

FIXED BASE OPERATOR'S LEASE AGREEMENT (SAMPLE)

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STATE OF _____

COUNTY OF _____

THIS LEASE AGREEMENT made this _____ day of _____, 19____, by and between the _____ (Name of Airport Owner), a municipal corporation, hereinafter called "Lessor" and _____ (Name of Fixed Base Operator), a corporation organized under the laws of the State of _____, hereinafter called "Lessee";

W I T N E S S E T H:

1. The Lessor does hereby demise and lease unto Lessee as a "Fixed Base Operator" a part of the _____ (Name of Airport) Airport, consisting of _____ square feet of land, shown in sketch marked Exhibit "A", dated _____, attached hereto and made a parthereof known as a "Land Use Map," upon which is shown the said area referred to above, and also other areas at said airport roughly indicated (subject to changes, additions or substitutions) designated for "general aviation" aeronautical activities, which areas are available on an equal basis to other qualified persons, firms or corporations who qualify as "Fixed Base Operators" at said airport.

2. Said premises are let for the purposes and upon the terms, conditions and provisions hereinafter set forth for a term of _____ years, commencing at midnight on the _____ day of _____, 19____, and terminating at midnight on the _____ day of _____, 19____, with the option on the part of Lessee to renew this lease for an additional period of _____ years (on terms and conditions agreed upon at time of renewal) by giving notice in writing to Lessor, not later than _____ days before the expiration of the original _____ period.

3. The hereinabove premises are demised to Lessee only for the uses and purposes of conducting thereon a fixed base operation for general aviation. The minimum standards for a "Fixed Base Operator" for general aviation at said airport are clearly established and defined by the Lessor and properly recorded in _____ (cite where recorded), a copy of which is attached as Exhibit "B". These minimum standards and requirements for fixed base operations shall be required of the Lessee and shall apply equally to all such fixed base operators at said airport. The Lessor specifically covenants and agrees that all such services defined in the above referenced minimum standards shall be confined to fixed base operators meeting said standards. Lessee covenants that its use and its customers' use of the airport property and facilities outside the area specifically

demanded herein shall be conducted in such a manner as to not interfere with the lawful use of said property and facilities by other persons.

4. Lessee covenants and agrees to furnish and make available to all persons so requesting all such aeronautical services on a reasonable and equal basis and expressly agrees that all such services and activities shall be furnished on a non-discriminatory basis. Lessee covenants to keep the leased area and premises in a neat and orderly manner, free of offensive or dangerous materials or conditions. Lessee covenants and agrees to conduct all such aeronautical activities and render such services in a reasonably safe and efficient manner. Lessee shall be responsible for the actions of all of his employees and shall render the Lessor safe and harmless from responsibility for any actions of negligence of Lessee's employees engaged in these aeronautical activities and services. Lessee will obtain at his own expense public liability insurance with limit of \$ _____ as to personal injury or death, and \$ _____ as to property damages, with the Lessor as additional named insured, to protect the Lessor from actions resulting in the operation of the airport. The Lessor shall be furnished a copy of said policy of insurance and shall be notified by the insurer prior to any lapse or cancellation. Upon lapse or cancellation of said insurance for any reason this lease shall immediately terminate and the relationship of landlord and tenant as between the parties shall thereupon cease.

5. The Lessor agrees that rates or charges for such activities and services shall be fixed by the Lessee subject to Lessor's written concurrence and approval of such rates and charges as to reasonableness. In the event of disputes as to the reasonableness of such rates or charges, it is expressly understood by Lessee that final determination shall be the right and responsibility of Lessor.

6. Lessee agrees to pay to the Lessor, on or before the _____ day of each calendar month during the term of this lease the following enumerated sums and amounts:

- a. _____ ¢ per gallon of aviation gasoline sold during the preceeding month.
- b. _____ ¢ per gallon of oil or lubricants sold during the preceeding month.
- c. _____ % of gross income from sale of aircraft.
- d. _____ % of gross income from sale of aircraft parts.
- e. _____ % of gross income from maintenance and repair of aircraft and engines.
- f. _____ % of gross income from charter flight service.
- g. _____ % of gross income from aircraft rentals.
- h. _____ % of gross income from pilot flight training.
- i. _____ ¢ per square foot of aircraft hangar rental space.
- j. _____ ¢ per square foot of tie-down space.

(Add or delete sub paragraphs as applicable. This instrument can be adapted to suit individual airports. Lessor may specify that Lessee is relieved of aforementioned financial obligations until reaching a level of gross income of _____ for each twelve month period commencing with effective date of this lease. Upon reaching aforementioned level of gross income, Lessee is subject to payment of sums as designated above for the remainder of the twelve month period.)

OR

Lessee agrees to pay Lessor, on or before the _____ day of each calendar month during the term of this lease, the sum of _____.

7. The Lessee shall keep books and records of the operation of said Fixed Base Operations, which shall be available at all times for inspection by Lessor, and an audit of such books and records may be made by Lessor at any time. An annual financial statement shall be tendered to Lessor, such statement to include a profit and loss statement with complete information on income and disbursements.

8. Lessor shall have the right upon thirty (30) days notice to Lessee, to terminate this agreement at any time after the occurrence of any one or more of the following:

- (a) Non-payment of rental due to be paid under the terms of this lease and such non-payment continuing for a ten (10) day period following the date upon which any such payment is due.
- (b) Institutions of voluntary or involuntary bankruptcy by or against Lessee.
- (c) Assignment by Lessee for benefit of creditors.
- (d) Abandonment by Lessee of and discontinuance of operations hereunder.
- (e) Breach of any covenant of this agreement and failure of Lessee to remedy such breach for a period of thirty (30) days after the receipt of written notice from Lessor of the existence of such breach.

9. (Optional) Lessee agrees to furnish heat, water, electricity, janitor service and trash disposal for leased areas, and be entirely responsible for maintenance for all leased structures, ground areas and paved areas.

10. Lessor may at all reasonable times make periodic inspection of the premises to determine that such are being maintained in a neat and orderly condition. Lessee will be required to make any improvements in cleaning or maintenance methods as are reasonably required by Lessor.

11. The Lessee agrees to share the above premises with other operators and fixed Base Operators with whom the city may have contracts with in the future. This lease is not to be taken as an exclusive lease barring any other Operator or fixed base operators.

12. Lessee agrees to observe and obey any and all reasonable rules and regulation adopted by Lessor with respect to use of the airport, provided such rules and regulatio do not unduly restrict Lessee's operations, and all applicable federal, state and local governmental rules and regulations.

13. The Lessee shall not have the right to subcontract or assign the whole or any part of Lessee's rights and privileges under this lease without the written approval of the Lessor. The subcontracting or assigning of any or all of the Lessee's rights and privileges of this lease shall in no way relieve Lessee of any obligations, responsibili or liability imposed upon Lessee by this lease.

14. It is expressly agreed by Lessee and the Authority that all rights, privileges and liabilities imposed on both parties by this lease are subject and subordinate to any conditions, restrictions, limitations, rules or regulations of any agreement or contract pertaining to said airport between the United States Government or any Department or Agency thereof having jurisdiction over said airport and the Lessor, and to rules and regulations of the Office of Aeronautics of the Transportation Department of the State of Tennessee.

15. It is agreed and understood between the parties that during the term of this Agreement or any renewal thereof, the Federal Aviation Administration, the Tennessee Office of Aeronautics, or any other federal or State agency shall be permitted to enter said premises and to make any improvements to or on said Airport.

16. The Lessee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed maintained, or otherwise operated on the said property described in this Lease for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requiremen imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office 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.

That in the event of breach of any of the above nondiscrimination covenants, the _____ shall have the right to terminate the Lease and to re-enter and repossess said land and the facilities thereon, 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 are followed and completed including exercise or expiration of appeal rights.

The Lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race or color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office 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 Regulation may be amended.

That in the event of any of the above nondiscrimination covenants, the Lessor shall have the right to terminate the Lease and to re-enter and repossess said land and the facilities thereon, 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 are followed and completed including exercise or expiration of appeal rights.

In witness whereof, the _____, State of Tennessee and _____ have each caused this instrument to be executed and their respective seals to be hereunto fixed and attested by their appropriate officers as representatives on the _____ day of _____, 19 _____.

ATTEST: _____

BY: _____
LESSOR

ATTEST: _____

BY: _____
LESSEE