

**LEBANON MUNICIPAL AIRPORT
WESTSIDE MAINTENANCE HANGAR LEASE**

THE WESTSIDE MAINTENANCE HANGAR LEASE made on the ____ day of _____, 2022, by and between the CITY OF LEBANON, TENNESSEE, hereinafter referred to as LESSOR (City), and _____, hereinafter referred to as LESSEE, for the operation of the City of Lebanon Westside Maintenance Hangar, hereinafter referred to as MAINTENANCE HANGAR, 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. LESSOR does hereby demise and let unto LESSEE, and LESSEE does hereby lease from LESSOR, certain premises and facilities, and the rights, licenses and privileges on and in connection with the property and improvements of LESSOR specified as said MAINTENANCE HANGAR, as more particularly hereinafter set forth:

a) The use, in common with others authorized so to do, of said MAINTENANCE HANGAR, 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; parking or storage of aircraft and other related equipment; the sale, disposal or exchange of aircraft, engines, accessories, and related equipment; the servicing by LESSEE of aircraft and other related equipment; 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. LESSEE shall have the further right to conduct any other business or operation reasonably necessary for support of the maintenance operations.

LESSEE is authorized to utilize all rooms and restroom facilities within the MAINTENANCE HANGAR as necessary to support the activities associated with the operations. LESSEE may not sublease any space (other than for aircraft storage) or rooms without prior approval from LESSOR.

c) LESSEE is responsible for the janitorial services.

d) The use by LESSEE, its employees, customers, suppliers, licensees, invitees, and general public, without charge, of the designated vehicular parking space located adjacent to the MAINTENANCE HANGAR. Overflow parking available west of the terminal building.

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

2.0 Term of Lease. Subject to earlier termination as hereinafter provided, the term of this Lease shall be for a period commencing on the above date, and continuing for a period ending on September 30, 2027. The monthly rental payable to the City of Lebanon shall be per the following schedule:

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)

Other fees and charges are outlined in the Consideration section, which follows in Section 3.0.

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 Lebanon Airport facilities shall also be considered prior to the five (5) year extension.

The current FBO shall advise the Lebanon 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 Lease, LESSEE agrees to pay LESSOR, in addition to the monthly lease payment which is due on the 15th day of each month, the following rentals, fees and charges: None.

4.0 Operation. LESSEE shall maintain reasonable and customary hours of operation as necessary to serve the aviation community.

5.0 Other Covenants.

a) LESSEE shall pay all utility bills unless otherwise noted in this section. Utility accounts shall be in the name of LESSEE.

b) LESSOR shall provide Wi-Fi internet service to the MAINTENANCE HANGAR.

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

d) LESSEE shall manage and operate the MAINTENANCE HANGAR 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.

e) LESSEE shall save LESSOR 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 MAINTENANCE HANGAR due to any negligent act(s) of LESSEE, LESSEE Employees, and/or agents, etc. LESSEE shall maintain liability insurance to protect LESSOR from liability at least in the amount of One Million Dollars with LESSOR as named insured and LESSEE shall provide LESSOR with a certificate of insurance. Said certificate shall be provided on an annual basis.

f) The City's Commissioner of Finance, on behalf of LESSOR, shall have the right to two confidential audits of LESSEE's books during the lease period (maximum ten-year period) at the expense of LESSOR. For further clarification it shall be understood that one single audit shall serve as the audit for _____ as the FBO and the Maintenance Hangar Lessee. The Commissioner of Finance shall review with the Mayor, Commissioner of Public Services and Airport Commission Chairman subject to execution of appropriate confidentiality agreements.

g) The rates or charges for aircraft storage within the leased hangar shall be determined by LESSEE, 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. LESSEE further agrees to inform the Lebanon Airport Commission of their intent regarding any changes in rates or charges for services provided by LESSEE.

h) LESSEE shall provide and maintain the necessary services for an Airport maintenance hangar operation, and shall be solely responsible to hire sufficient personnel to provide the subject services. All LESSEE employees shall be required to wear identification as LESSEE employees within thirty (30) days of beginning operation. All employees working for LESSEE shall be and are employees of LESSEE and shall not be construed or identified to be employees of LESSOR.

i) LESSEE 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 MAINTENANCE HANGAR.

6.0 Maintenance by LESSOR. LESSOR 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 LESSEE. LESSEE shall maintain and keep clean the inside of the MAINTENANCE HANGAR and other leased buildings. LESSEE shall perform minor upkeep and maintenance on the MAINTENANCE HANGAR up to the amount of \$1,000.00 per year. Maintenance of the MAINTENANCE HANGAR above the sum of \$1,000.00 per year shall be paid by LESSOR.

Since the Airport is the gateway to the City, it is imperative that LESSEE shall maintain and keep clean the inside of the MAINTENANCE HANGAR and other leased buildings to the highest degree possible.

LESSEE is responsible for the janitorial services.

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

Administrative offices and the MAINTENANCE HANGAR are to be operated and maintained in a professional businesslike manner.

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

9.0 Leased Equipment. Included in this Lease are certain items of equipment incident to the operation of the MAINTENANCE HANGAR. Attached and marked Exhibit A is a list of the items of equipment which list may be added to from time to time during the term of the Lease by mutual agreement of the parties. All the items of equipment and personal property furnished to LESSEE shall be inspected by LESSOR and LESSEE prior to acceptance and use by LESSEE and determined by each to be in satisfactory condition and working order. Acceptance and use by LESSEE of any item of equipment or personal property or failure to immediately reject same shall constitute LESSEE's acquiescence that the equipment is in safe, proper working order. It shall be LESSEE's responsibility to keep all equipment subject to this Lease in a safe condition and proper working order and to return same to LESSOR at the termination of the Lease 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 LESSEE to repair or replace said equipment. It shall be LESSOR's option to repair or replace said equipment.

10.0 Indemnification. LESSEE does hereby agree to indemnify and hold harmless LESSOR 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 in MAINTENANCE

HANGAR premises. This indemnity clause shall cover all items of personal property or equipment whether listed on Exhibit A or whether furnished to LESSEE at the beginning of the Lease or any time thereafter, or any replacement for equipment originally conveyed at the beginning of the Lease or any time thereafter, and shall also include any equipment owned or leased by LESSEE.

11.0 Approval of Events. LESSEE shall coordinate with the Airport Commission any public events that may be promoted or held at the MAINTENANCE HANGAR.

12.0 Signage. LESSOR may erect directional signs on the main thoroughfares to provide the public with a guide to the MAINTENANCE HANGAR.

13.0 Fixtures. Subject to approval by LESSOR, LESSEE may at its own cost and expense make certain specific modifications to the MAINTENANCE HANGAR subject to review by the Airport Commission and approval by the City.

14.0 Termination of Lease.

a) By LESSOR: In the event LESSEE shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against LESSEE and LESSEE thereafter is adjudicated bankrupt pursuant to such proceedings, or that any court shall take jurisdiction of LESSEE and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act, or that a receiver of LESSEE's assets shall be appointed, or that LESSEE shall be devised of its estate herein by operation of law, or that LESSEE shall fail to perform, keep or observed any of the terms, covenants or conditions herein contained, on its part to be performed, LESSOR shall give LESSEE 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 LESSEE, LESSOR may, after the lapse of said sixty (60) day period and prior to

the correction or curing of such condition or default, terminate this Lease by a thirty (30) day written notice to LESSEE.

Furthermore, at the exclusive option of LESSOR, with probable cause given to the LESSOR to LESSEE, this Lease may also be terminated by LESSOR giving to LESSEE a six (6) month written notice prior to the termination date. Furthermore, at the exclusive option of LESSOR, without probable cause given to LESSOR from LESSEE, this Lease may also be terminated by LESSOR giving to LESSEE a six (6) month written notice prior to the termination date and paying to LESSEE at the termination date the sum of \$500 per month for each and every month which remains on the Lease term, but no greater than twelve (12) months. Said “buy-out” provision described herein may be exercised by LESSOR, when it is deemed to be in the best interest of LESSOR 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 LESSOR shall terminate this Lease and any option for extension thereof.

b) By LESSEE: LESSEE may cancel this Lease, and terminate its obligation hereunder, by a one hundred twenty (120) day written notice given to LESSOR by LESSEE, 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 LESSEE 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 or MAINTENANCE HANGAR purposes;

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

4) the inability of LESSEE 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 LESSEE 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 LESSOR should create an Airport Authority and turn the operation of the Lebanon Municipal Airport over to said authority, the newly created authority will have the option to renegotiate the terms for the balance of the Lease upon ninety (90) days' notice to LESSEE.

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 Lease and may seek legal action to do so.

16.0 Mediation. Any disagreement between LESSOR and LESSEE as to the failure or non-compliance with any of the terms of this Lease, which has not been settled between the LESSOR or LESSEE within sixty (60) days, shall before any legal action go to mediation (unless public safety requires immediate legal action), LESSEE choosing a third person. If either the LESSOR or LESSEE 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. LESSEE shall assume and be responsible for the everyday operating expenses of the MAINTENANCE HANGAR, including the purchase of fuel supplies, payroll expenses, insurance requirements of employees, liability insurance and other business expenses incurred. LESSEE shall pay business creditors within a reasonable time. Failure to pay operating bills in a timely manner shall be a breach of this Lease.

18.0 Sublease or Assignment. LESSEE shall not at any time assign or sublease this Lease, or any part thereof, to any person or company without the express consent in writing of LESSOR. Any sale or change of _____, that will affect this Lease must have the recommendation of the Lebanon Airport Commission and the approval of LESSOR.

19.0 Inspection. LESSEE hereby grants to the Mayor of the City, or his designee, the authority to inspect all areas of the MAINTENANCE HANGAR during normal operating hours as the mayor may deem appropriate. The Commissioner of Public Services of the City, the Chairman of the Lebanon Airport Commission, or their designee(s), shall be the liaison party between LESSOR and LESSEE.

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

21.0 Mowing. LESSOR agrees to keep all non-leased MAINTENANCE HANGAR area mowed and well maintained and to keep all non-leased MAINTENANCE HANGAR facilities in good working order.

22.0 Litigation. In the event LESSOR must undertake litigation or collection activities concerning this Lease, and in the further event LESSOR is successful, LESSEE shall be responsible for reasonable attorney's fees and litigation expenses incurred.

23.0 Notice. Notices to LESSOR provided for herein shall be sufficient if sent by certified mail, postage prepaid, addressed to the Mayor and the Commissioner of Public Services for the City of Lebanon, City Administration Building, 200 North Castle Heights Avenue, Lebanon, Tennessee 37087; and notices to LESSEE, 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 LESSEE 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. LESSEE shall provide copies of such investigation and reports to the City of Lebanon Human Resources Department. LESSEE will keep the Lebanon 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. LESSEE acts as the day-to-day Airport manager on behalf of LESSOR. LESSEE is responsible for managing and operating the MAINTENANCE HANGAR in compliance with FAA, State of Tennessee (Aeronautics), and local rules and regulations.

LESSEE communicates specific requests with the Commissioner of Public Services or his designated agent and the chairman of the Lebanon Airport Commission.

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

LESSEE shall provide insurance for the protection of their personal property and site improvements against loss or damage by fire, lightning, storm or other casualty or theft. LESSOR shall not be responsible for theft or casualty loss sustained by LESSEE. LESSEE hereby agrees to hold LESSOR harmless for any loss except that occasioned by LESSOR's gross negligence. Furthermore, LESSEE shall keep in force at all times during this Lease a policy of insurance in the amount of the insurable value of the improvements on the premises and a liability policy in the amount of \$1,000,000.00 with LESSOR as a named insured.

27.0 "City" references approval by City Council upon review and recommendation of the Lebanon Airport Commission.

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

LESSOR:

LESSEE:

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 A

ITEMS INSTALLED IN THE MAINTENANCE HANGAR

Air Compressor

Security Camera System on Exterior of Building

DRAFT