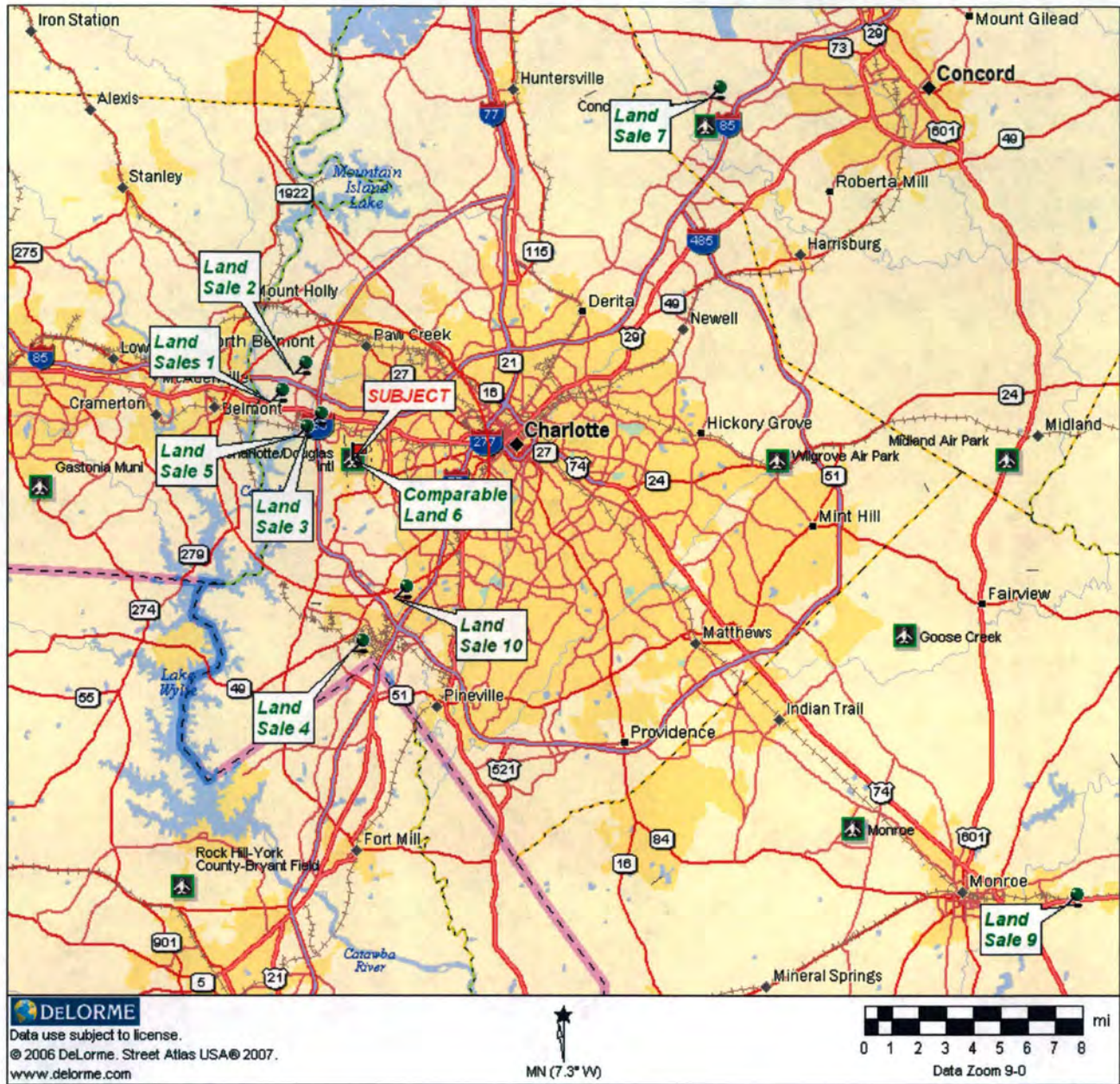
**Quantitative Adjustment Grid –
164.745 Acres**

Sales Comparison Approach - Land Value - Primary Tract

	Subject	Land Sale #1	Land Sale #2	Land Sale #3	Land Sale #4	Land Sale #5	Reconciled Airport Lease Summary
Address	C/DIA Tramac	Catawba Business Park	Belway Business Park	Old Dowd Road	General Drive	Old Dowd Road	C/DIA Tramac
City, State	Charlotte	Charlotte	Charlotte, NC	Charlotte, NC	Charlotte, NC	Charlotte, NC	Charlotte, NC
Proximity to Subject	Not Applicable	3.6 Miles Northwest	3.8 Miles Northwest	2.2 Miles West	7 Miles South	2.3 Miles West	On-Site
Information Source	Not Applicable	Co Rcds/Private Data Source	Co Rcds/Private Data Source	Co Rcds/Private Data Source	Co Rcds/Private Data Source	Co Rcds/Private Data Source	Airport Records
Description & Use	170± Acs located between Runways 360 Left and 360 Center. level topo, air-rights encroachments, irregular shape, rail accessible.	54± acres located at the Wilkinson Blvd./Moores Chapel Road intersection, undeveloped tract, minimal SWM buffer & flood plain encroachment, Duke Power Encl., rolling topography, mildly irregular shape.	102 Acs located just north of Performance Rd near Sam Wilson exit of I-85, mildly rolling topography, some infrastructure for bus. park in place, minimal SWM buffer impact. Buyer paid \$2.042 mil for contract assignment.	92± acres fronting Old Dowd Rd., ½ mile east of Sam Wilson Rd., undeveloped tract to be developed as business park, SWM buffer and flood plain impact, rolling topography, irregular shape.	63± acres, rectangular shaped tract fronting General Dr. with rail access along northern property line, tract to be developed as business park, 22% SWM buffer and flood plain impact, ± level topography, rail accessible.	16 Acs located southside of Old Dowd Rd, across from Sale 4, 9% of site is access road, roughly graded site, mildly rolling topo, irregular shape, I-2 zoning. Sale included because of shape/access road.	3 most recent leases between C/DIA as lessor and 3 tenants (Hertz, DHL & Sonic Financial) as lessees, analyzed to reflect land value per acre.
Grantor / Seller	Not A Sale	Boyd P. Falls, et al	Performance Road LP	Liberty Oak, Inc.	Arrowood-Southern Company	Lineil, LLC	Lessee - 3 Separate Leases
Grantee / Buyer	Not A Sale	CK Catawba, LLC	Belway Properties, LLC	DBSI Charlotte I-485, LLC	CK Ridge Creek West Land, LLC	SteelFab, Inc.	Lessor - C/DIA
Deed Book Reference		20762-377	20812-387	22013-525	23870-130	24284-878	N/A
Sale Price	Not A Sale	\$3,721,150	\$6,128,000	\$2,751,000	\$4,490,000	\$1,000,000	\$580,000
Land Acres	164.745	113.771	102.140	91.700	62.922	16.000	10.000
Sale \$ / Acre		\$32,707	\$59,996	\$30,000	\$71,358	\$62,500	\$58,000
Primary Adjustments							
Sale \$ / Acre	Not A Sale	\$32,707	\$59,996	\$30,000	\$71,358	\$62,500	\$58,000
Property Rights	Fee Simple	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%	Fee Simple 0%
Adjusted Sale \$ / Acre		\$32,707	\$59,996	\$30,000	\$71,358	\$62,500	\$58,000
Financing	Mkt Rate	Mkt Rate 0%	Mkt Rate 0%	Mkt Rate 0%	Mkt Rate 0%	Mkt Rate 0%	Mkt Rate 0%
Adjusted Sale \$ / Acre		\$32,707	\$59,996	\$30,000	\$71,358	\$62,500	\$58,000
Conditions of Sale	Typical	Typical 0%	Typical 0%	Typical 0%	Typical 0%	Typical 0%	Typical 0%
Adjusted Sale \$ / Acre		\$32,707	\$59,996	\$30,000	\$71,358	\$62,500	\$58,000
Expend. After Sale	None	None 0%	None 0%	None 0%	None 0%	None 0%	None 0%
Adjusted Sale \$ / Acre		\$32,707	\$59,996	\$30,000	\$71,358	\$62,500	\$58,000
Sale Date (Mkt Conds)	Mar-10	Jul-06 11%	Jul-06 11%	Apr-07 9%	Jun-08 0%	Dec-08 0%	Jul-08 0%
Secondary Adjustments							
Adjusted Sale \$ / Acre		\$36,328	\$68,579	\$32,680	\$71,358	\$62,500	\$58,000
Location	Avg / Good	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Land Acres	164.745	113.771 -13%	102.140 -16%	91.700 -18%	62.922 -25%	16.000 -37%	10.000 0%
Shape	Parallelogram	Irregular 0%	±Rectangle -10%	Irregular 0%	Rectangle -10%	Irregular 0%	Rectangle 0%
Terrain Slope	Level	Mod Slopes 20%	± Level 10%	Rolling 40%	± Level 0%	Mild Slope 10%	Level 0%
Flood Plain/SWM Buffer	0%	10% 8%	8% 6%	12% 10%	22% 18%	0% 0%	0% 0%
Access	Limited	Fair / Avg 20%	Avg / Good 0%	Fair / Avg 20%	Avg / Good 0%	Limited 20%	Avg / Good 0%
Soil Conditions	Average	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Esmts/Encrchmnts	Min. Air-Rights	Duke Power 10%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Zoning	I-2	I-1, I-1CD 0%	I-1CD 0%	I-1, I-2, R-4 0%	I-2 0%	I-2 0%	I-2 0%
Utilities	Water & Sewer	None 20%	Wtr & Swr 0%	None 20%	Wtr & Swr 0%	Wtr & Swr 0%	Wtr & Swr 0%
Corner	Yes	No 0%	No 0%	No 0%	No 0%	No 0%	No 0%
Rail Spur	Yes	No 0%	No 0%	Yes 0%	Yes 0%	Yes 0%	No 0%
Economic Qualities	Typical	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Total Adjustment		84%	1%	87%	-18%	-7%	0%
Indicated Subject Value / Acre		\$60,035	\$60,420	\$55,994	\$58,617	\$58,009	\$58,000
Indicated Subject Market Value		\$9,890,000	\$9,954,000	\$9,225,000	\$9,657,000	\$9,557,000	\$9,555,000

No. of Comps Used	Before Adjustments	After Adjustments	Reconciliation
6	Min Value Per Acre	\$30,000	\$55,994
	Max Value Per Acre	\$71,358	\$60,420
	Range	137.9%	7.9%
	Median Value Per Acre	\$58,998	\$58,313
	Mean Value Per Acre	\$52,427	\$58,513
	Standard Deviation	\$16,971	\$1,602
	Coefficient of Variability	32.4%	2.7%
			\$9,224,731
			\$9,953,893
			\$9,606,775
			\$9,639,642
			Reconciled to
			\$9,720,000

Land Sales Location Map



Analysis & Conclusions

The subject tract and all foregoing comparables reflect west and southwest Charlotte industrial locations. All comparables feature industrial zoning suggesting the comparables were acquired for or could have been developed in a manner similar to the subject's potential development / highest and best use. Physical features of the various comparables address specific differences between the comparables and subject such as location, general access public utility supports, rail access, shape and size.

Adjustments are classified as either primary or secondary. Primary adjustments focus on bringing the comparables to a financial, legal and current pricing level. Secondary adjustments, which cannot occur until all comparables bear the same footing, concentrate more on the physical nature of the differences. Modifications to compensate for dissimilarities between the subject and cited comparables are applied where necessary. The adjusted transactions then produce an indication of value for the subject property. Before any modifications are imposed, the prices range from **\$30,000** to **\$71,360** per acre.

Primary Adjustments

Property Rights Agreements or laws create partial interests in real estate. If the interest conveyed for a comparable sale is different from the interest being appraised, then a property rights adjustment is necessary. A common adjustment of this type compensates for a lease that disfavors ownership and negatively affects value. Unless stated otherwise, property rights are virtually the same for the subject and all cited conveyances. Hence, no adjustments are necessary for this element of comparison.

Financing Non-market financing is a common technique used to finance the acquisition of real estate during periods of high interest rates. When non-market financing is used, financing terms are typically favorable to the buyer so the sale price is usually inflated. Since value created by financing is not real property, the contribution of the advantageous financing must be deducted from total sale price to derive a true price for just the realty. Unless a statement is made to the contrary, beneficial financing was not used to acquire any comparable sale cited in this report. Therefore, no compensations are necessary for financing.

Conditions of Sale An adjustment for conditions of sale compensates for unusual buyer or seller motivations that affect sale price. For instance, when a seller gives the buyer an atypical rebate, discount, credit, or something of value to induce a conveyance, it is logical to deduct the worth of the giveback from the sale price. Residual sums represent the net or effective sale price. Unless stated otherwise, no adjustments are necessary for conditions of sale.

Expenditures Post Sale This is a situation when a buyer has to invest monies in a property immediately after acquisition for some atypical reason. Post-sale invested sums are customarily added to a comparable's sale price, which produces an adjusted sale price. Examples are demolition costs or building-code compliance costs. For the comparables identified for this assignment, no post sale expenditures were report, thus no adjustment imposed.

Market Conditions This is an adjustment for change in value due to change in market conditions. It is commonly referred to as a time adjustment which can be misleading. Value does not change simply due to the passage of time. Values fluctuate due to changes in market conditions, so this adjustment compensates for change in market conditions between a sale's transaction date and a later point in time. The cited comparables conveyed between January 2006 and this report's effective value date. The perception is that values rose mildly until early 2008. Pairing of sales confirms a value trend during the 2006-2008, however, no adjust is necessary since mid-2008. As a backup approach for estimating price change are a result of changing market conditions, computer modeling referred to as comparable sale optimization (ComSOp™) was employed. When appropriate, this process calculated the differences between subject and comparables, then compares and adjusts the differences between comparables to minimize the coefficient of variability (CoV). The CoV measures the dispersion of variables and the closer this factor is to zero, the better the fit. This alternative model confirmed that an overall adjustment for all sales was not appropriate, but that moderate modifications to sales 1, 2 and 3 for changes in earlier market conditions was fitting.

Following primary adjustments, there is a moderate increase in the lower end of the indicated value range, but no change in the upper unit value indication with the unit price varying from **\$32,680** to **\$71,360** per acre.

Secondary Adjustments

Location Location was one the key search criteria components. Of the 6 influential comparables, 5 are located within 5 miles of C/DIA including one that is a compilation of three airport transactions. In all but one case, the comparables are located in the Southwest Industrial Submarket as defined by Karnes Research. The 6th comparable is located less than a mile north of the border in the Northwest Submarket. The general location encompassing all 6 comparables (and the subject) is industrially influenced and considered similar to subject property. No adjustments are necessary for the general location.

Physical Attributes A myriad of physical characteristics can affect value. Some examples are parcel size, shape, topography, access, visibility, soil conditions, zoning, public utility supports, and functionality to mention a few. As with location, transactions with superior locations would be adjusted downward and those with inferior locations would be adjusted positively.

Property Size is an influential variable, often reflecting an inverse relationship between price and size. That is, the larger the parcel, the lower the price per square foot selling price. In this case, the principle of diminishing returns is apparent. The process of comparable optimization refines the adjustment to 2.5% per every 10 acres of difference in the adjustment grid. With reference to the subject property, the comparables are modified through extrapolation by the initial 4 comparables varying in size from 63 to 114 acres.

Shape The subject primary tract and is quite irregular in shape. Comparables 1, 3, 5 and 6 are considered generally irregular while sales 2 and 4 are though of as generally rectangular. The process of comparable optimization refines the adjustment to -10% for comparables that were rectangular in shape versus those irregular in shape. This characteristic modification was appropriate in the subject's adjustment grid.

Terrain/Slope The subject tract is level. Comparables 2, 4, 5 and 6 are also considered generally level. Sales 1 and 3 find moderate to severe rolling topography at some points within their respective property lines. Paired sales analysis suggests that 20% and 40% adjustments are appropriate respectively for these 2 comparables.

Flood Plain/SWIM Buffer The subject tract is not encumbered with either flood plain or Water Quality Buffers (SWIM buffers). Such encumbrances restrict development of properties that are encumbered. Several comparable sales are encumbered with one or the other. The Quantitative Adjustment Grid reflects modifications based upon an 80% factor of the total percent of encumbrance figure. For instance, the subject tract has no encumbrance while comparable sale 1 is encumbered at about 10%. The difference of 10% between the two is multiplied by .80% resulting in an +8% adjustment.

Access/Visibility Subject tracts are judged as having average to good access in spite of the long narrow shape. Access from existing and proposed West Blvd. is considered average to good in either case. Pairing of sales identified modest modification for comparable sales 1, 3 and 5 which are considered to offer inferior access due primarily to their respective specific locations in the neighborhood. In each of these comparable cases, regional linkage is less desirable when compared to the other comparables.

Soil Conditions Adjustment could not be identified.

Easements/Encroachments The subject property is encumbered with the Federal Aviation Regulation, Part 77 which limits vertical development on a sliding scale with respect to distances from runways. The subject property will be 40 feet below the runway elevation and will enjoy additional but limited space above. Considering the highest and best use of the subject property, such a restriction is not paramount. Comparable 1 is significantly encumbered with a Duke Power transmission line easement 440 feet in width and presents any permanent structures to be built beneath. The adjustment in this case is 10% recognizing the amount of land impacted by the easement. Enterprises encompassed within comparable 6 live with restriction similar to the subject.

Zoning Minimal differences, adjustment could not be identified.

Public Utilities Subjects are perceived to be improved with or have access to public water and sewer. Only sales 1 and 3 required extensions of one or both utility supports. The modification factor for those 2 sales is 20%.

Corner Location Subject will ultimately incorporate the northwest quadrant of the proposed relocated West Blvd./Dixie River Road intersection. None of the 6 comparables featured corner locations. There appears to be no reason that an adjustment is necessary for this characteristic.

Rail Spur The subject and comparables 3, 4 and 5 have access to rail infrastructure. Pairing of sales does not suggest an adjustment is necessary.

Economic Qualities No characteristics or adjustment could not be identified.

Following primary adjustments, there is moderation at both ends of the indicated value range with a variance of **\$55,994 to \$60,420** per acre.

Land Value Summary

	Subject Property 164.745 Acres
Adjusted \$/Ac Range	\$55,994 to \$60,420
Median \$/AC	\$58,313
Mean \$/AC	\$58,513
CoV	2.7%

The subject property begins with a primary tract of land consisting of 164.745 acres that carries a highest and best use of industrial development. Statistical results provide a relatively high level of confidence with an adjusted unit value range of 8%, virtually identical median and mean figures and a Coefficient of Variability of 2.7%. Five of the six adjusted value indications are within 5% of one another.

Comparable sales 1 and 3 provide minimal significance as a result of their respective degree of modification. Sales 2, 4, 5 and 6 are more meaningful for their minimal to modest degree of adjustments. Comparable 2 carries the greatest significance as a result of its minimal net adjustment and overall size. The reconciled fee simple unit value for the subject tract, as of March 24, 2010, is **\$59,000** per acre, providing for an overall valuation calculation as follows:

Area (Acs) x	\$/Acre	=	Total
164.745	\$59,000		\$9,719,955
	Rounded to		\$9,720,000

Exposure Time

Terminology abounds in the real estate appraisal profession. Two related but different concepts that are often confused are Exposure Time and Marketing Time. USPAP specifically addresses the confusion.

Term	Definition	Explanation
Exposure Time (Statement 6)	<i>"... the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal".</i>	Backward looking; ends on the effective value date. Based on factual, past events.
Marketing Time (Advisory Opinion 7)	<i>"... an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value during the period immediately after the effective date of the appraisal".</i>	Forward looking; starts on the effective value date. A forecast based on expectancies of future occurrences.

Marketing time and exposure time are both influenced by price. That is, a prudent buyer could be enticed to acquire the property in less time if the price were less. Hence, the time span cited below coincides with the value opinion(s) formed herein.

USPAP Standard rule 1-2(c)(iv) requires an opinion of exposure time, not marketing time, when the purpose of the appraisal is to estimate market value. In the recent past, the volume of competitive properties offered for sale, sale prices, and vacancy rates have fluctuated little. Sale concessions have not been prevalent. In light thereof, an estimated exposure time for the subject is 6 to 12 months assuming competitive pricing and prudent marketing efforts.

Certification

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

- The statements of fact contained in this report are true and correct. Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraiser's personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraiser has no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraiser has no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- This engagement was not contingent upon developing or reporting predetermined results. Compensation paid to the appraiser is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.
- I personally observed the subject property on March 24, 2010. This viewing, which included exterior and interior elevations, did not attempt to probe, investigate, study, detect, or discover unfavorable physical features.
- No one provided significant professional assistance to the persons signing this report.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.
- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The date of this report, March 25, 2010 represents my prospective view of market conditions as of the effective date of the appraisal, March 24, 2010.
- Based upon the information contained herein, and upon judgment, education, and experience as real estate appraisers, it is my opinion that the following market values are applicable the subject property as of March 24, 2010:



Jack C. Morgan Jr., MAI, CRE
Certified General Real Estate Appraiser
NC License A 534
SC License CG 936
License Expiration Date: 6/30/2010



Addenda . . .

Digital Images

Our world is rapidly shifting to a global economy in which technology and e-commerce play major roles. Digitized signatures and digital photographs are key elements of this shift. This appraisal may contain digital photographs, which are true and accurate representations. Brightness and/or contrast of these images may have been adjusted to enhance visibility when lighting conditions were too light or too dark. However, the content of these images was not altered or augmented in any way.

Digital signatures may be affixed to this document. Statement 8 of USPAP recognizes and addresses the proper use of digitized signatures. In this document, a digital signature is a reproduction of the appraiser's actual signature. Software used for the affixation has a password security feature, which controls its usage.

Comparables Land Sales

Land Sale No. 1

Property Identification

Property Type	Industrial
Property Name	Catawba Business Park
Address	N/S Wilkinson Boulevard, Charlotte
Tax ID	053 231 01

Sale Data

Grantor	Boyd P. Falls
Grantee	CK Catawba, LLC
Sale Date	July 18, 2006
Deed Book/Page	20762-377 & 20943-608
Financing	Cash to Seller

Sale Price	\$3,721,150 = \$3,605,150 + \$116,000
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Land Data

Zoning	I-1, I-1CD
Topography	Rolling, some severe topography
Utilities	Water available, sewer extension required
Easements	Power transmission line along western boundary, Gas R/W along northern boundary

Land Size Information

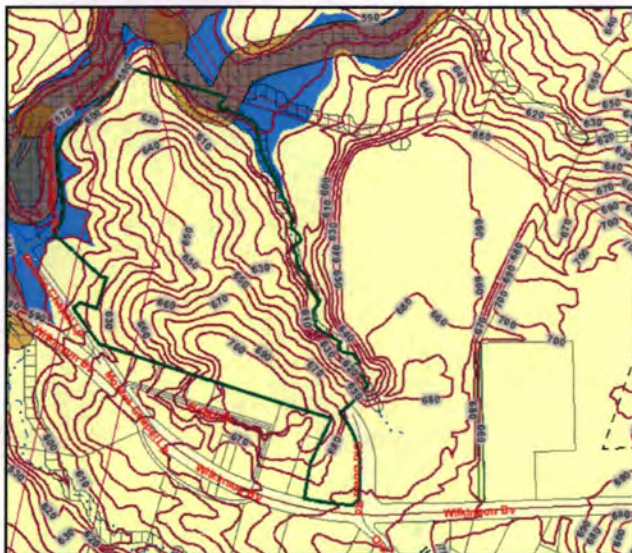
Gross Land Size	113.771 Acres or 4,955,865 SF
Useable Land Size	97.708 Acres Net of Road & Duke Power Easement
Front Footage	1057' & 279' Wilkinson Blvd; 1205' Moore's Chapel Rd

Indicators

Sale Price/Gross Acre	\$32,707
Sale Price/Useable Acre	\$38.084

Remarks

110.798 acres from Falls for \$3,605,150 & 1.11 acres from Eunice McCoy for \$161,000 on 8/23/06.
450' wide Duke Power R/W; 50' Piedmont Natural Gas R/W along northern boundary. Some SWIM buffer.



Land Sale No. 2

Property Identification

Property Type	Industrial
Property Name	Beltway Business Park
Address	Performance Road, Charlotte
Tax ID	053 201 02, 10, 11, 18-20

Sale Data

Grantor	Performance Road LP
Grantee	Beltway Properties, LLC
Sale Date	July 28, 2006
Deed Book/Page	20812 387
Marketing Time	7 months
Financing	Cash

Sale Price	\$4,086,000
Upward Adjustment	\$2,042,000 Contract Assignment
Adjusted Price	\$6,128,000

Land Data

Zoning	I-1CD
Topography	Rolling
Road Frontage	Beltway Drive to Performance Road
Utilities	Water, sewer
Easements	None noted

Land Size Information

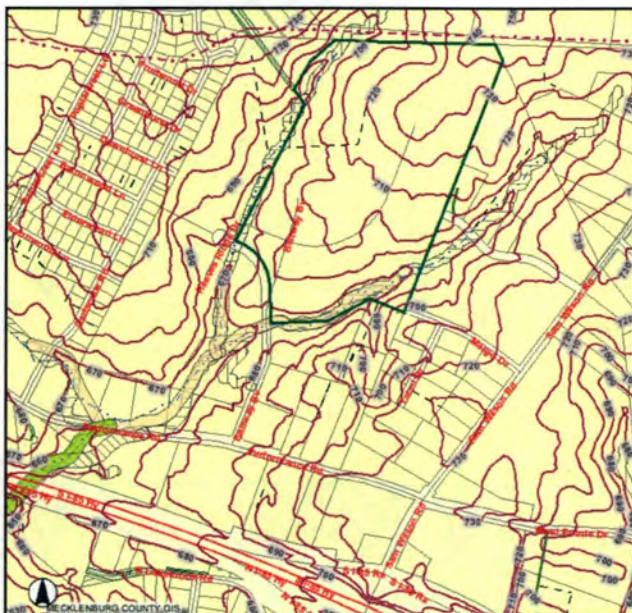
Gross Land Size	102.140 Acres
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Indicators

Sale Price/Gross Acre	\$40,004
Sale Price/Adjusted Acre	\$59,996

Remarks

Lots 1 & 3 Book 45 Page 381; Lots 12 & 19 Book 38 Page 575, metes and bounds for 80.72 acres. Seller had installed 800' of road in anticipation of small lot subdivision. Buyer anticipates large bulk warehouses and existing road may be removed.



Land Sale No. 3

Property Identification

Property Type	Industrial
Address	Old Dowd Road, Charlotte
Tax ID	113 031 05

Sale Data

Grantor	Liberty Oak, Inc.
Grantee	DBSI Charlotte I-485, LLC
Sale Date	April 02, 2007
Deed Book/Page	22013 525

Sale Price	\$2,751,000
Cash Equivalent	\$2,751,000

Land Data

Zoning	I-1, I-2, R-4
Topography	Level±, rolling and severely sloping, approximately 10% flood plain/SWIM buffer
Utilities	Public Water
Road Frontage	1250' and 1192' along Old Dowd Road
Easements	Rail corridor along road frontage

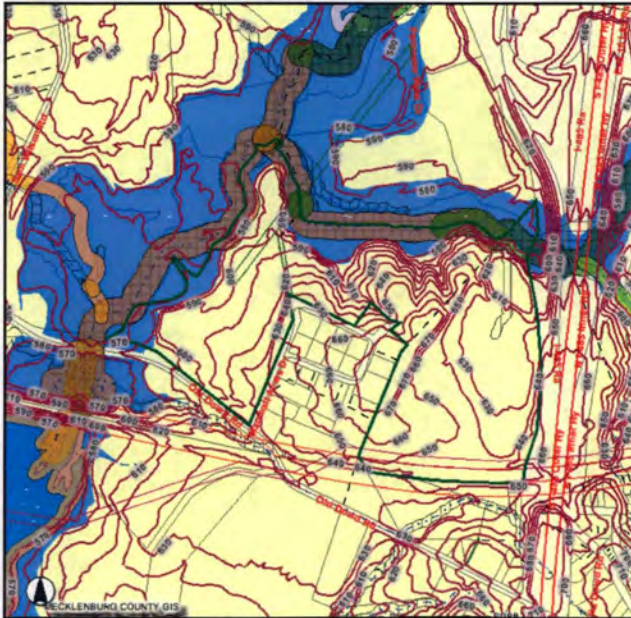
Land Size Information

Gross Land Size	91.700 Acres
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Indicators

Sale Price/Gross Acre	\$30,000
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Remarks	Purchased as investment and future development of industrial land.
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Land Sale No. 4

Property Identification

Property Type Industrial
Property Name Ridge Creek at Westinghouse Industrial Complex
Address General Drive, Charlotte
Tax ID 203 252 01; 203 152 03

Sale Data

Grantor Arrowood-Southern Company
Grantee CK Ridge Creek West Land, LLC
Sale Date June 17, 2008
Deed Book/Page 23870 130
Financing Cash

Sale Price \$4,490,000
Cash Equivalent \$4,490,000

Land Data

Zoning I-2
Topography Rolling wooded
Utilities Public water & sewer
Flood Info 14± acres in flood plain

Land Size Information

Gross Land Size 62.922 Acres
Front Footage 1643 ft General Drive

Indicators

Sale Price/Gross Acre \$71,358

Remarks

Price calculated at mid-\$80,000's for buildable land and lesser amount for flood plain which can be used to satisfy density requirements.



Land Sale No. 5

Property Identification

Property Type	Industrial
Address	Old Dowd Road, Charlotte
Tax ID	113 122 61

Sale Data

Grantor	Linell, LLC
Grantee	Steelfab, Inc.
Sale Date	December 01, 2008
Deed Book/Page	24284 878
Financing	Cash

Sale Price	\$1,000,000
Cash Equivalent	\$1,000,000

Land Data

Zoning	I-2
Topography	Sloping
Utilities	All
Flood Info	1.8 acres in flood plain
Easements	68' wide Duke Power Easement in northern corner

Land Size Information

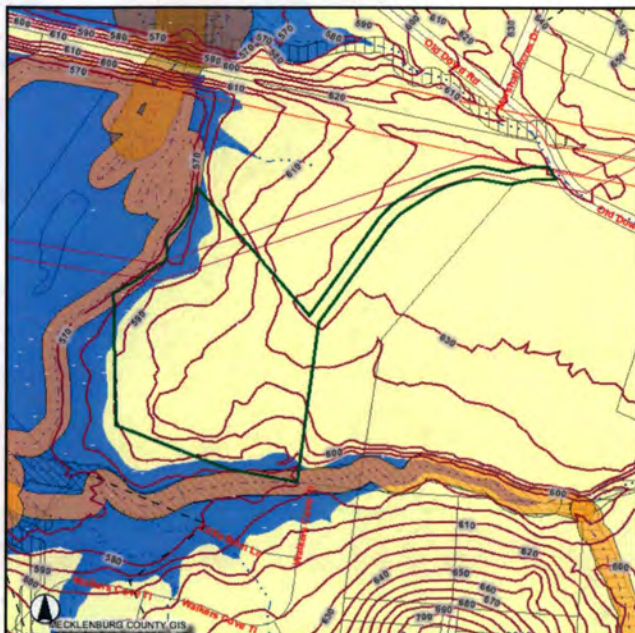
Gross Land Size	16.000 Acres or 696,960 SF
Uplands Land Size	14.210 Acres or 618,988 SF , Net of Flood hazard area
Front Footage	47 ft Old Dowd Road

Indicators

Sale Price/Gross Acre	\$62,500
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Remarks

Adjoining owner bought for outdoor storage. Seller use property for storage of mulch.



Land Comparable No. 6

Property Identification

Property Type	Industrial
Address	Charlotte/Douglas International Airport, Charlotte
Tax ID	113 122 61

Land Data

Zoning	I-2
Topography	Level
Utilities	All
Flood Info	No flood plain

Lease Data

Lessor	City of Charlotte	City of Charlotte	City of Charlotte
Lessee	Hertz Corporation	DHL Express	Sonic Financial
Sale Date	December 2008	July 2006	February 2005
Term	1 Year	10 Years	12 Years
Base Rent	\$55,435	\$26,448	\$3,190
Lessor Expenses	0	0	0
Net Annual Rent	\$55,435	\$26,448	\$3,190
Rent Escalator	1.00	Mkt Rent @ 5 Yrs	Mkt Rent @ 5 Yrs
Land OAR	10%	10%	10%
Present Value	\$554,350	\$264,480	\$31,900

Land Size Information

Gross Land Size	9.7 Acres	4.56 Acres	0.55 Acre
Front Footage	Rental Car Road	York Road	Airport Tarmac

Indicators

Sale Price/Gross Acre	\$57,149	\$58,000	\$58,000
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Remarks

According to the administration, these three abstracts represent most recent leases executed at C/DIA. Regardless of size, lease rates are based upon \$58,000 per acre. This data is illustrated as a comparable in the adjustment grid to reflect the proximity of industrial land prices in the general market.



Appraisal Qualifications

Jack C. Morgan, Jr., MAI, CRE

Profile

Jack C. Morgan, Jr., MAI, CRE has more than 35 years of extensive experience in real estate valuation and investment analysis including a diversified background in the valuation of real estate for a wide range of applications including market value appraisals, reviews appraisal support for both conventional and bond financed properties, due diligence and specialized valuations including trade marts, private country clubs, public golf courses, health clubs, amphitheaters, water treatment plants and rail corridors. These assignments have been conducted on behalf of financial institution, accounting professionals, transportation and distribution companies, utility companies, pension funds, government agencies, major corporations, investors and legal firms.

The types of properties appraised and engagements include:

- Preparation of market value appraisals for all types of real estate with a full range of valuation objectives.
- Intensive experience in the valuation of land including large tracts, subdivision developments and mixed-use entitlements.
- Market studies for existing and/or proposed development projects.
- Special purpose properties

Services provided include:

- Appraising and counseling for acquisition, disposition, eminent domain and ad valorem strategies of commercial, industrial & investment real estate;
- Highest & best use & feasibility studies;
- Commercial, industrial & utility impact analyzes; and
- Expert witness in numerous State & Federal Courts.

Profession Affiliations

Appraisal Institute (MAI), Certificate #6131
Past President, NC Chapter of the Appraisal Institute

Counselors of Real Estate (CRE), Certificate #1376
Past Chairman, NC/SC Chapter of the Counselors of Real Estate

Lambda Alpha Honorary Land Economics Fraternity
Past President, Carolinas Chapter (NC & SC)

Institute Affiliate Member of:
Charlotte Association of REALTORS
North Carolina Association of REALTORS
National Association of REALTORS -

Mecklenburg County Board of Equalization
Board Member 2005 - Present

Certified General Real Estate Appraiser
State of North Carolina
License # A534

Certified General Real Estate Appraiser
State of South Carolina
License # CG 936

Professional History

President, Principal Broker & Chief Appraiser
JC Morgan Co
Fairmont, West Virginia
1974 - 1980

President & Chief Appraiser
JC Morgan Co
Charlotte, North Carolina
1980 - Present

Education

B.A. Economics, Bethany College, 1971
Appraisal Institute Course Curriculum 1974 - 1977
Re-certification period 2008 thru 2012
Graduate Studies:
Location Analysis (Geography Dept.), UNCC 1986

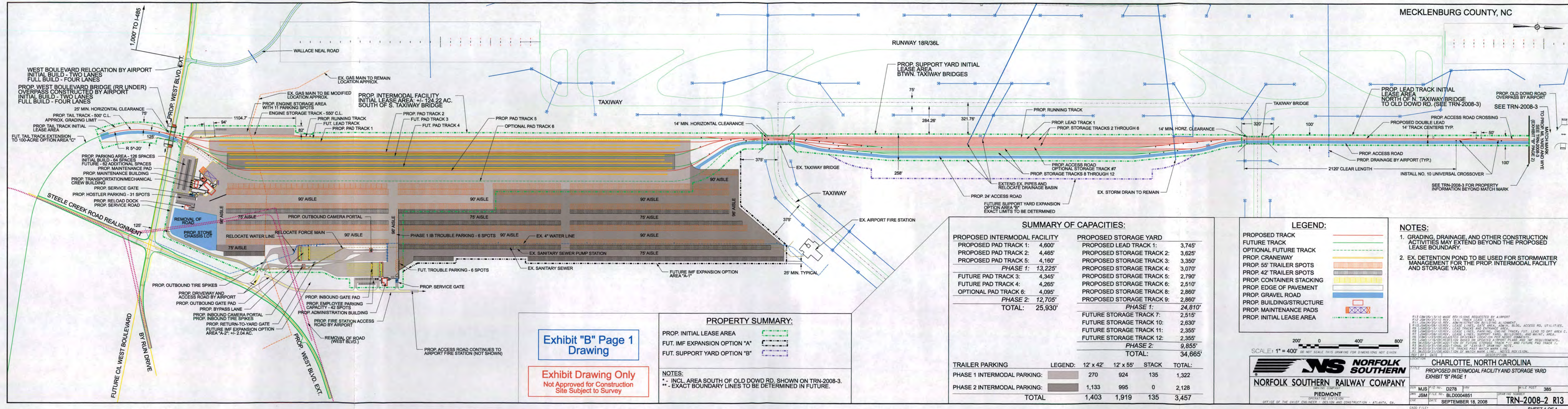
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Charlotte, North Carolina 28226
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All opinions, analyses, and conclusions stated herein are intended for the exclusive use of our client, C/DIA, and other specifically identified intended users. Only the client and other specifically identified intended users may use this report for the sole purpose and intended use stated herein.

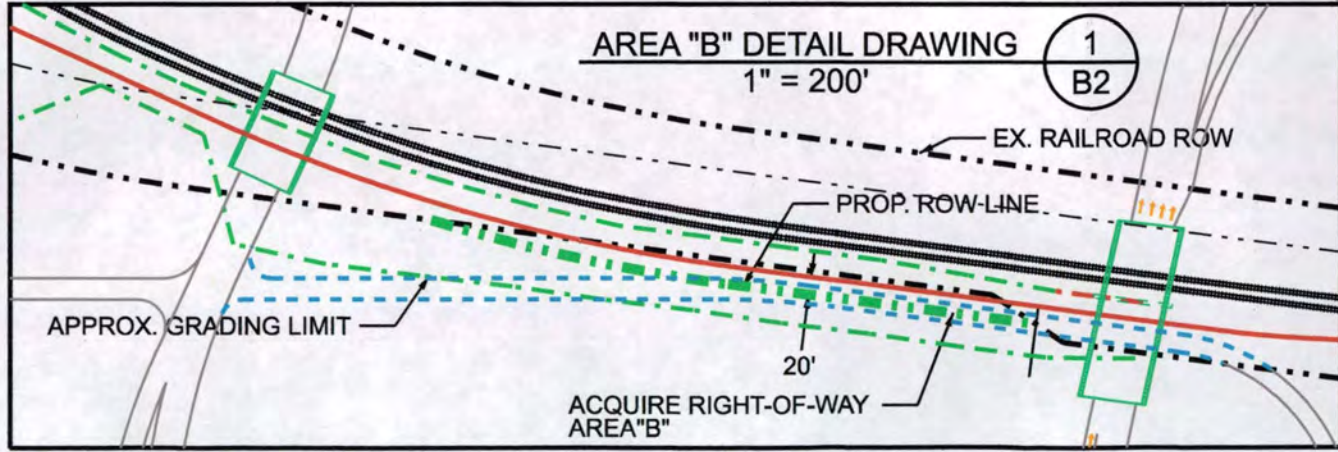
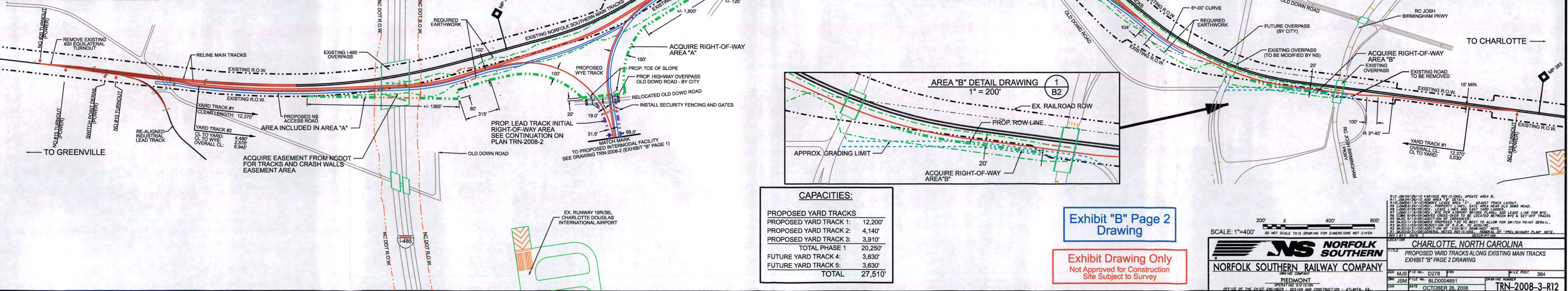
End of Report



LEGEND:

- EXISTING TRACK
- PROPOSED TRACK
- FUTURE TRACK
- RE-ALIGNED TRACK
- PROPOSED ACCESS ROAD
- EXISTING ROAD
- FUTURE ROAD
- ROAD TO BE REMOVED
- EXISTING I-485 R.O.W.
- EXISTING NS R.O.W.
- PROPOSED LEASE LINES
- OVERHEAD STRUCTURE
- EXISTING RUNWAY
- REQUIRED EARTHWORK

CUT FILL

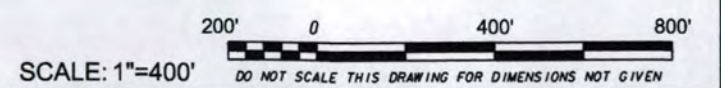


CAPACITIES:

PROPOSED YARD TRACKS	
PROPOSED YARD TRACK 1:	12,200'
PROPOSED YARD TRACK 2:	4,140'
PROPOSED YARD TRACK 3:	3,910'
TOTAL PHASE 1	20,250'
FUTURE YARD TRACK 4:	3,630'
FUTURE YARD TRACK 5:	3,630'
TOTAL	27,510'

**Exhibit "B" Page 2
Drawing**

Exhibit Drawing Only
Not Approved for Construction
Site Subject to Survey



NORFOLK SOUTHERN

NORFOLK SOUTHERN RAILWAY COMPANY

OWNING COMPANY: **PIEDMONT**

OPERATING DIVISION: **DESIGN AND CONSTRUCTION - ATLANTA, GA.**

R12 JSM 04/26/10 VARIOUS REVISIONS, UPDATE AREA B.
 R11 JSM 04/26/10 ADD AREA "B" DETAIL.
 R10 JSM 04/13/10 REMOVE LEASE AREA "C". ADJUST TRACK LAYOUT.
 R9 JSM 03/24/10 REV. PROPERTY LINES. GATE AREA NEAR OLD DOWD ROAD.
 R8 JSM 02/29/09 REV. LEASE LINES AND EAST YARD LADDER.
 R7 JSM 11/16/09 REV. RITE PER AIRPORT BRIDGE PLANS. ADD LEASE LINE FOR WYE.
 R6 JSM 09/04/09 MOVED CROSS-OVER TO BE LOCATED BETWEEN WYE & SET-OFF TRACKS.
 R5 JMS 5/12/09 ADDITION OF CROSSOVER.
 R4 JMS 11/10/08 MAKE PROPOSED "20" TO WEST TO ALLOW FOR SWITCH POINT DETAIL.
 R3 JMS 11/03/08 REDUCTION OF R.O.W. TO ACQUIRE.
 R2 JMS 10/31/08 ADDITION OF "EXHIBIT DRAWINGS" NOTE.
 R1 JMS 10/31/08 GENERAL NOTES. REV. IS DOWNS. REMOVAL OF "PRELIMINARY PLAN" NOTE.

REV	BY	DATE	DESCRIPTION
1	JSM	10/28/08	ISSUED FOR CONSTRUCTION

LOCATION: **CHARLOTTE, NORTH CAROLINA**

TITLE: **PROPOSED YARD TRACKS ALONG EXISTING MAIN TRACKS**

EXHIBIT "B" PAGE 2 DRAWING

DGN: JMS P/D NO.: D278 P/RN: MILE POST: 384

CHK: JSM FILE NO.: BLD0004851 DRAWING NUMBER: **TRN-2008-3-R12**

DATE: **OCTOBER 28, 2008**

CADD FILE: SHEET 1 OF 1

Drawn By: Xxxxx X. XXXXXXXX, Attorney
Mail To: Grantee

Excise Tax: \$ -0-

Recording Time, Book and Page

Tax Parcel No.: A portion of xxx-xxx-xx &
xxx-xxx-xx

Parcel Identifier No.: _____

Brief description for the Index

NORTH CAROLINA GENERAL WARRANTY DEED

THIS DEED made this _____ day of _____ 2009, by and between

GRANTOR

GRANTEE

CITY OF CHARLOTTE, a North Carolina
municipal corporation

XXXXXXXXXXXXXXXXXXXX, a
XXXXX (corporation)(limited liability
company)

Enter in appropriate block for each party: name, address, and if appropriate, character of entity, e.g. corporation or partnership.

The designation Grantor and Grantee as used herein shall include said parties, their heirs, successors, and assigns, and shall include singular, plural, masculine, feminine or neuter as required by context.

WITNESSETH, that the Grantor, for a valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, has and by these presents does grant, bargain, sell and convey unto the Grantee in fee simple, all that certain lot or parcel of land situated in the City of Charlotte, Mecklenburg County, North Carolina and more particularly described as follows:

See Exhibit A attached hereto and incorporated herein for a more specific reference.

Together with an Avigation Easement upon said property as described on Exhibit B, attached hereto and incorporated herein.

The property herein above described was acquired by Grantor by instruments recorded in Deed Book xxxx at Page xxx, Deed Book xxxx at Page xxx, Deed Book xxxx at Page xxx and Deed Book xxxx at Page xxx, Mecklenburg County Public Registry.

A map showing the above-described property is recorded in Map Book ____ at Page ____.

TO HAVE AND TO HOLD the aforesaid lot or parcel of land and all privileges and appurtenances thereto belonging to the Grantee in fee simple.

And the Grantor covenants with the Grantee, that Grantor is seized of the premises in fee simple, that title is marketable and free and clear of all encumbrances, and that Grantor will warrant and defend the title against the lawful claims of all persons whomsoever except for the exceptions hereinafter stated.

Title to the property hereinabove described is subject to the following exceptions:

Liens, encumbrances and easements of record.

IN WITNESS WHEREOF, the Grantor has hereunto set their hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.

CITY OF CHARLOTTE, a North Carolina
municipal corporation

[CORPORATE SEAL]

By: _____
_____, Assistant City Manager

ATTEST:

_____, City Clerk

STATE OF NORTH CAROLINA
SEAL-STAMP COUNTY OF MECKLENBURG

I, _____, a Notary Public for the County of _____ and State aforesaid, do hereby certify that _____ personally appeared before me this day and acknowledged the that he/she is the City Clerk of the City of Charlotte, a North Carolina municipal corporation, and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its Assistant City Manager, sealed with its corporate seal, and attested by himself/herself as its City Clerk.

Witness my hand and official stamp or seal, this the ____ day of _____ 2009.

Notary Public
My Commission Expires: _____

The foregoing Certificate(s) of _____

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

REGISTER OF DEEDS FOR _____ COUNTY
By _____, Deputy/ Assistant-Register of Deeds

EXHIBIT A

[property description]

EXHIBIT B

AVIGATION EASEMENT TERMS

A perpetual right and easement for the flight of aircraft over or in the vicinity of the Property in landing at, taking-off from, waiting to land or take-off from or circling at the Charlotte/Douglas International Airport (the "Airport") in both its present and all future configurations, which said right shall be unlimited except as an uncompensated burden and tenement may in the future be determined by reason of the Property's being depicted on a future Forecast Noise Exposure Map ("NEM") approved by the Federal Aviation Administration ("FAA") pursuant to 14 Code of Federal Regulations, Part 150 (or should there not be a, Forecast NEM applicable to the Airport at any point in the future, then as depicted by a map prepared in accordance with the provisions and requirements of Appendix A of said Part 150 in effect on the date hereof within a Ldn contour more than three (3) decibels greater than shown on the Forecast NEM effective on May 18, 1990, in which case the sole remedy of Grantee, his heirs, successors or assigns shall be additional compensation determined as by law provided; provided, however, the foregoing provisions shall not constitute an admission by Grantor either of the liability or whether additional compensation is due, or abrogate any right or eligibility of Grantee, if any, to participate in programs available to property owners generally in the vicinity of the Airport.

Further, the Property shall abide by, and be bound by, all lawful zoning restrictions relating to uses permitted in landing field districts and to height of buildings or other structures or obstructions, as the same may have been adopted by any governmental authority, including Grantor, having jurisdiction over the Property as of the date hereof. In particular the use of the property shall be restricted as necessary to comply with all applicable restrictions on objects affecting navigable airspace as set forth in Part 77 of Title 14 of the Code of Federal Regulations. Grantor further reserves a right of ingress and egress to and from the Property for the purpose of exercising all acts permitted or required by any such lawful zoning restrictions.

The Easement herein reserved shall be appurtenant to and run with the Property. The Easement herein reserved over and in the vicinity of the Property and the burden thereof, together with all incidents and effects of or resulting from the use and enjoyment of said Easement, such as, noise, vibrations, fumes, deposits of dust and any and all effects normally attendant upon the flights of aircraft over and in the vicinity of the Property in landing at, taking-off from, waiting to land or take-off from, or circling any runway now or hereafter in use at the Airport and the restrictions on land use hereinbefore described, shall constitute permanent burdens and tenements on the Property, which burdens and servient tenements shall be binding upon and enforceable against the Grantee, his heirs, successors, assigns and successors in title.