

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT ("Agreement") dated and effective as of _____, is between AeroVironment, Inc, ("AVI" or "Lessee"), and City of Cascade Locks ("Lessor").

For good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Premises. Lessor owns a parcel of land ("**Land or Property**") located in the City of Cascade Locks, County of Hood River, State of Oregon, commonly known as APN: 2N07E12-AC-00200. The Land is more particularly described in Exhibit A attached hereto. Subject to the provisions of Paragraph 2 below ("**Effective Date**"), Lessor hereby leases to AVI and AVI leases from Lessor approximately five hundred seventy (570) square feet of space on the Land and all other access and utility easements necessary or desirable therefore (collectively, "**Premises**") as may be described generally in Exhibit B attached hereto.

2. Effective Date. This Agreement shall be effective on the date of full execution hereof ("**Effective Date**"). Beginning on the Effective Date and continuing until the Term Commencement Date as defined in Paragraph 4 below ("**Due Diligence Period**"), AVI shall only be permitted to enter the Property for the limited purpose of making appropriate engineering and boundary surveys and environmental tests, inspections, and other reasonably necessary investigations (collectively, "**Investigations and Tests**") that AVI may deem necessary or desirable to determine the physical condition, feasibility and suitability of the Premises. In the event that AVI determines, during the Due Diligence Period, that the Premises are not appropriate for AVI's intended use, or if for any other reason, AVI decides not to commence its tenancy of the Premises, then AVI shall have the right to terminate this Agreement without penalty upon written notice to Lessor at any time during the Due Diligence Period and prior to the Term Commencement Date. Lessor and AVI expressly acknowledge and agree that AVI's access to the Property during this Due Diligence Period shall be solely for the limited purpose of performing the Investigations and Tests, and that AVI shall not be considered an owner or operator of any portion of the Property, and shall have no ownership or control of any portion of the Property (except as expressly provided in this Paragraph 2), prior to the Term Commencement Date.

3. Use. The Premises may be used by Lessee for any lawful activity in connection with the provisions of electrical automobile charging services, including the maintenance and operation of related facilities. Lessor agrees, at no expense to Lessor, to cooperate with Lessee, in making application for and obtaining all licenses, permits and any and all other necessary approvals that may be required for Lessee's intended use of the Premises, except that Lessee understands that Lessor, through its permitting process, may approve, approve with conditions, or deny Lessee's permit application in accordance with applicable law.

4. Term. The term of this Agreement shall commence upon the date Lessee begins construction of the Lessee Facilities (as defined in Paragraph 6 below) or twelve (12) months following the Effective Date, whichever first occurs ("**Term Commencement Date**") and shall terminate on the fifth anniversary of the Term Commencement Date ("**Term**") unless otherwise terminated as provided herein. Lessee shall have the right to extend the Term for two (2) successive five (5) year periods ("**Renewal Terms**") on the same terms and conditions as set forth herein. This Agreement shall automatically be extended for each successive Renewal Term unless Lessee notifies Lessor of its intention not to renew at least thirty (30) days prior to commencement of the succeeding Renewal Term.

5. Rent. Within ninety (90) days following the Term Commencement Date and on the twenty-fifth day of each month thereafter, Lessee shall pay to Lessor as rent five percent (5%) of gross revenues received from electrical automobile charging services conducted at the Premises ("**Rent**") for the previous calendar month. Rent for any fractional month at the beginning or at the end of the Term or Renewal Term shall be prorated. Rent shall be payable to Lessor at _____; Attention: _____. Lessor shall be required to provide an accurate and executed W-9 Form.

6. Improvements. Lessee has the right to construct, maintain, install, repair, secure, replace, remove and operate on the Premises electrical automobile charging services and facilities, including but not limited

to a freestanding charging station, utility lines, electronic equipment, and supporting equipment and structures therefore (“Lessee Facilities”). In connection therewith, Lessee has the right to do all work necessary to prepare, add, maintain and alter the Premises for Lessee’s operations and to install utility lines connecting the Facilities to electrical services as needed. All of Lessee’s construction and installation work shall be performed at Lessee’s sole cost and expense and in a good and workmanlike manner. Title to the Lessee Facilities and any equipment placed on the Premises by Lessee shall be held by Lessee or its lenders or assigns and are not fixtures. Lessee has the right to remove the Lessee Facilities at its sole expense on or before the expiration or earlier termination of this Agreement, and Lessee shall repair any damage to the Premises caused by such removal. Upon the expiration or earlier termination of this Agreement, Lessee shall remove the Lessee Facilities from the Property. Lessee’s rights under this Paragraph 6 are subject to any applicable permit conditions and restrictions.

7. Access and Utilities.

7.1 Lessor shall provide Lessee, Lessee’s employees, agents, contractors, subcontractors and assigns with access to the Premises twenty-four (24) hours a day, seven (7) days a week, at no charge to Lessee. Lessor grants to Lessee, and Lessee’s agents, employees and contractors, a non-exclusive right and easement for pedestrian and vehicular ingress and egress across the Property, and such right and easement may be described generally in Exhibit B.

7.2 Lessor shall maintain all access roadways from the nearest public roadway to the Premises in a manner sufficient to allow pedestrian and vehicular access at all times under normal weather conditions. Lessor shall be responsible for maintaining and repairing such roadways, at its sole expense, except for any damage caused by Lessee’s and Lessee’s employees, agents, contractors, subcontractors and assigns’ use of such roadways.

8. Termination

8.1 This Agreement may be terminated without further liability on thirty (30) days prior written notice as follows: (i) by either party upon a default of any covenant or term hereof by the other party, which default is not cured within thirty (30) days of receipt of written notice of default, except that this Agreement shall not be terminated if the default cannot reasonably be cured within such thirty (30) day period and the defaulting party has commenced to cure the default within such thirty (30) day period and diligently pursues the cure to completion; provided that the grace period for any monetary default is ten (10) days from receipt of written notice. This Agreement may be terminated by Lessee without further liability for any reason or for no reason, provided Lessee delivers written notice of termination to Lessor prior to the Term Commencement Date.

8.2 This Agreement may also be terminated by Lessee without further liability on thirty (30) days prior written notice (i) if Lessee is unable to reasonably obtain or maintain any certificate, license, permit, authority or approval from any governmental authority, thus restricting Lessee from installing, removing, replacing, maintaining or operating the Lessee Facilities or using the Premises in the manner intended by Lessee; (ii) if Lessee determines that the Premises are not appropriate for its operations for economic, environmental or technological reasons, or (iii) or Lessee otherwise determines, within its sole discretion, that it will be unable to use the Premises for Lessee’s intended purpose.

8.3 Upon termination, Lessee shall remove all improvements placed by Lessee on the Premises and restore the Property to the same condition it was at the beginning of the Term of this Lease, normal wear and tear excepted. If Lessee fails to remove Lessee’s improvements within sixty (60) days of the termination of this Lease, Lessor may cause the same to be removed and restore the Property and submit an invoice to Lessee for reimbursement.

9. Destruction or Condemnation. If the Premises or Lessee Facilities are damaged, destroyed, condemned or transferred in lieu of condemnation, Lessee may elect to terminate this Agreement as of the date of the damage, destruction, condemnation or transfer in lieu of condemnation by giving notice to Lessor no more than

forty-five (45) days following the date of such damage, destruction, condemnation or transfer in lieu of condemnation. If Lessee chooses not to terminate this Agreement, Rent shall be reduced or abated in proportion to the actual reduction or abatement of use of the Premises.

10. Assignment. Lessee will have the right to assign, sell or transfer its interest under this Agreement without the approval or consent of Lessor to Lessee’s parent or member company or any affiliate or subsidiary of, or partner in, Lessee or its parent or member company or to any entity which acquires all or substantially all of the Lessee’s assets by reason of a merger, acquisition, or other business reorganization. Upon notification to Lessor of such assignment, transfer or sale, Lessee will be relieved of all future performance, liabilities and obligations under this Agreement. Lessee may not otherwise assign this Agreement without Lessor’s consent, Lessor’s consent not to be unreasonably withheld, conditioned or delayed.

11. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, or sent by for next-business-day delivery by a nationally recognized overnight carrier to the following addresses:

If to Lessor, to:

If to Lessee, to:

AeroVironment, Inc.
Attn: Vice President, EV Solutions
181 W. Huntington Dr., Suite 202
Monrovia, CA 91016

With a copy to:

AeroVironment, Inc.
Attn: General Counsel
181 W. Huntington Dr., Suite 202
Monrovia, CA 91016

12. Hazardous Substances/Indemnification.

12.1 Lessee (as to the Property, during the Term) and Lessor (as to any adjoining property owned or operated by it), if any, shall not allow or permit any Hazardous Substances to be generated, released, used, stored or deposited on or in the Property or adjoining property **by its employees or agents**, except in the ordinary course of maintaining and operating such property and in strict compliance with applicable Environmental Laws (as defined below).

12.2 Lessee will indemnify, hold harmless, and defend Lessor, and its successors and assigns, from any and all claims, losses, damages, response costs and expenses for personal injury or property damage arising out of or in any way relating to the presence of hazardous substances in, on, or beneath the Property that first occurred or accrued from and after the date of turnover of possession of the Premises to Lessee, and to the extent the presence of hazardous substances were caused by Lessee.

12.3 The term “**hazardous substances**” is used in its very broadest sense, and refers to materials which because of their quantity, concentration, or physical, chemical, or infectious characteristics may cause or pose a present or potential hazard to human health or the environment when improperly handled, treated, stored, transported, disposed of, or otherwise managed. The term shall include, but is not limited to, all hazardous substances, hazardous materials and hazardous wastes listed by the U.S. Environmental Protection Agency and the state in which the Property is located under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Toxic Substances Control Act (TSCA), and the Federal Water Pollution Control Act (FWPCA), the Emergency Planning and Community Right-to-Know Act (EPCRA), the Clean Air Act (CAA) and any and all other federal, state and local statutes or ordinances applicable to the protection of human health or the environment (the “**Environmental Laws**”). However, the foregoing requirements and limitations will not apply to products such as landscape fertilizer, cleaning and other products and materials that are in ordinary quantities and customarily used in the cleaning, maintenance and

operation of residential and commercial facilities (the “**Permitted Products**”), but each party will in any event cause any Permitted Products to be held or used by its employees or agents in accordance with all applicable Environmental Laws.

13. Liens and Indemnification.

13.1 Lessee shall pay (or caused to be paid) as due all claims for work done on or for services rendered or material furnished to the Premises to the extent authorized by Lessee, and shall keep the Premises and Property free from any liens related to work, services or materials authorized by Lessee which could result in foreclosure of Lessor’s interest in the Premises or Property. If Lessee fails to pay such claim or to discharge any lien for work, services or materials authorized by Lessee, Lessor may elect (in its discretion) to do so after at least ten (10) days’ written notice to Lessee of Lessor’s intention to do so, and in that event, Lessor may collect back from Lessee the amount so paid, as additional rent. Amounts paid by Lessor shall bear interest and be repaid by Lessee at the rate of 12% per annum, but in any event not more than the maximum allowed by law. Payment by Lessor shall not constitute a waiver of any right or remedy Lessor may have because of Lessee’s default.

13.2 Lessee (the “**Indemnitor**”) shall indemnify the Lessor (the “**Indemnitees**”) from any loss, liability, claim of liability or expense (including reasonable attorneys’ fees and litigation expenses) for personal injury or property damage to the extent arising out of, related to, or attributable to (a) the negligent acts or omissions of Lessee, its employees, agents, contractors and assigns, or (b) the use of the Premises for electrical automobile charging services. The provisions of this section shall survive the expiration or earlier termination of this Lease.

13.3 Lessor shall not under any circumstances be liable to pay for any work, labor or services rendered or materials furnished to or for the account of Lessee, and no construction lien or other lien for such work, labor or services or material furnished shall attach to or affect the reversionary interest of Lessor in any construction, alteration, repair, or improvement erected or made by Lessee on the Premises. Nothing contained in this Lease shall be deemed or construed in any way as constituting the request of consent of Lessor, either express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific construction, alteration, repair or improvement to or on the Premises or any part thereof, nor as giving Lessee any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials on behalf of Lessor that would give rise to the filing of any lien against Lessor’s interest in the Premises.

14. Liability Insurance.

14.1 Lessee (as to the Premises, during the Term) shall continuously maintain, at its expense, general liability (“**GL**”) insurance with a combined single limit initially of \$2,000,000, or such greater amount approved by the parties as may from time to time customarily be furnished by Lessees under comparable leases. Lessee shall name Lessor as additional insureds, and the liability insurance will otherwise comply with paragraph 14.2 below.

14.2 All policies may be part of blanket coverage relating to properties owned or leased by Lessee. Lessee will deliver to Lessor certificates of such insurance coverage prior to or concurrent with the Effective Date and thereafter, as to policy renewals, Lessee will deliver to Lessor certificates of coverage (or other confirmation of arrangements for coverage) within 15 days prior to the expiration of the term of each such policy. Lessee’s insurance shall name Lessor as an additional insured. Lessee shall provide no less than thirty (30) days’ written notice to Lessor prior to cancellation, non-renewal or material modification.

15. Property Taxes. For any lease year in which a property tax exemption is unavailable or not obtained due to Lessee’s use of the Property, Lessee will promptly pay to the taxing authority the amount of taxes on the Premises which may be lawfully required as a result of Lessee’s use of the Premises and will provide, upon Lessor’s request (not more frequently than annually), proof of payment to Lessor.

16. Miscellaneous.

16.1 If any provision of the Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16.2 This Agreement constitutes the entire Agreement between the parties, and supersedes all understandings, offers, negotiations and other leases concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth herein. Any amendments, modifications or waivers of any of the terms and conditions of this Agreement must be in writing and executed by both parties.

16.3 In no event shall either party, its affiliated corporations, officers, employees, or any of its subcontractors be liable for any incidental, indirect, special, punitive, economic or consequential damages, including but not limited to loss of revenue or profits, suffered or incurred by the other party or any of its agents, including other contractors engaged at the Premises, as a result of this Agreement or the party's performance or non-performance.

LESSOR:

City of Cascade Locks

By: _____

Name: _____

Title: _____

Date: _____

LESSEE:

AeroVironment, Inc.

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

DESCRIPTION OF LAND

to the Agreement dated _____, by and between City of Cascade Locks, as Lessor, and AeroVironment, Inc, as Lessee.

The Land is described and/or depicted as follows (metes and bounds description):

APN: 2N07E12-AC-00200

A WRITTEN DESCRIPTION OF THE LAND WILL BE PRESENTED HERE OR ATTACHED HERETO

EXHIBIT B

DESCRIPTION OF PREMISES

to the Agreement dated _____, by and between City of Cascade Locks, as Lessor, and AeroVironment, Inc, as Lessee.

The Premises are described and/or depicted as follows:

A DRAWING OF THE PREMISES WILL BE PRESENTED HERE OR ATTACHED HERETO

Notes:

1. Lessee may replace this Exhibit with a survey of the Premises once Lessee receives it.
2. The Premises shall be setback from the Property's boundaries as required by the applicable governmental authorities.
3. The access road's width will be the width required by the applicable governmental authorities, including police and fire departments.
4. The locations of any utility easements are illustrative only. The actual locations will be determined by the servicing utility company in compliance with all local laws and regulations.