

**LEBANON MUNICIPAL AIRPORT
FIXED BASE OPERATOR LEASE AGREEMENT**

THE FIXED BASE OPERATOR (FBO) LEASE AGREEMENT made on the _____ day of _____, 2022, by and between the CITY OF LEBANON, TENNESSEE, hereinafter referred to as the CITY, and _____, hereinafter referred to as FBO, for the operation of the City of Lebanon Municipal Airport, hereinafter referred to as the AIRPORT, is hereby effective the _____ day of _____, 2022.

The parties hereto, for and in consideration of the rents, covenants and agreements contained herein, agree as follows:

1.0 Leased Premises. The CITY does hereby demise and let unto FBO, and FBO does hereby lease from the CITY, certain premises and facilities, and the rights, licenses and privileges on and in connection with the property and improvements of the CITY specified as said AIRPORT, as more particularly hereinafter set forth:

a) The use, in common with others authorized so to do, of said AIRPORT, as set out and marked on the Land Use Map attached hereto, and all appurtenances, facilities, improvements, equipment and services which have been or may hereafter be provided there, such use without limiting the generality hereof, to include the following rights, licenses and privileges:

b) The operation of a transportation system by aircraft; the sale of petroleum products, management and operation of self-serve fuel farm when placed in service by the CITY; parking or storage of aircraft and other related equipment; the sale, disposal or exchange of aircraft, engines, accessories, and related equipment; the servicing by FBO of aircraft and other

related equipment, the landing, taking off, parking, loading and unloading of aircraft; the right to load and unload persons and property at said AIRPORT by such means of conveyance as FBO may desire; the right to install and operate a reasonable advertising sign on the AIRPORT property, the general type, design and location of such signs to be subject to the approval of the Commissioner of Public Services for the CITY. FBO shall have the further right to conduct any other business or operation reasonably necessary to the proper conduct and operation of the AIRPORT.

c) The Agreement includes the use of the west side terminal building first floor office. FBO office space is more specifically identified as rooms 100, 105, 115, 116 and 120 on the attached Exhibit A.

FBO is authorized to utilize all other rooms and restroom facilities on the first floor with the exception of the AIRPORT Commission office (room 104) as necessary to support the activities associated with each room. FBO may not sublease any rooms on the first floor without prior approval from the CITY.

FBO shall schedule use of the first floor conference room with priority given to AIRPORT Commission and CITY meetings/activities. The AIRPORT Commission and/or CITY will provide advance notice to FBO whenever possible to verify availability.

FBO may rent the conference room for one-time meetings, etc., at FBO's discretion and may collect rent as FBO deems appropriate.

FBO is responsible for the first floor janitorial services with the exception of the AIRPORT Commission office (room 104).

Fixed Base Operator
Upstairs Conference Room (UCR) Management

Priority for use of this conference room shall be given to the Lebanon Airport Commission.

To advertise and communicate with the Prospective Tenants, regarding the Rental of the Upstairs Conference Room.

To manage and take care of all arrangements within reason needed by the Tenant of the Upstairs Conference Room.

To collect the Rental Application, Rental Agreement, Room Rate based on Organizations Status, Refundable Room Deposit and Non-Refundable Food Deposit.

If FBO or the City requires additional staff or if the Applicant requests additional staff, an estimate for such services shall be provided prior to event approval. Payment must be made prior to event.

To report to The Airport Commission monthly the Monetary Solicitations of the UCR.

To share the Food Fee _____ and UCR Rent _____. Propose shares.

To Collect Deposit, determine deposits returnable status based on rooms condition after use and reimburse deposit to the Renter.

To notify the proper authorities if the tenants are not in compliance and forward the deposit to the City upon damages.

To manage with City employees and staff any special needs to secure the Airfield to maintain a safe environment.

To notify and schedule with the City Maintenance Department any maintenance services needed for the rooms. Typical and/or repairs.

Organization	Rental Rate	Non-Refundable Food Fee	Refundable Room Deposit
Local Government	No Charge	No Charge	No Charge
All Other	0-2 Hours \$175 2-4 Hours \$300 4+ Hours \$500	1-4 \$40/4+ \$80 1-4 \$40/4+ \$80 1-4 \$40/4+ \$80	No Charge \$250 \$250
Non-Profit*	½ of "All Other"	1-4 \$40/4+ \$80	No Charge

Special Request – Case-By-Case Basis

*Non-Profit – Maximum one meeting per month. Not to exceed two hours.

d) The use, in common with the public, of all public space in the administration building. Accommodations must be made for the use of the facilities by visiting instructors,

examiners and other persons that normally would use the AIRPORT for flight training and associated aviation purposes.

e) FBO shall lease the west side terminal, west side maintenance hangar, and east side storage (lower) hangar. Lease rate is \$_____ per month for the east side storage (lower) hangar. Lease rate is \$_____ for the terminal.

f) The use by FBO, its employees, customers, suppliers, licensees, invitees, and general public, without charge, of the designated vehicular parking space located near the terminal building.

g) The full and unrestricted access and ingress to and egress from the premises for all purposes contemplated by this Agreement.

h) Existing “truck shed” is now utilized in connection with the fuel farm operation and shall become a component of the fuel farm managed by the FBO.

i) The CITY is responsible for providing and payment of utilities serving the terminal building. FBO’s utility consumption is expected to be consistent with that of similar FBO operations.

j) The CITY is responsible for providing and payment of basic cable TV and Wi-Fi internet access for pilots and visitors to the terminal building. FBO is responsible for contacting provider regarding service issues and notifying the CITY representative of all issues.

2.0 Term of Agreement. Subject to earlier termination as hereinafter provided, the term of this Agreement shall be for a period commencing on the above date, and continuing for a period ending on September 30, 2027. Other fees and charges are outlined in the Consideration section, which follows in Section 3.0.

The CITY reserves the right to utilize the terminal building and/or maintenance hangar for CITY or public purpose(s) subject to compliance with Aeronautics and FAA rules and regulations and coordination with the FBO.

This Lease Agreement may be extended five (5) years subject to successful negotiations and the mutual agreement of both parties. The extension shall be subject to re-evaluation of AIRPORT facilities including corporate hangar(s), terminal building, maintenance hangar, T-hangars, and any additional improvements to the AIRPORT facilities. An independent confidential audit of the FBO's company and other available pertinent information as related to the operations of the AIRPORT facilities shall also be considered prior to the five (5) year extension.

The current FBO shall advise the AIRPORT Commission of their desire to extend the contract for the five (5) additional years on or before February 28, 2027, in order for proper negotiations to commence and/or new FBO proposals to be requested and considered.

3.0 Consideration. Effective on the date of this Agreement, FBO agrees to pay the CITY, in addition to the monthly lease payment which is due on the 15th day of each month, the following rentals, fees and charges; and FBO shall, following the end of each month, and within 15 days, transmit to the CITY a statement of fuel sales collected by FBO during said month, and the rental flowage fee due to the CITY shall be paid monthly by FBO:

a) Flowage fee based on a percentage of the wholesale price per gallon, including taxes and fees, multiplied by the number of gallons sold, calculated at the time the fuel is sold, and paid monthly with the monthly lease payment. The percentage used will be ____% from the effective date of this Agreement through September 30, 2027.

b) FBO shall pay to the CITY all sums collected from the T-Hangar and/or CITY-constructed hangars monthly rental less the following: FBO shall receive _____ percent (____%) of the T-Hangar and/or CITY-constructed hangar monthly rental for management services, billing, collection and lease monitoring of the T-Hangar and/or CITY-constructed hangars.

c) Management fee for operations of self-serve fuel farm to be negotiated prior to being placed in service.

4.0 Operation. FBO shall maintain the following minimum hours of operation: 7:00 a.m. to 5:00 p.m. These hours shall be extended as necessary and/or required based on seasonal operations and activities so as to support and accommodate reasonable schedules for the flying public. The AIRPORT shall be open year-round, seven (7) days per week with the exception of Easter Sunday, Christmas Day, Thanksgiving Day and New Year's Day.

5.0 Other Covenants.

a) FBO shall allow flight instructors/examiners and aviation-associated clubs and individuals reasonable use of designated and available space(s) to meet and sponsor or hold aviation-related activities.

b) FBO shall maintain capability and will perform FAA approved minor aircraft, engine, and accessory maintenance as required by the general public. FBO may perform more extensive aircraft maintenance.

c) FBO shall manage and operate the AIRPORT in accordance with all Federal, State, County, and CITY laws and ordinances, the rules and regulations of the Federal Aviation Administration and the Tennessee Aeronautics Division, and the AIRPORT Rules, Regulations and Minimum Standards.

d) FBO shall save the CITY harmless from any and all liability of any kind whatsoever, in regard to any accidents, injuries to persons, injuries to property, loss or defacing of any aircraft, equipment or vehicles at said AIRPORT due to any negligent act(s) of FBO, FBO Employees, and/or agents, etc. FBO shall maintain liability insurance to protect the CITY from liability at least in the amount of One Million Dollars with the CITY as named insured and FBO shall provide the CITY with a certificate of insurance. Said certificate shall be provided on an annual basis.

e) The CITY's Commissioner of Finance, on behalf of the CITY, shall have the right to one additional independent confidential audit of FBO's books during the 5-year period at the expense of the CITY. The Commissioner of Finance shall review with the Mayor, Commissioner of Public Services and AIRPORT Commission Chairman subject to execution of appropriate confidentiality agreements.

f) The rates or charges for aircraft storage and tie downs within the leased land use area shall be determined by FBO, and subject, further, to the requirement that all such rates or charges shall be reasonable and be equally and fairly applied to all users of the services. FBO further agrees to inform the AIRPORT Commission on a quarterly basis of their intent regarding any changes in rates or charges for services provided by FBO.

g) FBO shall engage in or provide for flight training program on said AIRPORT and shall have appropriate aircraft available for rental to qualified pilots and individuals unless the CITY has such training program provided under separate agreement (currently Class Bravo Air). Within ninety (90) days after beginning operation, FBO shall also provide and/or make arrangements for a charter flight service. A written agreement with an area aircraft owner and an area charter service will be considered acceptable to meet these provisions.

h) FBO shall provide and maintain the necessary services as a Fixed Base Operator (FBO), and shall be solely responsible to hire sufficient personnel to provide the subject services. All FBO employees shall be required to wear identification as FBO employees within thirty (30) days of beginning operation. All employees working for FBO shall be and are employees of FBO and shall not be construed or identified to be employees of the CITY.

i) FBO or authorized designee agrees to attend all AIRPORT Commission meetings and to work with the AIRPORT Commission, the Commissioner of Public Services and the CITY elected officials for the benefit of the general public in operating the subject AIRPORT.

j) FBO shall provide a quarterly report to the AIRPORT Commission as to the current and future marketing programs and activities which promote the FBO and AIRPORT services, activities and events.

k) The CITY shall provide a quarterly report to the FBO from Economic Development as to the current and future developments, marketing programs and activities which promote or affect the AIRPORT services, activities and events.

6.0 Maintenance by the CITY. The CITY agrees to maintain the runway and taxi surfaces, runway lights, outside walls and roof of leased buildings and mowing and maintenance of demised premises.

7.0 Maintenance by FBO. FBO shall maintain and keep clean the inside of the terminal building and other leased buildings. FBO shall perform minor upkeep and maintenance on the terminal building and leased hangar(s) up to the amount of \$1,000.00 per year. Maintenance of the terminal building or hangar(s) above the sum of \$1,000.00 per year shall be paid by the CITY.

Since the AIRPORT is the Gateway to the CITY, it is imperative that FBO shall maintain and keep clean the inside of the terminal building, hangar(s) and other leased buildings to the highest degree possible.

FBO is responsible for the first floor janitorial services including the AIRPORT Commission office (room 104).

For the health and safety of the general public, the CITY's Smoking Policy shall be followed. Smoking will be allowed in designated outside areas only.

Administrative offices and the terminal area are to be operated and maintained in a professional businesslike manner.

8.0 Parking Lot Restrictions. Vehicles and implements used by FBO must be parked so as not to interfere with the public use of the parking area.

9.0 Leased Equipment. Included in this Agreement are certain items of equipment incident to the operation of the AIRPORT. Attached and marked Exhibit B is a list of the items of equipment which list may be added to from time to time during the term of the Agreement by mutual agreement of the parties. All the items of equipment and personal property furnished to the FBO shall be inspected by the CITY and FBO prior to acceptance and use by FBO and determined by each to be in satisfactory condition and working order. Acceptance and use by the FBO of any item of equipment or personal property or failure to immediately reject same shall constitute FBO's acquiescence that the equipment is in safe, proper working order. It shall be the FBO's responsibility to keep all equipment subject to this Agreement in a safe condition and proper working order. FBO will pay for any damage caused by negligent employees, but the CITY will pay for necessary maintenance for the leased equipment. FBO at the termination of the Agreement shall return same in said condition with the exception that if any item of

equipment becomes worn out through normal wear and tear so that is more economically feasible to replace than to repair said item, it shall not be the duty of FBO to repair or replace said equipment. It shall be the CITY's option to repair or replace said equipment.

10.0 Indemnification. FBO does hereby agree to indemnify and hold harmless the CITY for any loss occasioned by the use, operation, or maintenance of said equipment or any loss occasioned or contributed to by the mere existence of said equipment on AIRPORT premises. This indemnity clause shall cover all items of personal property or equipment whether listed on Exhibit B or whether furnished to FBO at the beginning of the Agreement or any time thereafter, or any replacement for equipment originally conveyed at the beginning of the Agreement or any time thereafter, and shall also include any equipment owned or leased by FBO.

11.0 Approval of Events. FBO shall receive permission from the AIRPORT Commission prior to permitting any skydiving or parachuting at the AIRPORT and shall also coordinate with the AIRPORT Commission any public events that may be promoted or held at the AIRPORT.

12.0 Signage. The CITY shall erect directional signs on the main thoroughfares to provide the public with a guide to the AIRPORT.

13.0 Fixtures. Subject to approval by the CITY, FBO may at its own cost and expense erect on or install in any site which is designated and approved by the CITY and is available and not being otherwise used at said AIRPORT, any hangars, buildings or structures, including storage tanks or equipment above or under ground, that it shall determine to be necessary for use in connection with its operations at the AIRPORT. The CITY hereby agrees to lease such space necessary for these buildings or fixtures of FBO hereunder at the rentals to be determined at time

of construction of the items. FBO agrees that if said items are constructed the hangars or buildings or structures or tanks shall become fixtures to the real property and shall remain with the premises as the property of the CITY.

14.0 Termination of Agreement.

a) By the CITY: In the event FBO shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against FBO and FBO thereafter is adjudicated bankrupt pursuant to such proceedings, or that any court shall take jurisdiction of FBO and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act, or that a receiver of FBO's assets shall be appointed, or that FBO shall be devised of its estate herein by operation of law, or that FBO shall fail to perform, keep or observed any of the terms, covenants or conditions herein contained, on its part to be performed, the CITY shall give FBO written notice to correct such condition or cure such default and, if any such condition or default shall continue for sixty (60) days after the receipt of such notice by FBO, the CITY may, after the lapse of said sixty (60) day period and prior to the correction or curing of such condition or default, terminate this Agreement by a thirty (30) day written notice to FBO.

Furthermore, at the exclusive option of the CITY, with probable cause given to the CITY to FBO, this Agreement may also be terminated by the CITY giving to FBO up to six (6) month written notice depending upon the severity of the "cause." Furthermore, at the exclusive option of the CITY, without probable cause given to the CITY from FBO, this Agreement may also be terminated by the CITY giving FBO a six (6) month written notice prior to the termination date and paying to FBO at the termination date the sum of \$2000 per month for each and every month which remains on the Agreement term, but no greater than twelve (12) months. Said "buy-out" provision described herein may be exercised by the CITY, when it is deemed to be in the best

interest of the CITY to terminate the Lease. Said “buy-out” provision may only be exercised by approval of a majority vote of the CITY Council of Lebanon, Tennessee, upon appropriating the sums described herein. The exercise of the subject “buy-out” provision by the CITY shall terminate this Agreement and any option for extension thereof.

b) By FBO: FBO may cancel this Agreement, and terminate its obligation hereunder, by a one hundred twenty (120) day written notice given to the CITY by FBO, upon or after the happening of any one of the following events:

1) failure or refusal of the Federal Aviation Administration or related aviation board to grant FBO the right to operate into and on said AIRPORT;

2) issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of said AIRPORT for AIRPORT purposes;

3) the breach by the CITY of any of the covenants or agreements contained and the failure of the CITY to remedy such breach for a period of sixty (60) days after receipt of a written notice from FBO to the CITY of the existence of such breach;

4) the inability of FBO to use said premises and facilities continuing for a longer period than thirty (30) days due to any law or any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operations of FBO or due to some casualty;

5) the assumption by the United States Government or any authorized agency thereof of the operation of said AIRPORT;

6) furthermore, in the event the CITY should create an AIRPORT Manager and/or an AIRPORT Authority and turn the operation of the AIRPORT over to said manager and/or authority, the newly created manager and/or authority will have the option to renegotiate the terms for the balance of the Agreement upon ninety (90) days’ notice to FBO. Any negotiations

with an AIRPORT Manager employed by the CITY shall be approved by the Mayor and/or CITY Council as required by CITY ordinances.

15.0 Remedy in Case of Breach. Either party may, in addition to the right to terminate upon breach, require the other party to comply with the terms of this Agreement and may seek legal action to do so.

16.0 Mediation. Any disagreement between the CITY and FBO as to the failure or non-compliance with any of the terms of this Agreement, which has not been settled between the CITY or FBO within sixty (60) days, shall before any legal action go to mediation (unless public safety requires immediate legal action), FBO choosing a third person. If either the CITY or FBO are dissatisfied with the decision of the mediators, either party may proceed to take whatever legal action they may deem appropriate.

17.0 Operating Expenses. FBO shall assume and be responsible for the everyday operating expenses of the AIRPORT, including the purchase of fuel supplies, payroll expenses, insurance requirements of employees, liability insurance and other business expenses incurred. FBO shall pay business creditors within a reasonable time. Failure to pay operating bills in a timely manner shall be a breach of this Agreement.

18.0 Sublease or Assignment. FBO shall not at any time assign or sublease this Agreement, or any part thereof, to any person or company without the express consent in writing of the CITY. Any sale or change of FBO, that will affect this Agreement must have the written approval of the CITY.

19.0 Inspection. FBO hereby grants to the Mayor of the CITY, or his designee, the authority to inspect all areas of the AIRPORT during normal operating hours as the mayor may deem appropriate. The Commissioner of Public Services of the CITY, the Chairman of the

AIRPORT Commission, or their designee(s), shall be the liaison party between the CITY and the FBO.

20.0 Quiet Title. The CITY agrees that, on payment of the rent and performance of the covenants and agreements on the part of FBO to be performed hereunder, FBO shall peaceably hold and enjoy the leased premises and all the rights and privileges of said AIRPORT, its appurtenances, facilities and equipment granted herein.

21.0 Mowing. The CITY agrees to keep all non-leased AIRPORT area mowed and well maintained and to keep all non-leased AIRPORT facilities in good working order.

22.0 Litigation. In the event the CITY must undertake litigation or collection activities concerning this lease, and in the further event the CITY is successful, FBO shall be responsible for reasonable attorney's fees and litigation expenses incurred and vice versa.

23.0 Notice. Notices to the CITY provided for herein shall be sufficient if sent by certified mail, postage prepaid, addressed to the Commissioner of Public Services for the City of Lebanon, City Administration Building, 200 North Castle Heights Avenue, Lebanon, Tennessee 37087; and notices to FBO, if sent by certified mail, postage prepaid addressed to _____, Attn: _____, _____ or to such other respective addresses as the parties may designate in writing from time to time.

24.0 FBO Employees. The hiring of all employees including appropriate background checks shall be in accordance with Federal Aviation Administration and/or Homeland Security policies and requirements. FBO shall provide copies of such investigation and reports to the CITY Human Resources Department. FBO will keep the AIRPORT Commission and the Commissioner of Public Services informed at all times of all officers and/or managers of the company, titles, job descriptions and emergency contact information.

25.0 Airfield Operations Administration. The FBO shall act as the day-to-day AIRPORT manager on behalf of the CITY. The FBO is responsible for managing and operating the AIRPORT in compliance with FAA, State of Tennessee (Aeronautics), and local rules and regulations.

FBO communicates specific requests with the Commissioner of Public Services or his designated agent and the chairman of the AIRPORT Commission.

FBO shall obtain and maintain liability insurance for all areas contracted from the CITY for use by FBO along with applicable insurance for the business operations of FBO. FBO shall maintain renter's insurance. FBO insurance policies shall name the CITY as an additional insured entity and indemnify and hold the CITY harmless for actions of FBO. The CITY shall maintain liability insurance for the property including buildings, furniture, etc.

In support of the responsibilities above and as indicated elsewhere in this Agreement the CITY agrees to compensate FBO through an Airfield Operations Administration Payment (AOAP) as follows:

Year 1	\$ _____ month	(To Be Proposed By Agency)
Year 2	\$ _____ month	(To Be Proposed By Agency)
Year 3	\$ _____ month	(To Be Proposed By Agency)
Year 4	\$ _____ month	(To Be Proposed By Agency)
Year 5	\$ _____ month	(To Be Proposed By Agency)

Airfield Operations Administration Payments shall be made by the CITY on or about the 15th day of the month. These proposed AOAP increases beginning Year 3 shall be authorized by CITY Council after review of an AIRPORT Commission report as to the FBO's performance of

management tasks on behalf of the CITY along with FBO operations in support of AIRPORT growth.

The CITY shall pay FBO \$250.00 each day the runway is closed in excess of two (2) consecutive days. Payment begins with day three (3) closure.

The CITY shall pay FBO up to \$150.00 each day a NOTAM is issued in excess of two (2) consecutive days due to projects on the airfield that result in a significant loss of revenue. Significant loss is defined as reduction in fuel sales, tie-downs, etc., based on a review of the previous 30 days' revenues and the 30-day period from the previous year. Any project that is anticipated to require a NOTAM to be issued in excess of 30 days or a runway closure in excess of 30 days shall require a negotiated amendment to this Agreement.

Any major shutdown is subject to review by the FBO and AIRPORT Commission. Recommendation(s) may be made by the AIRPORT Commission or CITY Council if warranted.

The CITY shall reimburse FBO for costs associated with extra safety measures and operational items related to CITY events on the airfield. FBO shall submit itemized invoice to the CITY.

26.0 "CITY" references approval by City Council upon review and recommendation of the AIRPORT Commission.

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IN WITNESS WHEREOF, the parties have executed the foregoing by their duly authorized officers or agents on this the ____ day of _____, 2022.

OWNER:

FIXED BASE OPERATOR:

CITY OF LEBANON

MAYOR

Name:
Title:

COMMISSIONER OF FINANCE
AND REVENUE

RECOMMENDED BY:

CHAIRMAN, LEBANON AIRPORT COMMISSION

APPROVED AS TO FORM:

CITY ATTORNEY

Authorized by Ord. No. 22-_____

EXHIBIT B

ITEMS INSTALLED IN THE TERMINAL AND ON AIRPORT PROPERTY

Radio Unicom Base (Mic owned by FBO)

Automated Weather Observing System (AWOS)

Security Camera System Monitor & Laptop

Lobby Computer

Pilot Lounge Computer

Display Cases (2 @ 6')

7 Interior Wall Cased Cabinet Fire Extinguishers

2 Exterior Fire Extinguishers

2 1998 & 2016 EXPIRED Fire Extinguisher on Rollers (Stored in the B-Row)

8' by 3' Wooden Work Bench Used with Fuel Sampling

2002 Ford 550 Fuel Truck (AVGAS)

1995 International Fuel Truck (Jet A)