

AGREEMENT

This **AGREEMENT** is made, effective as of the 19th day of APRIL, 2010, by and between **CROSSVILLE AERO, LLC, a Tennessee limited liability company**, to be the Fixed Base Operator/Manager ("Operator"), and the **CITY OF CROSSVILLE, TENNESSEE** ("City"), a municipal corporation located in Cumberland County, Tennessee, organized and existing under the laws of the State of Tennessee.

WITNESSETH:

WHEREAS, the City of Crossville, of the County of Cumberland, being a municipality created under and pursuant to the laws of the State of Tennessee, owns and operates by and through the City Council ("Council"), a duly constituted public body corporate, politic and agent of the City of Crossville ("City"), a public airport known as the Crossville Municipal Airport, hereinafter referred to as the "Airport" and including the "Property"; and

WHEREAS, the Operator desires to perform fixed base operations and other duties and functions pursuant to the terms hereinbelow and the City desires Operator to perform such operations and duties.

NOW, THEREFORE, for and in consideration of the mutual covenants and benefits set forth below, and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

SECTION ONE GENERAL TERMS

1. Operator agrees to pay to City the amount of Five Hundred & no/100 (\$500.00) per month for the use of all airport facilities mentioned herein, to be paid to the City by the tenth of each month, continuing through the duration of this Agreement. Operator will direct the operation and maintenance of the airport facilities defined in Section One, Subsection 6. It is fully acknowledged and agreed between the parties that the final decisions on all problems relating to the operation and management of the Airport will be made by the City through its Council, or where specifically delegated by the Council to the City Manager or his designee. (Operator shall receive a credit against the rental obligation above for all rental amounts, if any, paid by the Tennessee Highway Patrol for the use of space and facilities for its helicopter operation.)

2. Operator agrees to provide the usual and customary services for aircraft and to make available the usual and customary aviation fuels, lubricants, minor parts and accessories at said airport at reasonable prices, and to have properly trained line personnel on duty at least eight hours of every calendar day, seven days a week, and on call by readily accessible telephone at all other hours during the day or night.
3. Operator agrees to provide an adequate area for visiting pilots to tie down and care for their own aircraft.
4. Operator will provide first class A & P service at said airport at a reasonable cost for a minimum of five (5) days per week, or as needed.
5. Operator will purchase and maintain comprehensive general liability insurance coverage for a minimum of One Million (1,000,000.00) Dollars, combined single limits, and naming the City as an additional insured.
6. Operator shall be entitled to use the old and new hangars, except for the T-Hangars. He shall also be entitled to use the T-Hangar storage room nearest the gasoline pumps, and shall receive all profits derived from the rental of regular hangar space (not T-Hangars), all overnight hangar and tie down fees, the sale of fuels, lubricants, parts, accessories, aircraft, soft drinks, and other such concessions operated within his portion of the facilities, and to charges made on aircraft repair, service, charter flights, airplane rental and flight instruction given by Operator. All T-Hangar fees will be paid directly to the City by the occupant of each T-Hangar.
7. Operator agrees to pay all utility bills incurred by operation of the facility with the exception of utilities used in the operation of runway, taxiway, terminal building, T-Hangars, and beacon lights, which utilities shall be paid by the city.

SECTION TWO GENERAL QUALIFICATIONS OF OPERATOR

It is agreed by and between the parties that Operator is a General Fixed Base Operator, as used in this Agreement, and as such, it is authorized to engage in and furnish a full range of aeronautical activities and services which shall include, as a minimum, the following:

1. Sale and dispensation of aviation gasoline fuels and oils;
2. Aircraft storage consisting of tie-down spaces for a minimum of 10 aircraft;
3. Adequate and efficient ramp service;

4. Capability to perform FAA approved major and minor aircraft, engine, and accessory maintenance and to furnish all necessary tools and equipment; and,
5. Basic flight training;
6. Ground transportation;
7. Provide instrument certified rental aircraft;
8. Provide pilot services for aircraft owners and companies owning aircraft based at the Airport;
9. Provide rental cars for on-site rentals;
10. Maintain wireless internet services;
11. Maintain all buildings in a clean and professional condition;
12. Provide vending machines; and,
13. Provide an aircraft tug capable of moving and transporting all types of aircraft landing and being stored at the Airport.

SECTION THREE STANDARDS FOR SPECIFIC AERONAUTICAL SERVICES

It is agreed by and between the parties, that the CITY and OPERATOR shall meet the standard requirements as set forth below:

1. **Fuel and Oil Sales.** Persons conducting aviation fuel and oil sales on the airport shall be required to provide and/or maintain:
 - a) Operator shall purchase fuel from a national oil company and shall pay a fuel flow fee to the City of Five (5) cents per gallon.
 - b) Properly trained line personnel will be on duty from 8:00 o'clock, A.M., until dusk every calendar day of the year except Thanksgiving and Christmas, and on call by readily accessible telephone at all other hours during the day or night;

- c) Proper equipment for repairing and inflating aircraft tires, servicing oleo struts, changing engine oil, washing aircraft and aircraft windows and windshields, and for recharging or energizing discharged aircraft batteries and starters;
- d) Adequate towing equipment and parking and tie-down area to safely and efficiently move aircraft and store a minimum of ten (10) aircraft in all reasonably expected weather conditions;
- e) Adequate inventory of generally accepted grades of aviation engine oil and lubricants;
- f) In conducting refueling operations, each operation shall use adequate grounding facilities at fueling locations to eliminate the hazards of static electricity, and shall insure that approved types of fire extinguishers or other equipment commensurate with the hazard involved in refueling and servicing aircraft are available; it being understood that the City shall provide said extinguishers
- g) Regarding environmental damage responsibility for spillage, Operator shall be responsible solely and completely for the operation of the City fuel tanks. Routine maintenance of the fuel facilities will be coordinated with the fixed base operator. City shall at all times maintain current all licenses and permits required by the State of Tennessee and U.S. government relative to the operation or maintenance of said fuel tanks. Operator shall be solely responsible for any environmental harm that might come to the real property of the City while fueling planes and shall be solely responsible for any cleanup that might be required by any State or Federal agency or governmental entity. Operator agrees to save and hold harmless the city from any and all such liability and from any and all cleanup that may be mandated by any said State or Federal agency or entity, including any costs for engineering services that the City might incur in the necessary defense of any mandated cleanup. Nothing in this section shall be construed to mean that Operator shall be responsible for environmental damage as a result of tank leakage. Notwithstanding any term or provision herein to the contrary, Operator shall have neither responsibility nor liability under this paragraph in the event that equipment or fixtures provided by the City were defective, and said defect was the proximate cause of the damages or costs contemplated herein. The fuel tanks are deemed to be the equipment and fixtures of the City.

2. Aircraft Engine and Accessory Maintenance. All persons operating aircraft engine and accessory maintenance facilities shall provide:

- a) Sufficient hangar space to house any aircraft upon which such service is being performed;

- b) Suitable storage space for aircraft awaiting maintenance or delivery after repair and maintenance have been completed;
- c) Adequate shop space to house the equipment and adequate equipment and machine tools, jacks, lifts, and testing equipment to perform top overhauls as required for FAA certification and repair of parts not needing replacement on all single engine land and light multi-engine land general aviation aircraft;
- d) At least one FAA certified air frame and engine mechanic available during eight hours of the day, at a minimum of five days per week;
- e) Service and Facilities for washing and cleaning aircraft;
- f) Separately partitionable space with adequate exhaust fans and fire protection for spray painting, if this type work is performed.
- g) Provide a manual for all aircraft upon which maintenance will be performed;
- h) Maintain a stock of readily expendable spare parts, or adequate arrangements for securing spare parts required for the type of aircraft and models serviced; and,
- i) Provide pilot supplies, including, without limitation, charts, maps, plates, textbooks and appropriate needed equipment and supplies.

The City shall continue to supply and provide cleaning supplies and condiments, as it currently does as of the date of this Agreement, and the City will continue to pay all utility bills associated with the Airport and its operation.

3. Basic Flight Training. Operator shall provide, at a minimum, the following for basic flight training activities:

- a) At least one properly certified flight instructor for single engine land and multi-engine airplanes;
- b) At least one IFR single engine land aircraft properly equipped and maintained for flight instruction and rental purposes and such additional types of aircraft as may be required to give flight instruction of the kind advertised;
- c) Continuing ability to meet certification requirements of the FAA for the flight training proposed;
- d) Adequate public liability and property damage insurance sufficient to protect the operator and the city from legal liabilities involved; and

**SECTION FOUR
FURTHER DUTIES OF THE OPERATOR**

In addition to those duties hereinabove enumerated, the parties agree that the Operator shall be responsible for the following activities and duties, including, but not limited to:

1. Operator shall at all times keep and maintain around all the airport premises defined in Section I, Subsection 6, free and clear of any dumps, garbage or other matter of similar or dissimilar character tending to render the premises unsightly, unsanitary, or unsafe for use as an airport.
2. Operator shall service accidents and remove damaged planes.
3. Issue NOTAMS (closing, opening, etc.).
4. Operator shall keep aprons and tie-down areas clear of excessive automobile traffic and parking. Operator shall have and maintain a minimum of 10 tie-downs.
5. Operator shall submit monthly reports on total fuel sales (gasoline and jet fuel) to the City by the 10th day of each month for the preceding month.
6. Operator shall be responsible for Unicom Radio Communications during hours of operation.

**SECTION FIVE
LENGTH OF AGREEMENT**

This Agreement shall be in effect for two (2) years from the date of execution of this Agreement with renewal options for five additional terms of two (2) years per each term, all of the terms and provisions of this Agreement to apply to and govern the relationships between the parties for each such extension. If the Operator desires to renew this Agreement as contemplated hereinabove, Operator must notify the City, in writing, of its desire to renew and forward such notification to the City by Registered United States Mail, Return Receipt Requested, prior to the last sixty (60) days of the current term of the Agreement.

Renewed for 2 yrs 4/10/12

**SECTION SIX
MODIFICATION OF AGREEMENT**

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if in writing signed by each party or an authorized representative of each party.

This contract is not assignable in whole or in part, and the Operator will not have the right to sublet any part of the facilities or any services thereof without the prior written consent of the City.

**SECTION SEVEN
TERMINATION**

This contract constitutes the entire agreement between the parties, and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement.

In the event that Operator is in default of any responsibility or obligation hereunder, the City may, at its election, forward notice of default to Operator providing Operator thirty (30) days from the date of said notice to correct or remedy said default and, if Operator does not successfully correct or remedy said default within said period of thirty (30) days, City may, at its sole election, terminate this agreement by providing written notice of termination to Operator and so terminate this Agreement not less than thirty (30) days from the date of said notice of termination. Operator may terminate this Agreement with or without cause, but, only upon providing thirty (30) days notice to City of Operator's intention to terminate this Agreement.

**SECTION EIGHT
ADDITIONAL TERMS**

1. City shall not be liable for any claims for damages which may arise from the exercise by Operator of the rights herein granted, or for damages or compensation either to the employees of Operator or to third parties, whether arising under any Workmen's Compensation, Employer's Liability, or Occupational Disease Acts of the State of Tennessee, or of the United States, or otherwise, whether of like nature or not. Operator further agrees to defend, indemnify, protect and hold City harmless from and against any and all claims, demands, suits, actions, causes of actions, orders, expenses, and from any resulting judgments or decrees, settlements, fines, penalties, attorney's fees and other litigation expenses, including expert witness or consultant fees, for personal injury, property damage, or as a result of governmental enforcement action, asserted by any third party, any

employee or contractor of Operator, or any governmental agency, instrumentality, or entity, because of any act or acts of Operator, its employees or agents or arising in any way from Operator's activities, operations or presence upon the Airport, Property or any portion thereof, whether same occur pursuant to provisions and terms of this Agreement or not, and including any claims alleging or based upon negligence of City, or the concurrent negligence of City and Operator, so long as such claim arises from the operations, activities or presence of Operator upon the Airport or Property; without in any way limiting the generality and comprehensiveness of the foregoing, it is expressly agreed between the parties that the foregoing indemnification obligation of Operator shall cover and include any claim for environmental damage or harm, whether underground or above ground, upon the premises. For the purposes aforesaid, Operator agrees to carry liability insurance coverage as will fully protect City, as determined by City, and Operator agrees to purchase and maintain such insurance and to have City named as an additional insured under said insurance and to furnish City with a certificate of such insurance to indicate coverage during the term of this Agreement, provided, however, that Operator's indemnity obligations hereunder shall exist regardless of existence or lack of insurance coverage. Such insurance coverage may be reviewed by City, from time to time, and updated as City deems necessary for its full protection.

2. Operator further agrees that upon the termination of this Agreement Operator will forthwith vacate the demised premises and surrender possession thereof without the necessity of any entry or any notice or demand or the institution of any legal proceedings whatsoever. Operator also waives any demand for payment of the sums payable under this Agreement which demand might otherwise be legally required.
3. The rights, duties, obligations and liabilities of the parties hereto shall be several and not joint or collective, it being the express purpose and intention of the parties hereto to create only a contract relationship between the City and Operator as an independent contractor with nothing herein contained ever being construed as creating a partnership duty, obligation or liability.
4. Operator warrants and represents that it is in compliance with the "Minimum Standards for Fixed Base Operators at Crossville Memorial Airport" adopted by the Council on February 12, 2008, and incorporated herein by reference as if copied herein verbatim ("Standards"), and that Operator, in addition to its duties and obligations hereinabove, will remain in compliance with said Standards throughout the term of this Agreement and fulfill the terms and provisions of said Standards. To the extent that the Standards place additional or extended obligations on the Operator not otherwise contained in this Agreement, Operator shall abide by all additional and extended obligations of said Standards, which are incorporated herein by reference thereto, and this Agreement.
5. Operator shall submit its annual budget requests, if any, to the City Manager in the fashion and time as other Department Heads of the city and shall report to the office of the city

Manager with regard to authority, if any, for matters which fall outside the confines of this Agreement, and, generally, shall report to the City Manager with regard to communication with, reports to, and requests of the City.

6. If, during the term of this Agreement and any extension thereof, or at termination of the same, Operator desires to sell any item of, or all of, airport equipment, Operator shall first offer said equipment to the City by written notice delivered via first class mail, return receipt requested, which equipment the city shall have the right to purchase for a price no greater than that for which the City sold the same to Operator. City shall have thirty (30) days from receipt of said written notice of intent to sell, as indicated by the date on the return receipt executed by the City's lawful agent, to make said repurchase, but, if the City does not repurchase within said period of thirty (30) days, Operator may sell said equipment to any third party.

**SECTION NINE
MANAGEMENT FEE**

The City shall pay unto the Operator during the term of this Agreement and, any extension thereof, an annual management fee of \$79,000.00 to be paid in twelve equal monthly installments on the first day of each month during the term of this Agreement, the first of such monthly fees to be paid upon execution of this Agreement by the City retroactive for March 1, 2010. For said fee, Operator will provide all management services for the City with regard to its airport, including the traditional management duties associated with the same, as an independent contractor of the city. Operator agrees to abide by all applicable rules, statutes, and regulations in said capacity and to attend all necessary meetings, conferences, and continuing education for the same, except that the city hereby agrees to reimburse Operator for all reasonable expenses, fees and costs associated with said attendance and education.

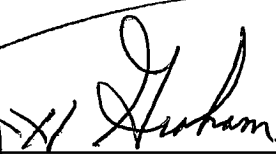
EXECUTED, in duplicate, on the day and date first above written.

OPERATOR

CITY OF CROSSVILLE

CROSSVILLE AERO, LLC,

By: 

By: 

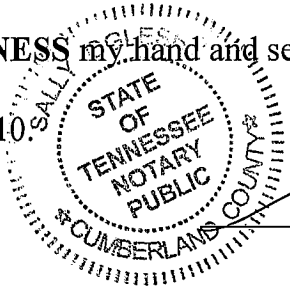
Its: Owner

Title: MAYOR

State of Tennessee)
)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared **J. H. Graham, III**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Mayor of the City of Crossville, and that he as such Mayor, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the City of Crossville by himself as such Mayor.

WITNESS my hand and seal of office this the 13th day
of APRIL, 2010.



Sally Oglesby
NOTARY PUBLIC

My commission expires: 2/5/13

State of Tennessee)
)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared CHRIS BENNETT, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged HIMSELF to be OWNER of **Crossville Aero, LLC**, and that he as such OWNER, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of Crossville Aero, LLC, by himself as such OWNER.

WITNESS my hand and seal of office this the 19th day
of APRIL, 2010.

Sally Oglesby
NOTARY PUBLIC

My commission expires: 2/5/13

